

September 9, 2014

SUBJECT:**ORIGINATING DEPARTMENT:****Payment for Unused Leave: FRS-Deferred Retirement Option Program (DROP)****Human Resources**

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POLICY

- a. Effective July 1, 1998 eligible Florida Retirement System (FRS) members may choose to participate in the Deferred Retirement Option Program (DROP). The DROP is an alternative method of payout of retirement benefits for up to 60 months after a member reaches his/her normal retirement date. The DROP allows an employee to save (accumulate with interest) all retirement benefits payable during the DROP period, while continuing employment and receiving a salary as if no retirement had occurred. (NOTE: The County's contribution rate for a DROP participant will be adjusted in the percentage amount provided for in the FRS regulations.) At the end of the DROP period, the employee must terminate his/her employment. At that time, the employee receives payment for accumulated DROP benefits and begins receiving monthly retirement benefits.
- b. It shall be the policy of the Board of County Commissioners to permit an employee who elects to participate in DROP to receive payment for unused accrued annual leave and to continue to accrue leave during the DROP period as follows:

PROCEDURE:

An employee who terminates County employment to participate in DROP may select one of the options listed below:

ANNUAL LEAVE

OPTION 1. The employee requests payment for unused annual leave at the time of termination. This lump sum payment is credited as earnings for the purpose of calculating the employee's average final compensation and is used to determine the employee's retirement benefits.

Upon entering DROP, the employee continues to accrue annual leave based upon his/her length of service. The amount of unused annual leave that can be carried over from one calendar year to the next calendar year will be limited to one year's accrual. In addition, all accrued annual leave must be taken by the end of the DROP period. No lump sum payment will be made for unused accrued annual leave.

OPTION 2. The employee decides not to receive payment for unused annual leave at the time of termination. During the DROP period, the employee continues to accrue annual leave at the accrual rate based upon the employee's length of County service. At the end of the DROP period, the employee is entitled to payment for all unused accrued annual leave.

SICK LEAVE

No payment for unused accrued sick leave will be made to an employee who terminates employment and immediately begins participation in DROP. At the end of the IDROP period, payment for all unused accrued sick leave will be made according to the Employee Handbook.

The County Human Resources Department will explain the above options to eligible employees.

For additional information, please contact the Human Resources Department.

FOOTNOTES & REFERENCES TO RELATED AR's: Supersedes AR 7.19 dated June 2, 1998; AR 7.19-1 dated December 8, 1998.