

## CHAPTER 6.00 – PERSONNEL

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

6.216

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 sixty (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.

- 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. Certain K-12 instructional personnel may be permitted to extend DROP participation for up to an additional 36 months upon authorization from the District and approval by the division.
- III. Benefits Payable
  - A. Sick Leave - Employees will be paid terminal pay for accumulated sick leave at retirement, or, if service is terminated by death, to his/her beneficiary. Upon election to participate in DROP, and based upon the employee established deferred termination date, previously accumulated sick leave shall be paid directly to the School Board approved IRS 401(A) plan:
    1. Deferred Termination Date: Payment Schedule
      - a) 0 through 12 months-  
1 lump payment in the month following the last day worked
      - b) 13 through 24 months-  
50% at the end of the first 12 months and final payment in the month following the last day worked.
      - c) 25 through 36 months-  
33-1/3% at the end of each 12 months period and final payment in the month following the last day worked.
      - d) 37 through 48 months-  
25% at the end of each 12 months period and final payment in the month following the last day worked.
      - e) 49 through 60 months-  
20% at the end of each 12 months period and final payment in the month following the last day worked.

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2. Sick leave will be earned during DROP as prescribed by state statutes.
  - ~~3. It is in the intent of this policy that an individual entering DROP will be allowed to use sick leave, which was accrued prior to their retirement and entrance into DROP. The procedures for utilization of such leave shall be as follows:~~
    - ~~a) Sick leave earned prior to DROP shall be calculated in accordance with School Board Policy.~~
    - ~~b) The value of each sick day will be computed according to the salary established at the time of entry into DROP. Should a DROP participant use a sick day(s) accrued prior to entrance into DROP, the monetary value of their remaining sick days shall be reduced by the value of the sick days used.~~
    - ~~c) Final adjustments in the total amount of compensation for accrued sick leave will be made prior to the final payment at the end of DROP.~~
- B. 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~~ the value of accrued annual leave in accordance with Board policy shall be calculated made in the last paycheck prior to the effective beginning date of DROP and deposited as soon possible into the tax deferral plan adopted by the school board, and shall then be paid to the employee in accordance with the terms of such plan.
1. Annual leave earned prior to entering DROP which exceeds the maximum ~~lump-sum payment~~ number of days of accumulated annual leave 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.
  2. Employees will earn annual leave during the DROP period as prescribed by Florida Statute, Board policy and/or union contract. Additional annual leave accumulated during DROP participation will not be paid to the employee or the School Board approved IRS 401 (A) plan 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 number of days lump-sum payment allowed by Board policy.

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

**LAWS IMPLEMENTED:** 121.091, 1001.43, F.S.

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