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## State retiree loophole costs Florida \$300M a year

**Rule lets employees "retire" with pensions and still get salaries.**

By Lucy Morgan, Times Senior Correspondent

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TALLAHASSEE -- A growing number of elected officials are quietly taking advantage of a loophole carved into the state retirement law a few years ago that allows double dipping -- collecting a state pension while still getting a regular paycheck from taxpayers.

The cost of pensions for "retirees" who have returned to the payroll was around \$300-million last year, according to the Florida Retirement System.

Records indicate that 211 elected officials in Florida -- including legislators, judges, sheriffs, circuit clerks, school board members and county commissioners -- have taken advantage of the benefit. Thirty-one signed up in the past six months.

Another 203 senior management employees and more than 7,763 regular state employees are collecting retirement benefits and full-time paychecks.

Collier County Judge Eugene C. Turner, first elected in 1983, won re-election in May 2006. He resigned effective Nov. 30 and returned to the bench Jan. 1, without any public announcement. He didn't even tell Collier Circuit Clerk Dwight Brock, who continued to assign him cases.

It was only last week, after a reporter's inquiries, that Brock discovered that Turner had retired for a month. "This was the best-kept secret in Collier County," Brock said.

Turner collects retirement benefits of \$7,700 a month on top of his annual salary of \$145,080.

Turner says he saved the state money by taking a month off, investing his own retirement money and accepting a retirement benefit that will not increase. He said he made sure other judges handled his cases the month he was gone.

Why didn't he inform the court clerk that he was going to be retired that month? Said Turner: "I didn't tell the school board or the tax collector either."

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The loophole was created, as are so many in Tallahassee, on the last night of a legislative session, when few people notice what gets into bills flying through legislative hallways.

In 2001, lawmakers quietly amended a retirement bill, allowing elected officials to receive retirement benefits as well as regular pay while remaining in the same job. Sponsors said they were trying to help a few lawmakers who had been on school district payrolls before they won election to the Legislature.

Sen. Mike Fasano, R-Port Richey, at the time a House member handling the retirement bill, said he did not realize that a fellow member's last-minute amendment would help so many people collect so much money.

"This is absolutely not what the Legislature intended," he said this week. "It's so sad when you have elected officials who want to take advantage of this."

Fasano said the law should be changed so public officials get either a salary or a pension, but not both. "They are taking advantages of some glitches in the law, and they know they are."

Most state employees getting a salary and a pension are enrolled in the state's Deferred Retirement Option Program, called DROP. It was created in 1998 to encourage retirement of highly paid, senior employees to make room for advances among younger, lower-paid employees.

To enter, employees who reach retirement age or 30 years of employment agree to retire within five years. When they leave the program they usually collect hundreds of thousands of dollars in deferred compensation.

With a supervisor's permission, nonelected employees must remain off the payroll for 30 days before they return to work. They also forfeit retirement benefits for a year.

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Among the double dippers, the top moneymaker is Miami Dade Community College president Eduardo J. Padron.

On May 31, 2006, he terminated his participation in DROP, collected \$893,286 in lump sum benefits and began receiving \$14,631 a month in retirement pay. He still collects his annual salary of \$328,860.

A spokesman for Padron said the president was asked to return to the job when he told board members he was retiring. Said communications director Juan Mendieta, "The process is perfectly legal and acceptable."

Former House Clerk John Phelps retired in 2005, took a month off and returned briefly to his old job at the request of House Speaker Allan Bense. Now he gets \$5,728 a month retirement and a \$138,138 salary as curator of the Historic Capitol.

Longtime Pasco Circuit Clerk Jed Pittman gets \$6,242 a month retirement on top of his \$136,576 salary. "It was there, and I wasn't ready to totally retire," he said. "So I took advantage of it. It's been a godsend to me."

Pasco County Commissioner Ann Hildebrand collects a monthly retirement check of \$2,778, plus an annual salary of \$78,895. She collected \$143,196 in deferred compensation when she "retired" in 2005.

Hildebrand said she has explored ways to return some of her salary but hasn't found a way to give it back without having to pay income tax on the money.

Pinellas-Pasco Circuit Judge Ray E. Ulmer Jr. said he signed up for the program on the advice of state court officials

when he had 30 years in the state retirement system. He wasn't ready to retire but thought "it would be foolish from a business standpoint not to do it."

Ulmer gets \$10,408 a month in retirement in addition to his annual salary of \$143,684. He also got \$127,335 in deferred compensation. "I hope they don't take it back," Ulmer joked. "I have developed a certain standard of living."

Pinellas Property Appraiser Jim Smith said he entered the DROP program when he thought he was about to be term-limited out of office and thought he had been lucky to get the additional money. Smith gets retirement pay of \$6,681 a month and a salary of \$148,335. He took home \$423,157 in deferred compensation in 2006.

Some officials collecting two paychecks retired from one government job before being elected to another. Sen. Charlie Dean, R-Inverness, retired as Citrus County sheriff in 1996 and started drawing a \$7,516-a-month pension before he was elected to the Legislature in 2002.

Five other senators and 10 House members all get state pensions based on longtime government employment plus annual salaries of \$31,000 for work as part-time lawmakers.

Pinellas Sheriff Jim Coats says he had enrolled in a state retirement program before he ran for sheriff in 2003. Now, on top of his annual salary of \$158,931, he collects \$8,958 in retirement pay that is based on more than 30 years as a deputy. As he retired he collected \$382,256 in deferred compensation.

Twenty-two sitting judges are double dipping, including Supreme Court Justice Harry Anstead. He collected \$426,852 in deferred compensation, gets \$7,596 a month retirement plus his \$161,083 annual salary.

Anstead was chief judge when he collected retirement benefits in 2004. He decided to remain on the court after lawmakers tried to force him off the bench so Gov. Jeb Bush could appoint his replacement. Now he's scheduled to retire in January 2009.

The retirement payments are among the best-kept secrets in state government. When the St. Petersburg Times asked for a list of elected officials and senior management officers who are double dipping, the Department of Management Services said retiree lists are exempt from the public records law.

Gov. Charlie Crist ordered the list released. "These people aren't retired," said his public records "czarina," Pat Gleason. "They are formerly retired persons, and the statute was not designed to protect them, in my opinion."

Some information remains secret. When officials choose an investment plan instead of a pension and deferred compensation, the law exempts all information from the public record. That left the Times unable to identify the benefits received by about 45 of the state's double dippers.

Shown the newspaper's findings, Senate President Ken Pruitt was livid. He said those who have abused the retirement program may well have "killed the goose that laid the golden egg."

With budget shortfalls facing lawmakers, this is a perfect time to look at reforming the system, he said. "I wonder how many good professionals never got the opportunity for these positions because the people who had been there pushed them aside. This is totally unfair."

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