

## CHAPTER 6.00 – HUMAN RESOURCES

### 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 ninety-six (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. 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. DROP participation may be extended beyond the initial 96 calendar-month period if the instructional and administrative personnel's termination date is before the end of the school year. Instructional and administrative drop personnel may have DROP extended until the last day of the last calendar month of the school year in which their original DROP termination date occurred if their drop termination date is other than the last day of the last calendar month of the school year.
- III. Statutorily defined instructional personnel in grades K-12, authorized by the school superintendent, may extend DROP participation for up to an additional 24 months beyond the 96-month period.
- IV. 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.
    1. 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.

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- b. Sick Leave balances totaling 200 hours or less at the time of entering DROP will be available for use during the DROP period or for payout at the end of the DROP period, or upon leaving employment, whichever comes first. Sick Leave balances totaling 200 hours or less will be exempt from the payment schedule as described in section IV-A-1 of this policy. Sick Leave balances totaling more than 200 hours at the time of entering DROP will be subject to the payment schedule as described in section IV-A-1.
  - c. 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 day(s) used.
  - d. 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.
- 2. Sick leave will be earned during DROP as prescribed by Florida Statutes. Accumulated sick leave earned during DROP participation will not be paid to the employee at the end of their DROP participation.
  - 3. Upon election to participate in DROP, and based upon the employee established deferred termination date, previously accumulated sick leave not designated to be held for use during the DROP period shall be paid the employee according to the salary established at the time of entry into the DROP Program in the following prorated installments:

### 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

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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-month period and final payment in the month following the last day worked

- d. 37 through 48 months

25% at the end of each 12-month period and final payment in the month following the last day worked

- e. 49 through 60 months

20% at the end of each 12-month period and final payment in the month following the last day worked

- f. 61 through 72 months

16.67% at the end of each 12-month period and final payment in the month following the last day worked

- g. 73 through 84 months

14.29% at the end of each 12-month period and final payment in the month following the last day worked

- h. 85 through 96 months

12.5% at the end of each 12-month period and final payment in the month following the last day worked

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- 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 shall be made prior to the effective beginning date of DROP 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 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. 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 lump sum payment allowed by Board policy.

**STATUTORY AUTHORITY:** 1001.41, 1012.01, 1012.22, 1012.23, F.S.

**LAW(S) IMPLEMENTED:** 121.091, 1001.43, F.S.

**HISTORY:** **ADOPTED:** \_\_\_\_\_  
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