

**SB 1114** by **CA**; (Compare to H 5005) Florida Retirement System

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636584	PCS:A	S	WD	GO, Ring	Delete L.230:		04/10 12:27 PM
255982	PCS:A	S	WD	GO, Simmons	Delete L.291 - 293:		04/10 12:27 PM
904516	PCS:A	S	WD	GO, Montford	Delete L.7:		04/10 12:27 PM
927262	PCS:A	S	RCS	GO, Ring	Delete L.311 - 993:		04/10 12:27 PM
597574	PCS:A	S	WD	GO, Ring	Delete L.230:		04/10 12:27 PM
778906	PCS:A	S	RCS	GO, Ring	Delete L.230:		04/10 12:27 PM
593622	PCS:A	S	WD	GO, Ring	Delete L.524 - 544:		04/10 12:27 PM

**CS/SB 1320** by **BI, Richter**; (Similar to CS/CS/H 1269) Public Records/Office of Financial Regulation

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**SB 762** by **Detert**; (Similar to CS/H 0715) Family Care Councils

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**SB 1234** by **Bullard**; (Similar to CS/CS/H 0041) Florida Law Enforcement Officers' Hall of Fame

**SB 1700** by **Bean**; (Compare to H 0859) Public Records/Personal Identifying Information/Compassionate Use Registry

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**  
**GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY**  
**Senator Ring, Chair**  
**Senator Hays, Vice Chair**

**MEETING DATE:** Thursday, April 10, 2014  
**TIME:** 9:00 —11:00 a.m.  
**PLACE:** Pat Thomas Committee Room, 412 Knott Building

**MEMBERS:** Senator Ring, Chair; Senator Hays, Vice Chair; Senators Bean, Benacquisto, Bradley, Hukill, Montford, Simmons, and Smith

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
<p><b>A proposed committee substitute</b> for the following bill (SB 1114) is expected to be considered:</p>			
1	<p><b>SB 1114</b>            Community Affairs            (Compare H 5005, H 7173, S 184,            S 2506, Link S 1112)</p>	<p>Florida Retirement System; Requiring the Trustees of the State Board of Administration to establish the Florida Retirement System Cash Balance Plan; requiring employees and employers to make contributions for funding the plan; providing that the plan provide a lump-sum or annuity benefit; providing procedures for employees who are members of the pension plan or investment plan before a certain date to transfer to the cash balance plan; providing procedures for employees employed after a certain date to be enrolled in the investment plan or cash balance plan, etc.</p> <p>GO 04/10/2014 Fav/CS            AP</p>	<p>Fav/CS            Yeas 7 Nays 2</p>
2	<p><b>CS/SB 1320</b>            Banking and Insurance / Richter            (Similar CS/CS/H 1269, Compare            CS/CS/H 1267, Link CS/S 1238)</p>	<p>Public Records/Office of Financial Regulation; Providing an exemption from public records requirements for certain information held by the Office of Financial Regulation relating to a family trust company, licensed family trust company, or foreign licensed family trust company; providing for future legislative review and repeal of the exemption; providing for additional authorized release of certain information by the office; providing for production of certain confidential records pursuant to legislative subpoenas; providing a statement of public necessity, etc.</p> <p>BI 03/25/2014 Fav/CS            GO 04/10/2014 Fav/CS            RC</p>	<p>Fav/CS            Yeas 9 Nays 0</p>
3	<p><b>SB 762</b>            Detert            (Similar CS/H 715)</p>	<p>Family Care Councils; Revising the membership of the family care council within each service area of the Agency for Persons with Disabilities, etc.</p> <p>CF 03/04/2014 Favorable            GO 04/10/2014 Fav/CS</p>	<p>Fav/CS            Yeas 9 Nays 0</p>

**COMMITTEE MEETING EXPANDED AGENDA**

Governmental Oversight and Accountability  
Thursday, April 10, 2014, 9:00 —11:00 a.m.

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	<b>SB 1234</b> Bullard (Similar CS/CS/H 41)	Florida Law Enforcement Officers' Hall of Fame; Establishing the Florida Law Enforcement Officers' Hall of Fame; providing for administration of the hall of fame by the Department of Law Enforcement; directing the Department of Management Services to designate a location; establishing procedures for selection, nomination, and induction of members, etc.  CJ 03/24/2014 Favorable GO 04/10/2014 Favorable AP	Favorable Yeas 9 Nays 0
5	<b>SB 1700</b> Bean (Compare H 859, S 962, Link CS/S 1030)	Public Records/Personal Identifying Information/Compassionate Use Registry; Exempting from public records requirements personal identifying information of patients and physicians held by the Department of Health in the compassionate use registry; exempting information related to ordering and dispensing low-THC marijuana; providing for future legislative review and repeal; providing a statement of public necessity, etc.  HP 04/01/2014 Favorable GO 04/10/2014 Favorable RC	Favorable Yeas 8 Nays 1

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Other Related Meetings Documents

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**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

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BILL: PCS/SB 1114 (776102)

INTRODUCER: Government Oversight and Accountability Committee

SUBJECT: Florida Retirement System

DATE: April 9, 2014

REVISED: 04/09/14

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	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	White	Yeatman		<b>CA SPB 7046 as introduced</b>
1.	McVaney	McVaney	GO	<b>Pre-meeting</b>
2.			AP	

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

PCS/SB 1114 makes the following changes to the Florida Retirement System (FRS), **for members initially enrolled in the FRS on or after July 1, 2015:**

- Mandates that Elected Officers' Class and Senior Management Service Class members may only join the investment plan;
- Changes the default for members who do not affirmatively choose a plan from the pension plan to the investment plan;
- Closes the Senior Management Service Optional Annuity Program to new members; and
- Changes the vesting period in the pension plan from 8 to 10 years;
- Changes the out of service disability retirement vesting period from 8 to 10 years.

The bill also lowers the employee's contribution rate from 3% to 2% for all members of the investment plan. However, the overall amount transferred into the investment plan member's account remains the same – with an increase in the employer contribution being substituted for the decrease in employee contribution.

The overall actuarial impact of this legislation on the Florida Retirement System is expected to be insignificant in FY 2014-15 and \$48.8 million in FY 2015-16. The actuarial impacts for later periods will be determined in the subsequent annual valuations.

## II. Present Situation:

### The Florida Retirement System

The FRS is the fourth largest public retirement system in the United States. It is a multi-employer, contributory plan, governed by the Florida Retirement System Act in ch. 121, F.S., and administered by the Department of Management Services (DMS).<sup>1</sup> The FRS was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the Pension Plan, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.<sup>2</sup>

The FRS consists of 1,008 total employers; it is the primary retirement plan for employees of state and county government agencies, district school boards, community colleges, and universities, and also includes the 185 cities and 259 special districts that have elected to join the system.<sup>3</sup> Members of the FRS are required to make employee contributions of 3 percent of their salary.<sup>4</sup> As of June 30, 2012, the FRS had 621,774 active members, 347,962 retired members and beneficiaries, and 38,724 active members of the Deferred Retirement Option Program (DROP).<sup>5</sup>

The membership of the FRS is divided into five membership classes:

- Regular Class<sup>6</sup> consists of 536,506 active members, plus 6,461 in renewed membership;
- Special Risk Class<sup>7</sup> includes 68,800 active members;
- Special Risk Administrative Support Class<sup>8</sup> has 58 active members;
- Elected Officers' Class<sup>9</sup> has 2094 active members, plus 152 in renewed membership; and
- Senior Management Service Class<sup>10</sup> has 7,450 members, plus 210 in renewed membership.<sup>11</sup>

Each class is funded separately based upon the costs attributable to the members of that class.

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<sup>1</sup> Section 121.021(5), F.S.

<sup>2</sup> The Florida Retirement System Annual Report, July 1, 2012 – June 30, 2013, at 16, available at [https://www.rol.frs.state.fl.us/forms/2012-13\\_Annual\\_Report.pdf](https://www.rol.frs.state.fl.us/forms/2012-13_Annual_Report.pdf) (last visited April 5, 2014).

<sup>3</sup> *Id.*, at 17.

<sup>4</sup> Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class employees or 6 percent for Special Risk Class members. Employees were again required to contribute to the system after July 1, 2011.

<sup>5</sup> Florida Retirement System 2012-2013 Annual Report, at 17.

<sup>6</sup> The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

<sup>7</sup> The Special Risk Class is for members employed as: law enforcement officers, firefighters, correctional officers, probation officers, paramedics and emergency technicians, among others. Section 121.0515, F.S.

<sup>8</sup> The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.

<sup>9</sup> The Elected Officers' Class is for elected state and county officers, and for those elected municipal or special district officers whose governing body has chosen Elected Officers' Class participation for its elected officers. Section 121.052, F.S.

<sup>10</sup> The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

<sup>11</sup> All figures from Florida Retirement System 2012-2013 Annual Report, at 47.

Members of the FRS have two primary plan options available for participation:

- The defined benefit plan, also known as the Pension Plan; and
- The defined contribution plan, also known as the Investment Plan.

According to information provided by the SBA, approximately 45,000 new hires are processed each year for a retirement plan choice.<sup>12</sup> Historically, almost 26 percent have actively elected the Investment Plan, roughly 19 percent have actively elected the Pension Plan and over 55 percent have defaulted into the Pension Plan.

	<b>Active Election to Investment Plan</b>	<b>Active Election to Pension Plan</b>	<b>Default to Pension Plan</b>
<b>FY 2009-10</b>	9,071 (23.42%)	8,158 (21.06%)	21,501 (55.52%)
<b>FY 2010-11</b>	9,960 (24.87%)	9,042 (22.58%)	21,049 (52.56%)
<b>FY 2011-12</b>	10,937 (28.79%)	6,976 (18.37%)	20,064 (52.83%)
<b>FY 2012-13</b>	11,895 (26.23%)	7,345 (16.20%)	26,105 (57.57%)
<b>FY 2013-14*</b>	8,771 (25.35%)	5,709 (16.50%)	20,114 (58.14%)
<b>TOTAL</b>	50,634 (25.74%)	37,230 (18.93%)	108,833 (55.33%)

\*Note: The counts and percentages for this fiscal year represent only those elections and defaults that occurred between July 1, 2013, and March 28, 2014.

Certain members, as specified by law and position title, may, in lieu of FRS participation, participate in optional retirement plans.

***Investment Plan***

In 2000, the Legislature created the Public Employee Optional Retirement Program (Investment Plan), a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan.

Benefits under the Investment Plan accrue in individual member accounts funded by both employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.

A member vests immediately in all employee contributions paid to the Investment Plan.<sup>13</sup> With respect to the employer contributions, a member vests after completing one work year with an FRS employer.<sup>14</sup> Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.<sup>15</sup> The Investment Plan also provides disability coverage for both inline-of-duty and regular disability retirement benefits.<sup>16</sup> An FRS member who qualifies for disability while enrolled in the Investment Plan must apply

<sup>12</sup> It is uncertain how many of these new hires stay for their full career.

<sup>13</sup> Section 121.4501(6)(a), F.S.

<sup>14</sup> If a member terminates employment before vesting in the Investment Plan, the nonvested money is transferred from the member’s account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, then any nonvested accumulations transferred from a member’s account to the SBA’s suspense account are forfeited. Section 121.4501(6)(b) – (d), F.S.

<sup>15</sup> Section 121.591, F.S.

<sup>16</sup> See s. 121.4501(16), F.S.

for benefits as if the employee was a member of the Pension Plan. If approved for retirement disability benefits, the member is transferred to the Pension Plan.<sup>17</sup>

The SBA is primarily responsible for administering the Investment Plan.<sup>18</sup> The trustees of the SBA are the Governor as chair, the Chief Financial Officer, and the Attorney General.<sup>19</sup> The SBA selects and contracts with a third-party administrator to provide administrative services.<sup>20</sup>

The contributions paid into the individual investment accounts and into the disability account on behalf of investment plan members is noted below. Note that the amount paid into the retirement account as a percentage of salary includes the employee contribution of 3 percent.

<b>Membership Class</b>	<b>Retirement Account</b>	<b>Disability Account</b>	<b>Total Rate</b>
Regular Class	6.30%	0.25%	6.55%
Special Risk Class	14.00%	1.33%	15.33%
Special Risk Administrative Support Class	7.95%	0.45%	8.40%
Elected Officer's Class			
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	9.38%	0.41%	9.79%
• Justices and Judges	13.23%	0.73%	13.95%
• County Officers	11.34%	0.41%	11.75%
Senior Management Service Class	7.67%	0.26%	7.93%

### ***Pension Plan***

The Pension Plan is administered by the secretary of the DMS through the Division of Retirement.<sup>21</sup> Investment management of plan assets is handled by the SBA. As of July 1, 2013, the actuarial funding level of the plan was at 85.9 percent.<sup>22</sup>

Any member initially enrolled in the Pension Plan before July 1, 2011, vests in the Pension Plan after completing six years of service with an FRS employer.<sup>23</sup> For members enrolled on or after July 1, 2011, the member vests in the Pension Plan after eight years of creditable service.<sup>24</sup> Benefits payable under the Pension Plan are calculated based on years of service multiplied by

<sup>17</sup> Pension Plan disability retirement benefits, which apply for Investment Plan members who qualify for disability, compensate an inline-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for special risk class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If the disability occurs other than in the line of duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date. Section 121.091(4)(f), F.S.

<sup>18</sup> Section 121.4501(8), F.S.

<sup>19</sup> Section 4, Art. IV, Fla. Const.

<sup>20</sup> The third-party administrator may not be a provider or be affiliated with a provider. Section 121.4501(8)(a), F.S.

<sup>21</sup> Section 121.025, F.S.

<sup>22</sup> Florida Retirement System Actuarial Valuation as of July 1, 2013, at I-6. .

<sup>23</sup> Section 121.021(45)(a), F.S.

<sup>24</sup> Section 121.021(45)(b), F.S.

the annual accrual rate multiplied by the member's average final compensation.<sup>25</sup> For most members of the Pension Plan, normal retirement occurs at the earliest attainment of 30 years of service or age 62.<sup>26</sup> For public safety employees in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.<sup>27</sup> Members initially enrolled in the Pension Plan on or after July 1, 2011, have longer vesting requirements. For members initially enrolled after that date, the member must complete 33 years of service or attain age 65, and members in the Special Risk classes must complete 30 years of service or attain age 60.<sup>28</sup>

Benefits payable to a pension plan retiree are calculated using formulas that include the average final compensation. "Average final compensation" means the average of the five or eight highest fiscal years of compensation for creditable service prior to retirement, termination, or death. If you enrolled in FRS prior to July 1, 2011, your average final compensation will be five years. If you enrolled in FRS on or after July 1, 2011, your average final compensation will be eight years. The average final compensation includes accumulated annual leave payments, not to exceed 500 hours, and all payments defined as compensation in s. 121.021(22). The average final compensation does not include compensation paid to professional persons for special or particular services; payments for accumulated sick leave made due to retirement or termination; payments for accumulated annual leave in excess of 500 hours; bonuses as defined in s. 121.021(47); third party payments made on or after July 1, 1990; or fringe benefits such as automobile or housing allowances.<sup>29</sup>

"Compensation" means the monthly salary paid to a member by his or her employer for work performed arising from that employment. Compensation includes overtime payments paid from a salary fund; accumulated annual leave payments; payments in addition to the employee's base rate of pay if specified conditions apply; amounts withheld for tax sheltered annuities or deferred compensation programs, or any other type of salary reduction plan authorized under the Internal Revenue Code.<sup>30</sup>

#### ***Blended Employer Contribution Rates for the FRS for FY 2013-14***

FRS employers are responsible for contributing a percentage of the member's monthly compensation based on membership class to the Division of Retirement to be distributed into the FRS Contributions Clearing Trust Fund. The employer contribution rate is a blended contribution rate set by statute, which is the same percentage regardless of whether the member participates in the Pension Plan or the Investment Plan.<sup>31</sup> In order to address unfunded actuarial liabilities (UAL) of the system, an employer contribution rate is set in statute. The rates are determined annually based on an actuarial study obtained by the DMS that calculates the necessary level of funding to support all of the benefit obligations under both FRS retirement plans.

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<sup>25</sup> Section 121.091, F.S.

<sup>26</sup> Section 121.021(29)(a)1., F.S.

<sup>27</sup> Section 121.021(29)(b)1., F.S.

<sup>28</sup> Sections 121.021(29)(a)2. and (b)2., F.S.

<sup>29</sup> Section 121.021(24), F.S.

<sup>30</sup> Section 121.021(22), F.S.

<sup>31</sup> Section 121.70(1), F.S.



**Current Blended Employer Contribution Rates for Each Class:**<sup>32</sup>

<b>Membership Class</b>	<b>Normal Cost Rate</b>	<b>UAL Rate</b>	<b>Total Rate</b>
Regular Class	3.53%	2.19%	5.72%
Special Risk Class	11.00%	6.83%	17.83%
Special Risk Administrative Support Class	4.17%	30.56%	34.73%
Elected Officer's Class	6.52%	24.85%	31.37%
<ul style="list-style-type: none"> <li>• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders</li> <li>• Justices and Judges</li> <li>• County Officers</li> </ul>	10.05%	17.00%	27.05%
	8.44%	23.36%	31.80%
Senior Management Service Class	4.81%	12.27%	17.08%
Deferred Retirement Option Program (DROP)	4.63%	7.01%	11.64%

For all membership classes, except DROP, employees contribute 3 percent of their compensation towards retirement.<sup>33</sup>

After employer and employee contributions are placed into the FRS Contributions Clearing Trust Fund, the allocations under the Investment Plan are transferred to third-party administrators to be placed in the employee's individual investment accounts, whereas contributions under the Pension Plan are transferred into the FRS Trust Fund.<sup>34</sup>

**2013 FRS Valuation**

Annually, the Department of Management Services contracts with the state actuary to complete an actuarial valuation of the FRS pension plan. The table below summarizes the market assets, actuarial assets, actuarial liabilities, the unfunded actuarial liabilities, and the funded status of the pension plan.<sup>35</sup> While the market value of the plan assets have fluctuated significantly upward and downward during the period shown, the actuarial assets have gradually grown, mostly due to the smoothing methodologies applied for the pension plan.

**Summary of Valuation Results**

	<b>Valuation ending June 30, 2011</b>	<b>Valuation ending June 30, 2012</b>	<b>Valuation ending June 30, 2013</b>
<b>Market Assets</b>	<b>\$129.1 B</b>	<b>\$122.9 B</b>	<b>\$133.0 B</b>
<b>Actuarial Assets</b>	<b>\$126.1 B</b>	<b>\$127.9 B</b>	<b>\$131.7 B</b>
<b>Actuarial Liabilities</b>	<b>\$144.1 B</b>	<b>\$147.2 B</b>	<b>\$153.3 B</b>
<b>Unfunded Actuarial Liabilities</b>	<b>(\$18.0 B)</b>	<b>(\$19.3 B)</b>	<b>(\$21.6 B)</b>
<b>Funded Status</b>	<b>87.9%</b>	<b>86.9%</b>	<b>85.9%</b>

<sup>32</sup> Section 121.71(4)-(5), F.S.

<sup>33</sup> Section 121.71(3), F.S.

<sup>34</sup> See sections 121.4503 and 121.72(1), F.S.

<sup>35</sup> Florida Retirement System Actuarial Valuation as of July 1, 2011, at I-3; Florida Retirement System Actuarial Valuation as of July 1, 2012, at I-3; and Florida Retirement System Actuarial Valuation as of July 1, 2013, at I-6.

## State University System Optional Retirement Program

On July 1, 1984, the State University Optional Retirement Program (SUSORP) was established as an optional program under the FRS for eligible State University faculty and administrators. The program was later expanded in 1988 to include the State University System Executive Service and in 1999 to include all administrative and professional personnel exempt from career service. As of June 30, 2013, there were 17,780 participants in the SUSORP.

Eligible employees are compulsory participants in SUSORP during their first 90 days of employment. If an eligible member fails to enroll in SUSORP and execute an investment contract with a provider company during this period, the member is deemed to have elected to participate in the FRS. During the next 90 days, the member may choose to participate in the Investment Plan of the FRS. If the member fails to make an election within the first six months of employment, the member is defaulted into the Pension Plan of the FRS.

The SUSORP is a defined contribution plan qualified under the provisions of section 403(b) of the Internal Revenue Code that provides retirement and death benefits through contracts with designated investment providers<sup>36</sup>. The program was established to aid the university system in recruiting employees by offering more portability to employees who don't expect to remain in the State University System long enough to vest in the FRS Pension Plan (ten-year vesting when the SUSORP was created). It provides for full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant upon signing an investment contract within 90 days of employment in an eligible position. Contributions, which are invested as directed by the participant, accumulate in individual participant accounts, together with investment earnings. At retirement, the accumulated benefits are payable to the participant or to his or her beneficiaries or estate.

The employer and employee contribute the percentage of the member's salary designated by law on the member's behalf. The member selects from among the investment products offered by the provider companies in which the employer contribution is invested; a total of 0.01 percent of the salary is retained in the SUSORP Trust Fund for administrative expenses. Effective July 1, 2012, the employer contribution rate is 5.14 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member may voluntarily contribute, by salary reduction, an amount not to exceed the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 2.19 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial contribution rate is set in section 121.71(5), F.S.

## State Community College System Optional Retirement Program

In 1995, the Florida Legislature enacted provisions<sup>37</sup> allowing faculty and certain administrators with a state community college *in the FRS Regular Class* to opt out of the FRS and enroll in an optional retirement program known as the State Community College System Optional Retirement Program (SCCORP). The board of trustees of the employing agency as authorized

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<sup>36</sup> The five approved participating companies currently available under SUSORP are: ING, TIAA-CREF, Variable Annuity Life Insurance Company, Jefferson National Life Insurance Company, and MetLife Investors USA Insurance Company.

<sup>37</sup> See chapter 95-392, Laws of Florida.

under section 1001.64, Florida Statutes, must implement this program either individually or in consortia with other community colleges. Effective July 1, 2012, the employer contribution rate is 5.15 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member is immediately vested upon signing an investment agreement with a provider company and may voluntarily contribute, by salary reduction, an amount not to exceed the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 2.19 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial contribution rate is set in section 121.71(5), F.S.

In 2003, legislation<sup>38</sup> was enacted to give SCCORP participants an open-ended opportunity to transfer back to the FRS. If the employee elects to transfer to the Investment Plan, the employee's SCCORP account is retained and he/she starts anew under the Investment Plan. To transfer to the Pension Plan, the employee pays a specified amount<sup>39</sup> to receive service credit equal to his/her years of service under the SCCORP. No similar transfer opportunity is available for management-level (non-Regular Class) community college employees.

### **Senior Management Service Optional Annuity Program**

In 1986, the Florida Legislature enacted provisions<sup>40</sup> creating the Senior Management Service Class under the FRS and also a non-integrated optional defined contribution plan under the FRS called the Senior Management Service Optional Annuity Program (SMSOAP). The SMSOAP allows certain state senior managers within 90-days of appointment to an eligible position to opt out of the FRS and enroll in the SMSOAP which provides immediate vesting. These certain state senior managers include members in the Senior Management Service with the State of Florida, senior-level management positions with the Florida Legislature, senior-level management positions with the State Board of Administration, senior managers in the Judicial Branch, county health department administrators and directors within the Department of Health and judges and deputy chiefs judges of compensation claims in the Division of Administrative Hearings, as well as Elected Officials who opt to participate in the Senior Management Service Class in lieu of the Elected Officers' Class of the FRS.

SMSOAP was created to aid state government in recruiting senior managers by offering more portability of retirement benefits to those who do not expect to remain in public service long enough to vest in the FRS Pension Plan (seven-year vesting for the Senior Management Service Class at the time the class was created). As of June 30, 2013, there were 31 participants in the SMSOAP.

Under the SMSOAP, retirement and death benefits are provided through contracts with designated investment providers. The state contributes on behalf of the participant a percentage of the participant's salary as required by law. Effective July 1, 2012, the employer contribution rate is 6.27 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member may voluntarily contribute, by salary reduction, an amount not to exceed

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<sup>38</sup> See section 121.051(2)(c)3., Florida Statutes, enacted by chapter 2003-260, Laws of Florida.

<sup>39</sup> The cost for the transfer is a sum representing the present value of the member's accumulated benefit obligation for the affected period of service.

<sup>40</sup> See chapter 86-149, Laws of Florida.

the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 12.27 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial liability contribution rate is set in section 121.71(5), F.S.

The SMSOAP is also available to state elected officials who are members of the Elected Officers' Class and who choose membership in the Senior Management Service Class rather than the Elected Officers' Class. The Senior Management Service Class election must be made within six months of assuming office. Elected state officers who transfer to the Senior Management Service Class may, within 90 days of becoming a member of the class, elect membership in the SMSOAP.<sup>41</sup>

### III. Effect of Proposed Changes:

#### *Ten Year Vesting for New Members*

**Section 1** amends the definition of "vested" or "vesting" in Chapter 121, F.S., to require that members initially enrolled in the FRS on or after July 1, 2015, vest in the pension plan after 10 years of creditable service.

#### *Investment Plan Compulsory for Elected Officer's Class and Senior Management Service Class*

**Section 2** amends s. 121.051, F.S., to provide that employees initially enrolled on or after July 1, 2015, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the investment plan, are not permitted to become members of the pension plan, and are not eligible to use the 2nd election opportunity specified in s. 121.4501(4), F.S. Investment plan membership continues if there is subsequent employment in a position covered by another membership class.

**Section 7** amends provisions in s. 121.4501(4), F.S., relating to the FRS Investment Plan, to provide that employees initially enrolled on or after July, 2015, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the investment plan.

The bill also amends the existing member plan choice education component, to provide that new Elected Officers' Class and Senior Management Service Class members need not be provided that education, since they will be mandatory members of the investment plan.

#### *Prohibits New Elected Officers' Class Members from Joining the Senior Management Service Class or the Senior Management Service Optional Annuity Program*

**Section 3** amends s. 121.052, F.S., to prohibit new Elected Officers' Class members from joining the Senior Management Service Class.

**Section 4** amends s. 121.055, F.S., to provide that on or after July 1, 2015, elected officers eligible for membership in the Elected Officer's Class may not be enrolled in the Senior

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<sup>41</sup> Assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant capital collateral regional counsels, and assistant attorneys general are not eligible to elect participation in the SMSOAP in lieu of the SMSC.

Management Service Class or in the Senior Management Service Optional Annuity Program, which is closed to all new members. Current members of the optional annuity program may retain their membership in the program.

***Default to Investment Plan***

**Section 6** amends s. 121.35, F.S., to provide that if a member that is eligible to participate in the State University System Optional Retirement Program fails to execute a program contract after July 1, 2015, within 90 days after the date of eligibility, the member is deemed to have elected membership in the FRS investment plan retroactive to the date of eligibility.

**Section 7** amends s. 121.4501, F.S., to provide that an employee eligible to participate in the investment plan is initially enrolled in the pension plan, and has eight months to make an irrevocable election to participate in either the pension plan or the investment plan. If the employee fails to make an election, the employee is deemed to have elected the investment plan.

***Out of Service Disability Retirement Benefit Vesting Period Increased***

**Sections 5 and 8** amends ss. 121.091, F.S., and 121.591, F.S., respectively, to provide that a member of the pension plan initially enrolled on or after July 1, 2015, who becomes totally and permanently disabled after completing 10 years of creditable service is entitled to a monthly disability benefit.

Regardless of amount of service, a member who becomes totally and permanently disabled in the line of duty is entitled to a monthly disability benefit.

***Lowered Contribution Rate for Investment Plan Members***

**Section 9** amends s. 121.71, F.S., to lower the required employee contribution rate for all investment plan members from 3% to 2%, which will require higher employer contributions, beginning July 1, 2015.

***Cross References***

**Sections 10 through 12** amend ss. 238.072, 413.051, and s. 1012.875, F.S., respectively, to change cross references consistent with the changes in this bill.

***Important State Interest***

**Section 13** makes a finding that the bill fulfills an important state interest.

***Effective Date***

The effective date of the bill is July 1, 2014.

**IV. Constitutional Issues:**

**A. Municipality/County Mandates Restrictions:**

Because the FRS is a multi-employer pension plan, the effects of this bill extend to all member FRS government employers. To the extent this bill requires cities and counties to

spend money or take action that requires the expenditure of money, the mandates provision of Art. VII, s. 18 of the State Constitution may apply. If those constitutional provisions do apply, in order for the law to be binding upon the cities and counties, the Legislature must find that the law fulfills an important state interest (included in section 13 of the bill), and one of the following relevant exceptions must be met:

- The expenditure is required to comply with a law that applies to all persons similarly situated; or
- The law must be approved by two-thirds of the membership of each house of the Legislature.

This bill contains a statement indicating that the bill fulfills an important state interest and the bill applies to similarly situated persons (all employers who participate in the FRS), so it appears that this exception would apply.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. Other Constitutional Issues:**

**Actuarial Requirements**

Article X, s. 14 of the State Constitution requires that benefit improvements under public pension plans in the State of Florida be concurrently funded on a sound actuarial basis, as set forth below:

SECTION 14. State retirement systems benefit changes.--A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

Article X, s. 14 of the State Constitution is implemented by statute under part VII of ch. 112, F.S., the “Florida Protection of Public Employee Retirement Benefits Act” (Act). The Act establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. It prohibits the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.

## Contractual Obligations

Article I, s. 10 of the State Constitution prohibits any bill of attainder, ex post facto law, or law impairing the obligation of contracts from being passed by the Florida Legislature.

The Florida Statutes provide that the rights of members of the FRS are of a contractual nature, entered into between the member and the state, and such rights are legally enforceable as valid contractual rights and may not be abridged in any way.<sup>42</sup> This “preservation of rights” provision<sup>43</sup> was established by the Florida Legislature with an effective date of July 1, 1974.

The Florida Supreme Court has held that the Florida Legislature may only alter the benefits structure of the FRS prospectively.<sup>44</sup> The prospective application would only alter future benefits. Those benefits previously earned or accrued by the member, under the previous benefit structure, remain untouched and the member continues to enjoy that level of benefit for the period of time up until the effective date of the proposed changes. Further, once the participating member reaches retirement status, the benefits under the terms of the FRS in effect at the time of the member’s retirement vest.<sup>45</sup>

The Florida Supreme Court further held that the “preservation of rights” provision was not intended to bind future legislatures from prospectively altering benefits which accrue for future state service.<sup>46</sup> More recently, the Florida Supreme Court reaffirmed the previous holding, finding that the Legislature can alter the terms of the FRS, so long as the changes to the FRS are prospective.<sup>47</sup>

This bill does not change any benefits that a member earned prior to July 1, 2015.

## V. Fiscal Impact Statement:

### A. Tax/Fee Issues:

The bill will pass along to all employer members of the FRS an adjustment to their statutory payroll costs in order to fund the proposed benefit changes. The amount of this change will not be known until the actuarial studies are completed.

### B. Private Sector Impact:

None.

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<sup>42</sup> Section 121.011(3)(d), F.S.

<sup>43</sup> The “preservation of rights” provision vests all rights and benefits already earned under the present retirement plan so the Legislature may now only alter the benefits prospectively. *Florida Sheriffs Association v. Department of Administration, Division of Retirement*, 408 So. 2d 1033, 1037 (Fla. 1981).

<sup>44</sup> *Id.* at 1035.

<sup>45</sup> *Id.* at 1036.

<sup>46</sup> *Id.* at 1037.

<sup>47</sup> *Rick Scott, et al. v. George Williams, et al.*, 107 So. 3d 379 (Fla. 2013).

**C. Government Sector Impact:**

A number of the provisions of the bill will result in fiscal impacts on the FRS. This legislation impacts the FRS in the following ways:

- Requires new members of the FRS to make an active election to participate in the Pension Plan of the FRS; if no active election is made, the member is enrolled in the Investment Plan of the FRS.
- Requires members of the Senior Management Class or the Elected Officers' Class initially enrolling on or after July 1, 2015, to participate in the Investment Plan of the FRS.
- Increases the service credit needed to vest in the Pension Plan of the FRS from 8 years to 10 years for all members initially enrolling in the Pension Plan on or after July 1, 2015.

Based on a special study completed April 22, 2013, the impact on the FRS is insignificant for FY 2014-15 and approximately \$48.8 million for FY 2015-16. These costs will be borne by the employers participating in the FRS.

Most of these new costs are based on shifts in contributions from members of the investment plan to the employers participating in the FRS. This is a result of the reduction in the employee contributions required for participation in the Investment Plan from 3 percent to 2 percent of salary. Based on total payroll reported for FY 2012-13, the shift from employee contributions to employer contributions would be roughly \$43.4 million annually.

**VI. Technical Deficiencies:**

The language included on lines 524 through 544 of the PCS may create an ambiguity as to whether employees eligible to participate in the SUSORP may elect to participate in the Pension Plan of the FRS after the first 90 days of eligibility.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 121.021, 121.051, 121.052, 121.055, 121.091, 121.4501, 121.591, 121.71, 121.35, 238.072, 413.051, and 1012.875.



**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**PCS (776102) by Governmental Oversight and Accountability:**

PCS/SB 1114 makes the following changes to the Florida Retirement System (FRS), for members initially enrolled in the FRS on or after July 1, 2015:

- Mandates that Elected Officers' Class and Senior Management Service Class members may only join the investment plan;
- Changes the default for members who do not affirmatively choose a plan from the pension plan to the investment plan;
- Closes the Senior Management Service Optional Annuity Program to new members; and
- Changes the vesting period in the pension plan from 8 to 10 years;
- Changes the out of service disability retirement vesting period from 8 to 10 years.

The bill also lowers the employee's contribution rate from 3% to 2% for all members of the investment plan, beginning July 1, 2015. However, the overall amount transferred into the investment plan member's account remains the same – with an increase in the employer contribution being substituted for the decrease in employee contribution.

**B. Amendments:**

None.



636584

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2014	.	
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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment**

Delete line 230  
and insert:  
2010, but did not complete 10 years of creditable service and is  
employed in a regularly established position with a



255982

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2014	.	
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The Committee on Governmental Oversight and Accountability  
(Simmons) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 291 - 293

and insert:

(c) Notwithstanding ss. 121.051(3)(a), 121.4501(1), and  
121.4501(4)(g), elected officers described in s. 121.052(2)(a)2.  
or (2)(b) who are initially enrolled on or after July 1, 2015,  
are not compulsory members of the investment plan and may use  
the election opportunity specified in s. 121.4501(4)(f).

Section 3. Paragraph (a) of subsection (2) and paragraph



255982

11 (c) of subsection (3) of section 121.052, Florida Statutes, are  
12 amended to read:

13 121.052 Membership class of elected officers.—

14 (2) MEMBERSHIP.—The following holders of elective office,  
15 hereinafter referred to as "elected officers," whether assuming  
16 elective office by election, reelection, or appointment, are  
17 members of the Elected Officers' Class, except as provided in  
18 subsection (3):

19 (a) 1. ~~A~~ Any Governor, Lieutenant Governor, Cabinet officer,  
20 legislator, ~~Supreme Court justice, district court of appeal~~  
21 ~~judge, circuit judge,~~ or state attorney assuming office on or  
22 after July 1, 1972.

23 2. A Supreme Court justice, district court of appeal judge,  
24 or circuit judge assuming office on or after July 1, 1972.

25  
26 ===== T I T L E A M E N D M E N T =====

27 And the title is amended as follows:

28 Delete lines 12 - 13

29 and insert:

30 date; providing that certain judges are exempted from  
31 becoming compulsory members of the investment plan and  
32 have an opportunity to transfer between the investment  
33 and pension plan; conforming cross-references to  
34 changes made by the act; amending s. 121.052, F.S.;  
35 conforming provisions to changes made by the act;  
36 prohibiting



904516

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2014	.	
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The Committee on Governmental Oversight and Accountability  
(Montford) recommended the following:

1           **Senate Amendment to Amendment (255982) (with title**  
2 **amendment)**

3  
4           Delete line 7

5 and insert:

6 or (2) (b) and elected school board superintendents who are  
7 initially enrolled on or after July 1, 2015,

8  
9 ===== T I T L E   A M E N D M E N T =====

10 And the title is amended as follows:



904516

11           Delete line 30  
12 and insert:  
13           date; providing that certain judges and elected school  
14           board superintendents are exempted from



927262

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/10/2014	.	
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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 311 - 993

and insert:

Section 1. Subsections (3) and (5) of section 121.053,  
Florida Statutes, are amended to read:

121.053 Participation in the Elected Officers' Class for  
retired members.—

(3) On or after July 1, 2010:

(a) A retiree of a state-administered retirement system who



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11 is initially reemployed in ~~elected or appointed for the first~~  
12 ~~time to~~ an elective office in a regularly established position  
13 with a covered employer may not reenroll in the Florida  
14 Retirement System, except as provided in s. 121.122.

15 (b) An elected officer who is elected or appointed to an  
16 elective office and is participating in the Deferred Retirement  
17 Option Program is subject to termination as defined in s.  
18 121.021 upon completion of his or her DROP participation period.  
19 An elected official may defer termination as provided in  
20 subsection (7).

21 (5) Any renewed member, as described in s. 121.122(1), (3),  
22 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
23 receiving the maximum health insurance subsidy provided in s.  
24 112.363 is entitled to earn additional credit toward the maximum  
25 health insurance subsidy. Any additional subsidy due because of  
26 such additional credit may be received only at the time of  
27 payment of the second career retirement benefit. The total  
28 health insurance subsidy received from initial and renewed  
29 membership may not exceed the maximum allowed in s. 112.363.

30 Section 2. Paragraph (f) of subsection (1) and paragraph  
31 (c) of subsection (6) of section 121.055, Florida Statutes, are  
32 amended to read:

33 121.055 Senior Management Service Class.—There is hereby  
34 established a separate class of membership within the Florida  
35 Retirement System to be known as the "Senior Management Service  
36 Class," which shall become effective February 1, 1987.

37 (1)

38 (f) Effective July 1, 1997, through June 30, 2015:

39 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and





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40 4., an elected state officer eligible for membership in the  
41 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
42 elects membership in the Senior Management Service Class under  
43 s. 121.052(3)(c) may, within 6 months after assuming office or  
44 within 6 months after this act becomes a law for serving elected  
45 state officers, elect to participate in the Senior Management  
46 Service Optional Annuity Program, as provided in subsection (6),  
47 in lieu of membership in the Senior Management Service Class.

48 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
49 4., an elected officer of a local agency employer eligible for  
50 membership in the Elected Officers' Class under s. 121.052(2)(d)  
51 who elects membership in the Senior Management Service Class  
52 under s. 121.052(3)(c) may, within 6 months after assuming  
53 office, or within 6 months after this act becomes a law for  
54 serving elected officers of a local agency employer, elect to  
55 withdraw from the Florida Retirement System, as provided in  
56 subparagraph (b)2., in lieu of membership in the Senior  
57 Management Service Class.

58 3. A retiree of a state-administered retirement system who  
59 is initially reemployed in a regularly established position on  
60 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected  
61 official eligible for the Elected Officers' Class may not be  
62 enrolled in renewed membership in the Senior Management Service  
63 Class or in the Senior Management Service Optional Annuity  
64 Program as provided in subsection (6), and may not withdraw from  
65 the Florida Retirement System as a renewed member as provided in  
66 subparagraph (b)2., as applicable, in lieu of membership in the  
67 Senior Management Service Class. Effective January 1, 2015, a  
68 retiree of the Senior Management Service Optional Annuity



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69 Program who retired before July 1, 2010, and is reemployed in a  
70 regularly established position with a covered employer shall be  
71 enrolled as a renewed member as provided in s. 121.122.

72 4. On or after July 1, 2015, an elected officer eligible  
73 for membership in the Elected Officers' Class may not be  
74 enrolled in the Senior Management Service Class or in the Senior  
75 Management Service Optional Annuity Program as provided in  
76 subsection (6).

77 (6)

78 (c) *Participation.*—

79 1. An eligible employee who is employed on or before  
80 February 1, 1987, may elect to participate in the optional  
81 annuity program in lieu of participating in the Senior  
82 Management Service Class. Such election must be ~~made~~ in writing  
83 and filed with the department and the personnel officer of the  
84 employer on or before May 1, 1987. An eligible employee who is  
85 employed on or before February 1, 1987, and who fails to make an  
86 election to participate in the optional annuity program by May  
87 1, 1987, shall be deemed to have elected membership in the  
88 Senior Management Service Class.

89 2. Except as provided in subparagraph 6., an employee who  
90 becomes eligible to participate in the optional annuity program  
91 by reason of initial employment commencing after February 1,  
92 1987, may, within 90 days after the date of commencing  
93 employment, elect to participate in the optional annuity  
94 program. Such election must be ~~made~~ in writing and filed with  
95 the personnel officer of the employer. An eligible employee who  
96 does not within 90 days after commencing employment elect to  
97 participate in the optional annuity program shall be deemed to



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98 have elected membership in the Senior Management Service Class.

99         3. A person who is appointed to a position in the Senior  
100 Management Service Class and who is a member of an existing  
101 retirement system or the Special Risk or Special Risk  
102 Administrative Support Classes of the Florida Retirement System  
103 may elect to remain in such system or class in lieu of  
104 participating in the Senior Management Service Class or optional  
105 annuity program. Such election must be ~~made~~ in writing and filed  
106 with the department and the personnel officer of the employer  
107 within 90 days after such appointment. An eligible employee who  
108 fails to make an election to participate in the existing system,  
109 the Special Risk Class of the Florida Retirement System, the  
110 Special Risk Administrative Support Class of the Florida  
111 Retirement System, or the optional annuity program shall be  
112 deemed to have elected membership in the Senior Management  
113 Service Class.

114         4. Except as provided in subparagraph 5., an employee's  
115 election to participate in the optional annuity program is  
116 irrevocable if the employee continues to be employed in an  
117 eligible position and continues to meet the eligibility  
118 requirements set forth in this paragraph.

119         5. Effective from July 1, 2002, through September 30, 2002,  
120 an active employee in a regularly established position who has  
121 elected to participate in the Senior Management Service Optional  
122 Annuity Program has one opportunity to choose to move from the  
123 Senior Management Service Optional Annuity Program to the  
124 Florida Retirement System Pension Plan.

125         a. The election must be ~~made~~ in writing and must be filed  
126 with the department and the personnel officer of the employer



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127 before October 1, 2002, or, in the case of an active employee  
128 who is on a leave of absence on July 1, 2002, within 90 days  
129 after the conclusion of the leave of absence. This election is  
130 irrevocable.

131 b. The employee shall receive service credit under the  
132 pension plan equal to his or her years of service under the  
133 Senior Management Service Optional Annuity Program. The cost for  
134 such credit is the amount representing the present value of that  
135 employee's accumulated benefit obligation for the affected  
136 period of service.

137 c. The employee must transfer the total accumulated  
138 employer contributions and earnings on deposit in his or her  
139 Senior Management Service Optional Annuity Program account. If  
140 the transferred amount is not sufficient to pay the amount due,  
141 the employee must pay a sum representing the remainder of the  
142 amount due. The employee may not retain any employer  
143 contributions or earnings from the Senior Management Service  
144 Optional Annuity Program account.

145 6. A retiree of a state-administered retirement system who  
146 is initially reemployed on ~~or after~~ July 1, 2010, through  
147 December 31, 2014, may not renew membership in the Senior  
148 Management Service Optional Annuity Program. Effective January  
149 1, 2015, a retiree of the Senior Management Service Optional  
150 Annuity Program who retired before July 1, 2010, and is  
151 reemployed in a regularly established position with a covered  
152 employer shall be enrolled as a renewed member as provided in s.  
153 121.122.

154 7. Effective July 1, 2015, the Senior Management Service  
155 Optional Annuity Program is closed to new members. Members



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156 enrolled in the Senior Management Service Optional Annuity  
157 Program before July 1, 2015, may retain their membership in the  
158 annuity program.

159 Section 3. Paragraph (a) of subsection (4) of section  
160 121.091, Florida Statutes, is amended to read:

161 121.091 Benefits payable under the system.—Benefits may not  
162 be paid under this section unless the member has terminated  
163 employment as provided in s. 121.021(39) (a) or begun  
164 participation in the Deferred Retirement Option Program as  
165 provided in subsection (13), and a proper application has been  
166 filed in the manner prescribed by the department. The department  
167 may cancel an application for retirement benefits when the  
168 member or beneficiary fails to timely provide the information  
169 and documents required by this chapter and the department's  
170 rules. The department shall adopt rules establishing procedures  
171 for application for retirement benefits and for the cancellation  
172 of such application when the required information or documents  
173 are not received.

174 (4) DISABILITY RETIREMENT BENEFIT.—

175 (a) *Disability retirement; entitlement and effective date.*—

176 1.a. A member who becomes totally and permanently disabled,  
177 as defined in paragraph (b), after completing 5 years of  
178 creditable service, or a member who becomes totally and  
179 permanently disabled in the line of duty regardless of service,  
180 is entitled to a monthly disability benefit, <sup>+</sup> except that any  
181 member with less than 5 years of creditable service on July 1,  
182 1980, or any person who becomes a member of the Florida  
183 Retirement System on or after such date must have completed 10  
184 years of creditable service before becoming totally and



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185 permanently disabled in order to receive disability retirement  
186 benefits for a any disability that ~~which~~ occurs other than in  
187 the line of duty. However, if a member employed on July 1, 1980,  
188 who has less than 5 years of creditable service as of that date  
189 becomes totally and permanently disabled after completing 5  
190 years of creditable service and is found not to have attained  
191 fully insured status for benefits under the federal Social  
192 Security Act, such member is entitled to a monthly disability  
193 benefit.

194       b. Effective July 1, 2001, a member of the pension plan  
195 initially enrolled before July 1, 2015, who becomes totally and  
196 permanently disabled, as defined in paragraph (b), after  
197 completing 8 years of creditable service, or a member who  
198 becomes totally and permanently disabled in the line of duty  
199 regardless of service, is entitled to a monthly disability  
200 benefit.

201       c. Effective July 1, 2015, a member of the pension plan  
202 initially enrolled on or after July 1, 2015, who becomes totally  
203 and permanently disabled, as defined in paragraph (b), after  
204 completing 10 years of creditable service, or a member who  
205 becomes totally and permanently disabled in the line of duty  
206 regardless of service, is entitled to a monthly disability  
207 benefit.

208       2. If the division ~~has~~ received ~~from the employer~~ the  
209 required documentation of the member's termination of employment  
210 from the employer, the effective retirement date for a member  
211 who applies and is approved for disability retirement shall be  
212 as established by rule of the division.

213       3. For a member who is receiving Workers' Compensation



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214 payments, the effective disability retirement date may not  
215 precede the date the member reaches Maximum Medical Improvement  
216 (MMI), unless the member terminates employment before reaching  
217 MMI.

218 Section 4. Subsection (2) of section 121.122, Florida  
219 Statutes, is amended, and subsections (3), (4), and (5) are  
220 added to that section, to read:

221 121.122 Renewed membership in system.—

222 (2) Except as otherwise provided in subsections (3)-(5), a  
223 retiree of a state-administered retirement system who is  
224 initially reemployed in a regularly established position on or  
225 after July 1, 2010, may not be enrolled as a renewed member.

226 (3) A retiree of the investment plan, the State University  
227 System Optional Retirement Program, the Senior Management  
228 Service Optional Annuity Program, or the State Community College  
229 System Optional Retirement Program who retired before July 1,  
230 2010, and is employed in a regularly established position with a  
231 covered employer on or after January 1, 2015, shall be a renewed  
232 member of the Regular Class of the investment plan regardless of  
233 the position held, unless employed in a position eligible for  
234 participation in the State University System Optional Retirement  
235 Program or the State Community College System Optional  
236 Retirement Program as provided in subsections (4) and (5),  
237 respectively. The renewed member must satisfy the vesting  
238 requirements and other provisions of this chapter.

239 (a) Creditable service, including credit toward the retiree  
240 health insurance subsidy provided in s. 112.363, does not accrue  
241 for a retiree's employment in a regularly established position  
242 with a covered employer from July 1, 2010, through December 31,



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243 2014.

244 (b) Employer and employee contributions, interest,

245 earnings, or any other funds may not be paid into a renewed

246 member's investment plan account for any employment in a

247 regularly established position with a covered employer from July

248 1, 2010, through December 31, 2014, by the renewed member or the

249 employer on behalf of the member.

250 (c) To be eligible to receive a retirement benefit, the

251 renewed member must satisfy the vesting requirements in s.

252 121.4501(6).

253 (d) The member is ineligible to receive disability benefits

254 as provided in s. 121.091(4) or s. 121.591(2).

255 (e) The member is subject to the reemployment after

256 retirement limitations provided in s. 121.091(9), as applicable.

257 (f) The member must satisfy the requirements for

258 termination from employment provided in s. 121.021(39).

259 (g) Upon the renewed membership or reemployment of a

260 retiree, the employer and the retiree shall pay the applicable

261 employer and employee contributions required under ss. 112.363,

262 121.71, 121.74, and 121.76. The contributions are payable only

263 for employment and salary earned in a regularly established

264 position with a covered employer on or after January 1, 2015.

265 The employer and employee contributions shall be transferred to

266 the investment plan and placed in a default fund as designated

267 by the state board. The retiree may move the contributions once

268 an account is activated in the investment plan.

269 (h) The member may not purchase any past service in the

270 investment plan, including employment in a regularly established

271 position with a covered employer from July 1, 2010, through





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272 December 31, 2014.

273 (i) A renewed member who is a retiree of the investment  
274 plan and who is not receiving the maximum health insurance  
275 subsidy provided in s. 112.363 is entitled to earn additional  
276 credit toward the subsidy. Such credit may be earned only for  
277 employment in a regularly established position with a covered  
278 employer on or after January 1, 2015. Any additional subsidy due  
279 because of additional credit may be received only at the time of  
280 paying the second career retirement benefit. The total health  
281 insurance subsidy received by a retiree receiving benefits from  
282 initial and renewed membership may not exceed the maximum  
283 allowed under s. 112.363.

284 (4) A retiree of the investment plan, the State University  
285 System Optional Retirement Program, the Senior Management  
286 Service Optional Annuity Program, or the State Community College  
287 System Optional Retirement Program who retired before July 1,  
288 2010, and is employed in a regularly established position  
289 eligible for participation in the State University System  
290 Optional Retirement Program on or after January 1, 2015, shall  
291 become a renewed member of the optional retirement program. The  
292 renewed member must satisfy the vesting requirements and other  
293 provisions of this chapter. Once enrolled, a renewed member  
294 remains enrolled in the optional retirement program while  
295 employed in an eligible position for the optional retirement  
296 program. If employment in a different covered position results  
297 in the retiree's enrollment in the investment plan, the retiree  
298 is no longer eligible to participate in the optional retirement  
299 program unless employed in a mandatory position under s. 121.35.

300 (a) The member is subject to the reemployment after



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301 retirement limitations provided in s. 121.091(9), as applicable.

302 (b) The member must satisfy the requirements for  
303 termination of employment provided in s. 121.021(39).

304 (c) Upon renewed membership or reemployment of a retiree,  
305 the employer and the retiree shall pay the applicable employer  
306 and employee contributions required under s. 121.35.

307 (d) The member, or the employer on behalf of the member,  
308 may not purchase any prior service in the optional retirement  
309 program or employment from July 1, 2010, to December 31, 2014,  
310 when renewed membership is not available.

311 (5) A retiree of the investment plan, the State University  
312 System Optional Retirement Program, the Senior Management  
313 Service System Optional Annuity Program, or the State Community  
314 College System Optional Retirement Program who retired before  
315 July 1, 2010, and is employed in a regularly established  
316 position eligible for participation in the State Community  
317 College System Optional Retirement Program as provided in s.  
318 121.051(2)(c)4. on or after January 1, 2015, shall become a  
319 renewed member of the optional retirement program. The renewed  
320 member must satisfy the eligibility requirements of this chapter  
321 and s. 1012.875 for the optional retirement program. Once  
322 enrolled, a renewed member remains enrolled in the optional  
323 retirement program while employed in an eligible position for  
324 the optional retirement program. If employment in a different  
325 covered position results in the retiree's enrollment in the  
326 investment plan, the retiree is no longer eligible to  
327 participate in the optional retirement program.

328 (a) The member is subject to the reemployment after  
329 retirement limitations provided in s. 121.091(9), as applicable.



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330       (b) The member must satisfy the requirements for  
331 termination of employment provided in s. 121.021(39).

332       (c) Upon renewed membership or reemployment of a retiree,  
333 the employer and the retiree shall pay the applicable employer  
334 and employee contributions required under ss. 121.051(2)(c) and  
335 1012.875.

336       (d) The member, or the employer on behalf of the member,  
337 may not purchase any past service in the optional retirement  
338 program or employment accrued from July 1, 2010, to December 31,  
339 2014.

340       Section 5. Paragraph (c) of subsection (3) and paragraph  
341 (a) of subsection (4) of section 121.35, Florida Statutes, are  
342 amended to read:

343       121.35 Optional retirement program for the State University  
344 System.—

345       (3) ELECTION OF OPTIONAL PROGRAM.—

346       (c) Any employee who becomes eligible to participate in the  
347 optional retirement program on or after January 1, 1993, shall  
348 be a compulsory participant of the program unless such employee  
349 elects membership in the Florida Retirement System. Such  
350 election shall be made in writing and filed with the personnel  
351 officer of the employer. Any eligible employee who fails to make  
352 such election within the prescribed time period shall be deemed  
353 to have elected to participate in the optional retirement  
354 program.

355       1. Any employee whose optional retirement program  
356 eligibility results from initial employment shall be enrolled in  
357 the program at the commencement of employment. If, within 90  
358 days after commencement of employment, the employee elects



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359 membership in the Florida Retirement System, such membership  
360 shall be effective retroactive to the date of commencement of  
361 employment as provided in s. 121.4501(4).

362 2. Any employee whose optional retirement program  
363 eligibility results from a change in status due to the  
364 subsequent designation of the employee's position as one of  
365 those specified in paragraph (2)(a) or due to the employee's  
366 appointment, promotion, transfer, or reclassification to a  
367 position specified in paragraph (2)(a) shall be enrolled in the  
368 optional retirement program upon such change in status and shall  
369 be notified by the employer of such action. If, within 90 days  
370 after the date of such notification, the employee elects to  
371 retain membership in the Florida Retirement System, such  
372 continuation of membership shall be retroactive to the date of  
373 the change in status.

374 3. Notwithstanding the provisions of this paragraph,  
375 effective July 1, 1997, an ~~any~~ employee who is eligible to  
376 participate in the Optional Retirement Program and who fails to  
377 execute a contract with one of the approved companies and to  
378 notify the department in writing as provided in subsection (4)  
379 within 90 days after the date of eligibility shall be deemed to  
380 have elected membership in the Florida Retirement System, except  
381 as provided in s. 121.051(1)(a). This provision ~~shall~~ also  
382 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an  
383 eligible position before executing the required investment  
384 ~~annuity~~ contract and notifying the department. Such membership  
385 is ~~shall be~~ retroactive to the date of eligibility, and all  
386 appropriate contributions shall be transferred to the Florida  
387 Retirement System Trust Fund and the Health Insurance Subsidy



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388 Trust Fund.

389 (4) CONTRIBUTIONS.—

390 (a)1. Through June 30, 2001, each employer shall contribute  
391 on behalf of each member of the optional retirement program an  
392 amount equal to the normal cost portion of the employer  
393 retirement contribution which would be required if the employee  
394 were a regular member of the Florida Retirement System Pension  
395 Plan, plus the portion of the contribution rate required in s.  
396 112.363(8) which ~~that~~ would otherwise be assigned to the Retiree  
397 Health Insurance Subsidy Trust Fund.

398 2. Effective July 1, 2001, through June 30, 2011, each  
399 employer shall contribute on behalf of each member of the  
400 optional retirement program an amount equal to 10.43 percent of  
401 the employee's gross monthly compensation.

402 3. Effective July 1, 2011, through June 30, 2012, each  
403 member of the optional retirement program shall contribute an  
404 amount equal to the employee contribution required in s.  
405 121.71(3) (a). The employer shall contribute on behalf of each  
406 such member an amount equal to the difference between 10.43  
407 percent of the employee's gross monthly compensation and the  
408 amount equal to the employee's required contribution based on  
409 the employee's gross monthly compensation.

410 4. Effective July 1, 2012, each member of the optional  
411 retirement program shall contribute an amount equal to the  
412 employee contribution required in s. 121.71(3) (a). The employer  
413 shall contribute on behalf of each such member an amount equal  
414 to the difference between 8.15 percent of the employee's gross  
415 monthly compensation and the amount equal to the employee's  
416 required contribution based on the employee's gross monthly



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417 compensation.

418         5. The payment of the contributions, including  
419 contributions by the employee, shall be made by the employer to  
420 the department, which shall forward the contributions to the  
421 designated company or companies contracting for payment of  
422 benefits for members of the program. However, such contributions  
423 paid on behalf of an employee described in paragraph (3)(c) may  
424 not be forwarded to a company and do not begin to accrue  
425 interest until the employee has executed a contract and notified  
426 the department. The department shall deduct an amount from the  
427 contributions to provide for the administration of this program.

428         Section 6. Subsection (1), paragraphs (e) and (i) of  
429 subsection (2), paragraph (b) of subsection (3), subsection (4),  
430 paragraph (c) of subsection (5), subsection (8), and paragraphs  
431 (a), (b), (c), and (h) of subsection (10) of section 121.4501,  
432 Florida Statutes, are amended to read:

433         121.4501 Florida Retirement System Investment Plan.—

434         (1) The Trustees of the State Board of Administration shall  
435 establish a defined contribution program called the "Florida  
436 Retirement System Investment Plan" or "investment plan" for  
437 members of the Florida Retirement System under which retirement  
438 benefits will be provided for eligible employees who elect to  
439 participate in the program and for employees initially enrolled  
440 on or after July 1, 2015, in positions covered by the Elected  
441 Officers' Class or the Senior Management Service Class and who  
442 are compulsory members of the investment plan unless otherwise  
443 eligible to withdraw from the system under s. 121.052(3)(d) or  
444 s. 121.055(1)(b)2., or to participate in an optional retirement  
445 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.



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446 Investment plan membership continues if there is subsequent  
447 employment in a position covered by another membership class.

448 The retirement benefits shall be provided through member-  
449 directed investments, in accordance with s. 401(a) of the  
450 Internal Revenue Code and related regulations. The employer and  
451 employee shall make contributions, as provided in this section  
452 and ss. 121.571 and 121.71, to the Florida Retirement System  
453 Investment Plan Trust Fund toward the funding of benefits.

454 (2) DEFINITIONS.—As used in this part, the term:

455 (e) "Eligible employee" means an officer or employee, as  
456 defined in s. 121.021, who:

457 1. Is a member of, or is eligible for membership in, the  
458 Florida Retirement System, including any renewed member of the  
459 Florida Retirement System initially enrolled before July 1,  
460 2010; ~~or~~

461 2. Participates in, or is eligible to participate in, the  
462 Senior Management Service Optional Annuity Program as  
463 established under s. 121.055(6), the State Community College  
464 System Optional Retirement Program as established under s.  
465 121.051(2)(c), or the State University System Optional  
466 Retirement Program established under s. 121.35; or

467 3. Is a retired member of the investment plan, the State  
468 University System Optional Retirement Program, the Senior  
469 Management Service Optional Annuity Program, or the State  
470 Community College System Optional Retirement Program who retired  
471 before July 1, 2010 and is employed in a regularly established  
472 position on or after January 1, 2015, as provided in s. 121.122.

473  
474 The term does not include any member participating in the



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475 Deferred Retirement Option Program established under s.  
476 121.091(13), a retiree of a state-administered retirement system  
477 who retired initially reemployed in a regularly established  
478 position on or after July 1, 2010, or a mandatory participant of  
479 the State University System Optional Retirement Program  
480 established under s. 121.35.

481 (i) "Member" or "employee" means an eligible employee who  
482 enrolls in or is defaulted into the investment plan as provided  
483 in subsection (4), a terminated Deferred Retirement Option  
484 Program member as described in subsection (21), or a beneficiary  
485 or alternate payee of a member or employee.

486 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

487 (b) Notwithstanding paragraph (a), an eligible employee who  
488 elects to participate in or is defaulted into the investment  
489 plan and establishes one or more individual member accounts may  
490 elect to transfer to the investment plan a sum representing the  
491 present value of the employee's accumulated benefit obligation  
492 under the pension plan, except as provided in paragraph (4)(b).  
493 Upon transfer, all service credit earned under the pension plan  
494 is nullified for purposes of entitlement to a future benefit  
495 under the pension plan. A member may not transfer the  
496 accumulated benefit obligation balance from the pension plan  
497 after the time period for enrolling in the investment plan has  
498 expired.

499 1. For purposes of this subsection, the present value of  
500 the member's accumulated benefit obligation is based upon the  
501 member's estimated creditable service and estimated average  
502 final compensation under the pension plan, subject to  
503 recomputation under subparagraph 2. For state employees, initial





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504 estimates shall be based upon creditable service and average  
505 final compensation as of midnight on June 30, 2002; for district  
506 school board employees, initial estimates shall be based upon  
507 creditable service and average final compensation as of midnight  
508 on September 30, 2002; and for local government employees,  
509 initial estimates shall be based upon creditable service and  
510 average final compensation as of midnight on December 31, 2002.  
511 The dates specified are the "estimate date" for these employees.  
512 The actuarial present value of the employee's accumulated  
513 benefit obligation shall be based on the following:

514 a. The discount rate and other relevant actuarial  
515 assumptions used to value the Florida Retirement System Trust  
516 Fund at the time the amount to be transferred is determined,  
517 consistent with the factors provided in sub-subparagraphs b. and  
518 c.

519 b. A benefit commencement age, based on the member's  
520 estimated creditable service as of the estimate date.

521 c. Except as provided under sub-subparagraph d., for a  
522 member initially enrolled:

523 (I) Before July 1, 2011, the benefit commencement age is  
524 the younger of the following, but may not be younger than the  
525 member's age as of the estimate date:

526 (A) Age 62; or

527 (B) The age the member would attain if the member completed  
528 30 years of service with an employer, assuming the member worked  
529 continuously from the estimate date, and disregarding any  
530 vesting requirement that would otherwise apply under the pension  
531 plan.

532 (II) On or after July 1, 2011, the benefit commencement age



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533 is the younger of the following, but may not be younger than the  
534 member's age as of the estimate date:

535 (A) Age 65; or

536 (B) The age the member would attain if the member completed  
537 33 years of service with an employer, assuming the member worked  
538 continuously from the estimate date, and disregarding any  
539 vesting requirement that would otherwise apply under the pension  
540 plan.

541 d. For members of the Special Risk Class and for members of  
542 the Special Risk Administrative Support Class entitled to retain  
543 the special risk normal retirement date:

544 (I) Initially enrolled before July 1, 2011, the benefit  
545 commencement age is the younger of the following, but may not be  
546 younger than the member's age as of the estimate date:

547 (A) Age 55; or

548 (B) The age the member would attain if the member completed  
549 25 years of service with an employer, assuming the member worked  
550 continuously from the estimate date, and disregarding any  
551 vesting requirement that would otherwise apply under the pension  
552 plan.

553 (II) Initially enrolled on or after July 1, 2011, the  
554 benefit commencement age is the younger of the following, but  
555 may not be younger than the member's age as of the estimate  
556 date:

557 (A) Age 60; or

558 (B) The age the member would attain if the member completed  
559 30 years of service with an employer, assuming the member worked  
560 continuously from the estimate date, and disregarding any  
561 vesting requirement that would otherwise apply under the pension



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562 plan.

563 e. The calculation must disregard vesting requirements and  
564 early retirement reduction factors that would otherwise apply  
565 under the pension plan.

566 2. For each member who elects to transfer moneys from the  
567 pension plan to his or her account in the investment plan, the  
568 division shall recompute the amount transferred under  
569 subparagraph 1. within 60 days after the actual transfer of  
570 funds based upon the member's actual creditable service and  
571 actual final average compensation as of the initial date of  
572 participation in the investment plan. If the recomputed amount  
573 differs from the amount transferred by \$10 or more, the division  
574 shall:

575 a. Transfer, or cause to be transferred, from the Florida  
576 Retirement System Trust Fund to the member's account the excess,  
577 if any, of the recomputed amount over the previously transferred  
578 amount together with interest from the initial date of transfer  
579 to the date of transfer under this subparagraph, based upon the  
580 effective annual interest equal to the assumed return on the  
581 actuarial investment which was used in the most recent actuarial  
582 valuation of the system, compounded annually.

583 b. Transfer, or cause to be transferred, from the member's  
584 account to the Florida Retirement System Trust Fund the excess,  
585 if any, of the previously transferred amount over the recomputed  
586 amount, together with interest from the initial date of transfer  
587 to the date of transfer under this subparagraph, based upon 6  
588 percent effective annual interest, compounded annually, pro rata  
589 based on the member's allocation plan.

590 3. If contribution adjustments are made as a result of



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591 employer errors or corrections, including plan corrections,  
592 following recomputation of the amount transferred under  
593 subparagraph 1., the member is entitled to the additional  
594 contributions or is responsible for returning any excess  
595 contributions resulting from the correction. However, a any  
596 return of such erroneous excess pretax contribution by the plan  
597 must be made within the period allowed by the Internal Revenue  
598 Service. The present value of the member's accumulated benefit  
599 obligation may shall not be recalculated.

600 4. As directed by the member, the state board shall  
601 transfer or cause to be transferred the appropriate amounts to  
602 the designated accounts within 30 days after the effective date  
603 of the member's participation in the investment plan unless the  
604 major financial markets for securities available for a transfer  
605 are seriously disrupted by an unforeseen event that causes the  
606 suspension of trading on a any national securities exchange in  
607 the country where the securities were issued. In that event, the  
608 30-day period may be extended by a resolution of the state  
609 board. Transfers are not commissionable or subject to other fees  
610 and may be in the form of securities or cash, as determined by  
611 the state board. Such securities are valued as of the date of  
612 receipt in the member's account.

613 5. If the state board or the division receives notification  
614 from the United States Internal Revenue Service that this  
615 paragraph or any portion of this paragraph will cause the  
616 retirement system, or a portion thereof, to be disqualified for  
617 tax purposes under the Internal Revenue Code, the portion that  
618 will cause the disqualification does not apply. Upon such  
619 notice, the state board and the division shall notify the



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620 presiding officers of the Legislature.

621 (4) PARTICIPATION; ENROLLMENT.—

622 (a)1. Effective June 1, 2002, through February 28, 2003, a  
623 90-day election period, preceded by a 90-day education period,  
624 was provided to each eligible employee participating in the  
625 Florida Retirement System which permitted each eligible employee  
626 to elect membership in the investment plan, and an employee who  
627 failed to elect the investment plan during the election period  
628 remained in the pension plan. An eligible employee who was  
629 employed in a regularly established position during the election  
630 period was granted the option to make one subsequent election,  
631 as provided in paragraph (f). With respect to an eligible  
632 employee who did not participate in the initial election period  
633 or who is initially ~~employee who is~~ employed in a regularly  
634 established position after the close of the initial election  
635 period but before July 1, 2015, ~~on June 1, 2002, by a state~~  
636 employer:

637 ~~a. Any such employee may elect to participate in the~~  
638 ~~investment plan in lieu of retaining his or her membership in~~  
639 ~~the pension plan. The election must be made in writing or by~~  
640 ~~electronic means and must be filed with the third-party~~  
641 ~~administrator by August 31, 2002, or, in the case of an active~~  
642 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
643 ~~last business day of the 5th month following the month the leave~~  
644 ~~of absence concludes. This election is irrevocable, except as~~  
645 ~~provided in paragraph (g). Upon making such election, the~~  
646 ~~employee shall be enrolled as a member of the investment plan,~~  
647 ~~the employee's membership in the Florida Retirement System is~~  
648 ~~governed by the provisions of this part, and the employee's~~



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649 ~~membership in the pension plan terminates. The employee's~~  
650 ~~enrollment in the investment plan is effective the first day of~~  
651 ~~the month for which a full month's employer contribution is made~~  
652 ~~to the investment plan.~~

653 ~~b. Any such employee who fails to elect to participate in~~  
654 ~~the investment plan within the prescribed time period is deemed~~  
655 ~~to have elected to retain membership in the pension plan, and~~  
656 ~~the employee's option to elect to participate in the investment~~  
657 ~~plan is forfeited.~~

658 ~~2. With respect to employees who become eligible to~~  
659 ~~participate in the investment plan by reason of employment in a~~  
660 ~~regularly established position with a state employer commencing~~  
661 ~~after April 1, 2002:~~

662 ~~a. Any such employee shall, by default, be enrolled in the~~  
663 ~~pension plan at the commencement of employment, and may, by the~~  
664 ~~last business day of the 5th month following the employee's~~  
665 ~~month of hire, elect to participate in the investment plan. The~~  
666 ~~employee's election must be made in writing or by electronic~~  
667 ~~means and must be filed with the third-party administrator. The~~  
668 ~~election to participate in the investment plan is irrevocable,~~  
669 ~~except as provided in paragraph (f) ~~(g)~~.~~

670 ~~a.b.~~ If the employee files such election within the  
671 prescribed time period, enrollment in the investment plan is  
672 effective on the first day of employment. The retirement  
673 contributions paid through the month of the employee plan change  
674 shall be transferred to the investment program, and, effective  
675 the first day of the next month, the employer and employee must  
676 pay the applicable contributions based on the employee  
677 membership class in the program.



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678           ~~b.e.~~ An employee who fails to elect to participate in the  
679 investment plan within the prescribed time period is deemed to  
680 have elected to retain membership in the pension plan, and the  
681 employee's option to elect to participate in the investment plan  
682 is forfeited.

683           ~~2.3.~~ With respect to employees who become eligible to  
684 participate in the investment plan pursuant to s.  
685 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
686 participate in the investment plan in lieu of retaining his or  
687 her membership in the State Community College System Optional  
688 Retirement Program or the State University System Optional  
689 Retirement Program. The election must be ~~made~~ in writing or by  
690 electronic means and must be filed with the third-party  
691 administrator. This election is irrevocable, except as provided  
692 in paragraph ~~(f)(g)~~. Upon making such election, the employee  
693 shall be enrolled as a member in the investment plan, the  
694 employee's membership in the Florida Retirement System is  
695 governed by the provisions of this part, and the employee's  
696 participation in the State Community College System Optional  
697 Retirement Program or the State University System Optional  
698 Retirement Program terminates. The employee's enrollment in the  
699 investment plan is effective on the first day of the month for  
700 which a full month's employer and employee contribution is made  
701 to the investment plan.

702           ~~4. For purposes of this paragraph, "state employer" means~~  
703 ~~any agency, board, branch, commission, community college,~~  
704 ~~department, institution, institution of higher education, or~~  
705 ~~water management district of the state, which participates in~~  
706 ~~the Florida Retirement System for the benefit of certain~~



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707 ~~employees.~~

708 (b) With respect to employees who become eligible to  
709 participate in the investment plan, except as provided in  
710 paragraph (g), by reason of employment in a regularly  
711 established position commencing on or after July 1, 2015, such  
712 employee shall be enrolled in the pension plan at the  
713 commencement of employment and may, by the last business day of  
714 the 8th month following the employee's month of hire, elect to  
715 participate in the pension plan or the investment plan. Eligible  
716 employees may make a plan election only if they are earning  
717 service credit in an employer-employee relationship consistent  
718 with s. 121.021(17)(b), excluding leaves of absence without pay.

719 1. The employee's election must be in writing or by  
720 electronic means and must be filed with the third-party  
721 administrator. The election to participate in the pension plan  
722 or investment plan is irrevocable, except as provided in  
723 paragraph (f).

724 2. If the employee fails to make an election of the pension  
725 plan or investment plan within 8 months following the month of  
726 hire, the employee is deemed to have elected the investment plan  
727 and will be defaulted into the investment plan retroactively to  
728 the employee's date of employment. The employee's option to  
729 participate in the pension plan is forfeited, except as provided  
730 in paragraph (f).

731 3. The amount of the employee and employer contributions  
732 paid before the default to the investment plan shall be  
733 transferred to the investment plan and placed in a default fund  
734 as designated by the State Board of Administration. The employee  
735 may move the contributions once an account is activated in the





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736 investment plan.

737 4. Effective the first day of the month after an eligible  
738 employee makes a plan election of the pension plan or investment  
739 plan, or after the month of default to the investment plan, the  
740 employee and employer shall pay the applicable contributions  
741 based on the employee membership class in the pension plan or  
742 investment plan.

743 ~~(b)1. With respect to an eligible employee who is employed~~  
744 ~~in a regularly established position on September 1, 2002, by a~~  
745 ~~district school board employer:~~

746 ~~a. Any such employee may elect to participate in the~~  
747 ~~investment plan in lieu of retaining his or her membership in~~  
748 ~~the pension plan. The election must be made in writing or by~~  
749 ~~electronic means and must be filed with the third-party~~  
750 ~~administrator by November 30, or, in the case of an active~~  
751 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
752 ~~last business day of the 5th month following the month the leave~~  
753 ~~of absence concludes. This election is irrevocable, except as~~  
754 ~~provided in paragraph (g). Upon making such election, the~~  
755 ~~employee shall be enrolled as a member of the investment plan,~~  
756 ~~the employee's membership in the Florida Retirement System is~~  
757 ~~governed by the provisions of this part, and the employee's~~  
758 ~~membership in the pension plan terminates. The employee's~~  
759 ~~enrollment in the investment plan is effective the first day of~~  
760 ~~the month for which a full month's employer contribution is made~~  
761 ~~to the investment program.~~

762 ~~b. Any such employee who fails to elect to participate in~~  
763 ~~the investment plan within the prescribed time period is deemed~~  
764 ~~to have elected to retain membership in the pension plan, and~~



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765 ~~the employee's option to elect to participate in the investment~~  
766 ~~plan is forfeited.~~

767 ~~2. With respect to employees who become eligible to~~  
768 ~~participate in the investment plan by reason of employment in a~~  
769 ~~regularly established position with a district school board~~  
770 ~~employer commencing after July 1, 2002:~~

771 ~~a. Any such employee shall, by default, be enrolled in the~~  
772 ~~pension plan at the commencement of employment, and may, by the~~  
773 ~~last business day of the 5th month following the employee's~~  
774 ~~month of hire, elect to participate in the investment plan. The~~  
775 ~~employee's election must be made in writing or by electronic~~  
776 ~~means and must be filed with the third-party administrator. The~~  
777 ~~election to participate in the investment plan is irrevocable,~~  
778 ~~except as provided in paragraph (g).~~

779 ~~b. If the employee files such election within the~~  
780 ~~prescribed time period, enrollment in the investment plan is~~  
781 ~~effective on the first day of employment. The employer~~  
782 ~~retirement contributions paid through the month of the employee~~  
783 ~~plan change shall be transferred to the investment plan, and,~~  
784 ~~effective the first day of the next month, the employer shall~~  
785 ~~pay the applicable contributions based on the employee~~  
786 ~~membership class in the investment plan.~~

787 ~~e. Any such employee who fails to elect to participate in~~  
788 ~~the investment plan within the prescribed time period is deemed~~  
789 ~~to have elected to retain membership in the pension plan, and~~  
790 ~~the employee's option to elect to participate in the investment~~  
791 ~~plan is forfeited.~~

792 ~~3. For purposes of this paragraph, "district school board~~  
793 ~~employer" means any district school board that participates in~~



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794 ~~the Florida Retirement System for the benefit of certain~~  
795 ~~employees, or a charter school or charter technical career~~  
796 ~~center that participates in the Florida Retirement System as~~  
797 ~~provided in s. 121.051(2) (d).~~

798 ~~(c)1. With respect to an eligible employee who is employed~~  
799 ~~in a regularly established position on December 1, 2002, by a~~  
800 ~~local employer:~~

801 ~~a. Any such employee may elect to participate in the~~  
802 ~~investment plan in lieu of retaining his or her membership in~~  
803 ~~the pension plan. The election must be made in writing or by~~  
804 ~~electronic means and must be filed with the third-party~~  
805 ~~administrator by February 28, 2003, or, in the case of an active~~  
806 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
807 ~~last business day of the 5th month following the month the leave~~  
808 ~~of absence concludes. This election is irrevocable, except as~~  
809 ~~provided in paragraph (g). Upon making such election, the~~  
810 ~~employee shall be enrolled as a participant of the investment~~  
811 ~~plan, the employee's membership in the Florida Retirement System~~  
812 ~~is governed by the provisions of this part, and the employee's~~  
813 ~~membership in the pension plan terminates. The employee's~~  
814 ~~enrollment in the investment plan is effective the first day of~~  
815 ~~the month for which a full month's employer contribution is made~~  
816 ~~to the investment plan.~~

817 ~~b. Any such employee who fails to elect to participate in~~  
818 ~~the investment plan within the prescribed time period is deemed~~  
819 ~~to have elected to retain membership in the pension plan, and~~  
820 ~~the employee's option to elect to participate in the investment~~  
821 ~~plan is forfeited.~~

822 ~~2. With respect to employees who become eligible to~~



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823 ~~participate in the investment plan by reason of employment in a~~  
824 ~~regularly established position with a local employer commencing~~  
825 ~~after October 1, 2002:~~

826 ~~a. Any such employee shall, by default, be enrolled in the~~  
827 ~~pension plan at the commencement of employment, and may, by the~~  
828 ~~last business day of the 5th month following the employee's~~  
829 ~~month of hire, elect to participate in the investment plan. The~~  
830 ~~employee's election must be made in writing or by electronic~~  
831 ~~means and must be filed with the third-party administrator. The~~  
832 ~~election to participate in the investment plan is irrevocable,~~  
833 ~~except as provided in paragraph (g).~~

834 ~~b. If the employee files such election within the~~  
835 ~~prescribed time period, enrollment in the investment plan is~~  
836 ~~effective on the first day of employment. The employer~~  
837 ~~retirement contributions paid through the month of the employee~~  
838 ~~plan change shall be transferred to the investment plan, and,~~  
839 ~~effective the first day of the next month, the employer shall~~  
840 ~~pay the applicable contributions based on the employee~~  
841 ~~membership class in the investment plan.~~

842 ~~e. Any such employee who fails to elect to participate in~~  
843 ~~the investment plan within the prescribed time period is deemed~~  
844 ~~to have elected to retain membership in the pension plan, and~~  
845 ~~the employee's option to elect to participate in the investment~~  
846 ~~plan is forfeited.~~

847 ~~3. For purposes of this paragraph, "local employer" means~~  
848 ~~any employer not included in paragraph (a) or paragraph (b).~~

849 ~~(c)(d) Contributions available for self-direction by a~~  
850 ~~member who has not selected one or more specific investment~~  
851 ~~products shall be allocated as prescribed by the state board.~~



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852 The third-party administrator shall notify the member at least  
853 quarterly that the member should take an affirmative action to  
854 make an asset allocation among the investment products.

855 (d)~~(e)~~ On or after July 1, 2011, a member of the pension  
856 plan who obtains a refund of employee contributions retains his  
857 or her prior plan choice upon return to employment in a  
858 regularly established position with a participating employer.

859 (e)~~(f)~~ A member of the investment plan who takes a  
860 distribution of any contributions from his or her investment  
861 plan account is considered a retiree. A member ~~retiree~~ who  
862 retires ~~is initially reemployed in a regularly established~~  
863 ~~position~~ on or after July 1, 2010, is not eligible to be  
864 enrolled in renewed membership. A member who retired before July  
865 1, 2010, and is employed on or after January 1, 2015, in a  
866 regularly established position shall be a renewed member as  
867 provided in s. 121.122, except that a retiree who has returned  
868 to covered employment before July 1, 2010, may continue  
869 membership in the plan he or she chooses.

870  
871 ===== T I T L E A M E N D M E N T =====

872 And the title is amended as follows:

873 Delete lines 16 - 45

874 and insert:

875 date; amending s. 121.053, F.S.; authorizing renewed  
876 membership in the retirement system for retirees who  
877 are reemployed in a position eligible for the Elected  
878 Officers' Class under certain circumstances; amending  
879 s. 121.055, F.S.; authorizing renewed membership in  
880 the retirement system for retirees of the Senior



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881 Management Service Optional Annuity Program who are  
882 reemployed on or after a specified date; prohibiting  
883 an elected official eligible for membership in the  
884 Elected Officers' Class from enrolling in the Senior  
885 Management Service Class or in the Senior Management  
886 Service Optional Annuity Program; closing the Senior  
887 Management Optional Annuity Program to new members  
888 after a specified date; amending s. 121.091, F.S.;  
889 providing that certain members are entitled to a  
890 monthly disability benefit; revising provisions to  
891 conform to changes made by the act; amending s.  
892 121.122, F.S.; requiring that certain retirees who are  
893 employed on or after a specified date be renewed  
894 members in the investment plan; providing exceptions;  
895 providing that creditable service does not accrue for  
896 a reemployed retiree during a specified period;  
897 prohibiting certain funds from being paid into a  
898 renewed member's investment plan account for a  
899 specified period of employment; requiring the renewed  
900 member to satisfy vesting requirements; prohibiting a  
901 renewed member from receiving disability benefits;  
902 specifying requirements and limitations; requiring the  
903 employer and the retiree to make applicable  
904 contributions to the member's investment plan account;  
905 providing for the administration of the employer and  
906 employee contributions; prohibiting the purchase of  
907 past service in the investment plan; authorizing a  
908 renewed member to receive additional credit toward the  
909 health insurance subsidy under certain circumstances;



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910 providing that a retiree employed on or after a  
911 specified date in a regularly established position  
912 eligible for the State University System Optional  
913 Retirement Program is a renewed member of that  
914 program; specifying requirements and limitations;  
915 requiring the employer and the retiree to make  
916 applicable contributions; prohibiting the purchase of  
917 past service in the program; providing that a retiree  
918 employed on or after a specified date in a regularly  
919 established position eligible for the State Community  
920 College System Optional Retirement Program is a  
921 renewed member of that program; specifying  
922 requirements and limitations; requiring the employer  
923 and the retiree to make applicable contributions;  
924 prohibiting the purchase of past service in the  
925 program; amending s. 121.35, F.S.; providing that  
926 certain participants in the optional retirement  
927 program for the State University System have a choice  
928 between the optional retirement program and the  
929 Florida Retirement System Investment Plan; conforming  
930 cross-references; amending s. 121.4501, F.S.;

931 requiring certain employees initially enrolled in the  
932 Florida Retirement System on or after a specified date  
933 to be compulsory members of the investment plan;  
934 revising the definition of "eligible employee" and  
935 "member" or "employee"; revising a provision relating  
936 to acknowledgement of an employee's election to  
937 participate in the investment plan; placing certain  
938 employees in the pension plan from his or her date of



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939 hire until they are automatically enrolled in the  
940 investment plan or timely elect enrollment in the  
941 pension plan; authorizing certain employees to elect  
942 to participate in the pension plan, rather than the  
943 default investment plan, within a specified time;  
944 specifying that a retiree who has returned to covered  
945 employment before a specified date may continue  
946 membership in his or her selected retirement plan;  
947 conforming a provision to changes made by the act;





597574

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2014	.	
	.	
	.	
	.	

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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment to Amendment (927262)**

Delete line 230  
and insert:  
2010, but did not complete the required years of creditable  
service, regardless of age, for the membership class and is  
employed in a regularly established position with a



778906

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/10/2014	.	
	.	
	.	
	.	

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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment to Amendment (927262)**

1           Delete line 230  
2  
3           and insert:  
4           2010, but did not complete 10 years of creditable service and is  
5           employed in a regularly established position with a  
6



593622

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/10/2014	.	
	.	
	.	
	.	

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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 524 - 544

and insert:

3. Notwithstanding the provisions of this paragraph,  
effective July 1, 1997, an ~~any~~ employee who is eligible to  
participate in the Optional Retirement Program and who fails to  
execute a contract with one of the approved companies and to  
notify the department in writing as provided in subsection (4)  
within 90 days after the date of eligibility shall be deemed to



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11 have elected membership in the Florida Retirement System, except  
12 as provided in s. 121.051(1)(a). This provision ~~shall~~ also  
13 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an  
14 eligible position before executing the required investment  
15 ~~annuity~~ contract and notifying the department. Such membership  
16 is ~~shall be~~ retroactive to the date of eligibility, and all  
17 appropriate contributions shall be transferred to the Florida  
18 Retirement System Trust Fund and the Health Insurance Subsidy  
19 Trust Fund.

20  
21 ===== T I T L E   A M E N D M E N T =====

22 And the title is amended as follows:

23       Delete lines 30 - 31

24 and insert:

25       Investment Plan;



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Proposed Committee Substitute by the Committee on Governmental  
Oversight and Accountability

A bill to be entitled

An act relating to retirement; amending s. 121.021,  
F.S.; revising the definition of "vested" or  
"vesting"; providing that a member initially enrolled  
in the Florida Retirement System after a certain date  
is vested in the pension plan after 10 years of  
creditable service; amending s. 121.051, F.S.;  
providing for compulsory membership in the Florida  
Retirement System Investment Plan for employees in the  
Elected Officers' Class or the Senior Management  
Service Class initially enrolled after a specified  
date; conforming cross-references to changes made by  
the act; amending s. 121.052, F.S.; prohibiting  
members of the Elected Officers' Class from joining  
the Senior Management Service Class after a specified  
date; amending s. 121.055, F.S.; prohibiting an  
elected official eligible for membership in the  
Elected Officers' Class from enrolling in the Senior  
Management Service Class or in the Senior Management  
Service Optional Annuity Program; closing the Senior  
Management Optional Annuity Program to new members  
after a specified date; amending s. 121.091, F.S.;  
providing that certain members are entitled to a  
monthly disability benefit; revising provisions to  
conform to changes made by the act; amending s.  
121.35, F.S.; providing that certain participants in  
the optional retirement program for the State



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University System have a choice between the optional  
retirement program and the Florida Retirement System  
Investment Plan; providing for compulsory membership  
in the investment plan for certain employees;  
conforming cross-references; amending s. 121.4501,  
F.S.; requiring certain employees initially enrolled  
in the Florida Retirement System on or after a  
specified date to be compulsory members of the  
investment plan; revising the definition of "member"  
or "employee"; revising a provision relating to  
acknowledgement of an employee's election to  
participate in the investment plan; placing certain  
employees in the pension plan from his or her date of  
hire until they are automatically enrolled in the  
investment plan or timely elect enrollment in the  
pension plan; authorizing certain employees to elect  
to participate in the pension plan, rather than the  
default investment plan, within a specified time;  
providing for the transfer of certain contributions;  
revising the education component; deleting the  
obligation of system employers to communicate the  
existence of both retirement plans; conforming  
provisions and cross-references to changes made by the  
act; amending s. 121.591, F.S.; revising provisions  
relating to disability retirement benefits; amending  
s. 121.71, F.S.; decreasing the employee retirement  
contribution rates for investment plan members;  
amending ss. 238.072, 413.051, and 1012.875, F.S.;  
conforming cross-references; providing that the act



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57 fulfills an important state interest; providing an  
58 effective date.

59  
60 Be It Enacted by the Legislature of the State of Florida:

61  
62 Section 1. Subsection (45) of section 121.021, Florida  
63 Statutes, is amended to read:

64 121.021 Definitions.—The following words and phrases as  
65 used in this chapter have the respective meanings set forth  
66 unless a different meaning is plainly required by the context:

67 (45) "Vested" or "vesting" means the guarantee that a  
68 member is eligible to receive a future retirement benefit upon  
69 completion of the required years of creditable service for the  
70 employee's class of membership, even though the member may have  
71 terminated covered employment before reaching normal or early  
72 retirement date. Being vested does not entitle a member to a  
73 disability benefit. Provisions governing entitlement to  
74 disability benefits are set forth under s. 121.091(4).

75 (a) Effective July 1, 2001, through June 30, 2011, a 6-year  
76 vesting requirement shall be implemented for the Florida  
77 Retirement System Pension Plan:

78 1. Any member employed in a regularly established position  
79 on July 1, 2001, who completes or has completed a total of 6  
80 years of creditable service is considered vested.

81 2. Any member initially enrolled in the Florida Retirement  
82 System before July 1, 2001, but not employed in a regularly  
83 established position on July 1, 2001, shall be deemed vested  
84 upon completion of 6 years of creditable service if such member  
85 is employed in a covered position for at least 1 work year after



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86 July 1, 2001. However, a member is not required to complete more  
87 years of creditable service than would have been required for  
88 that member to vest under retirement laws in effect before July  
89 1, 2001.

90 3. Any member initially enrolled in the Florida Retirement  
91 System on July 1, 2001, through June 30, 2011, shall be deemed  
92 vested upon completion of 6 years of creditable service.

93 (b) Any member initially enrolled in the Florida Retirement  
94 System on ~~or after~~ July 1, 2011, through June 30, 2015, shall be  
95 vested in the pension plan upon completion of 8 years of  
96 creditable service.

97 (c) Any member initially enrolled in the Florida Retirement  
98 System on or after July 1, 2015, shall be vested in the pension  
99 plan upon completion of 10 years of creditable service.

100 Section 2. Paragraph (c) of subsection (2) of section  
101 121.051, Florida Statutes, is amended, present subsections (3)  
102 through (9) of that section are renumbered as subsections (4)  
103 through (10), respectively, and a new subsection (3) is added to  
104 that section, to read:

105 121.051 Participation in the system.—

106 (2) OPTIONAL PARTICIPATION.—

107 (c) Employees of public community colleges or charter  
108 technical career centers sponsored by public community colleges,  
109 designated in s. 1000.21(3), who are members of the Regular  
110 Class of the Florida Retirement System and who comply with the  
111 criteria set forth in this paragraph and s. 1012.875 may, in  
112 lieu of participating in the Florida Retirement System, elect to  
113 withdraw from the system altogether and participate in the State  
114 Community College System Optional Retirement Program provided by



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115 the employing agency under s. 1012.875.

116 1.a. Through June 30, 2001, the cost to the employer for  
117 benefits under the optional retirement program is equal to  
118 ~~equal~~ the normal cost portion of the employer retirement  
119 contribution which would be required if the employee were a  
120 member of the pension plan's Regular Class, plus the portion of  
121 the contribution rate required by s. 112.363(8) which would  
122 otherwise be assigned to the Retiree Health Insurance Subsidy  
123 Trust Fund.

124 b. Effective July 1, 2001, through June 30, 2011, each  
125 employer shall contribute on behalf of each member of the  
126 optional program an amount equal to 10.43 percent of the  
127 employee's gross monthly compensation. The employer shall deduct  
128 an amount for the administration of the program.

129 c. Effective July 1, 2011, through June 30, 2012, each  
130 member shall contribute an amount equal to the employee  
131 contribution required under s. 121.71(3) (a). The employer shall  
132 contribute on behalf of each program member an amount equal to  
133 the difference between 10.43 percent of the employee's gross  
134 monthly compensation and the employee's required contribution  
135 based on the employee's gross monthly compensation.

136 d. Effective July 1, 2012, each member shall contribute an  
137 amount equal to the employee contribution required under s.  
138 121.71(3) (a). The employer shall contribute on behalf of each  
139 program member an amount equal to the difference between 8.15  
140 percent of the employee's gross monthly compensation and the  
141 employee's required contribution based on the employee's gross  
142 monthly compensation.

143 e. The employer shall contribute an additional amount to



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144 the Florida Retirement System Trust Fund equal to the unfunded  
145 actuarial accrued liability portion of the Regular Class  
146 contribution rate.

147 2. The decision to participate in the optional retirement  
148 program is irrevocable as long as the employee holds a position  
149 eligible for participation, except as provided in subparagraph  
150 3. Any service creditable under the Florida Retirement System is  
151 retained after the member withdraws from the system; however,  
152 additional service credit in the system may not be earned while  
153 the employee is a member of the optional retirement program.

154 3. An employee who has elected to participate in the  
155 optional retirement program shall have one opportunity, at the  
156 employee's discretion, to transfer from the optional retirement  
157 program to the pension plan of the Florida Retirement System or  
158 to the investment plan established under part II of this  
159 chapter, subject to the terms of the applicable optional  
160 retirement program contracts.

161 a. If the employee chooses to move to the investment plan,  
162 any contributions, interest, and earnings creditable to the  
163 employee under the optional retirement program are retained by  
164 the employee in the optional retirement program, and the  
165 applicable provisions of s. 121.4501(4) govern the election.

166 b. If the employee chooses to move to the pension plan of  
167 the Florida Retirement System, the employee shall receive  
168 service credit equal to his or her years of service under the  
169 optional retirement program.

170 (I) The cost for such credit is the amount representing the  
171 present value of the employee's accumulated benefit obligation  
172 for the affected period of service. The cost shall be calculated



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173 as if the benefit commencement occurs on the first date the  
174 employee becomes eligible for unreduced benefits, using the  
175 discount rate and other relevant actuarial assumptions that were  
176 used to value the Florida Retirement System Pension Plan  
177 liabilities in the most recent actuarial valuation. The  
178 calculation must include any service already maintained under  
179 the pension plan in addition to the years under the optional  
180 retirement program. The present value of any service already  
181 maintained must be applied as a credit to total cost resulting  
182 from the calculation. The division must ensure that the transfer  
183 sum is prepared using a formula and methodology certified by an  
184 enrolled actuary.

185 (II) The employee must transfer from his or her optional  
186 retirement program account and from other employee moneys as  
187 necessary, a sum representing the present value of the  
188 employee's accumulated benefit obligation immediately following  
189 the time of such movement, determined assuming that attained  
190 service equals the sum of service in the pension plan and  
191 service in the optional retirement program.

192 4. Participation in the optional retirement program is  
193 limited to employees who satisfy the following eligibility  
194 criteria:

195 a. The employee is otherwise eligible for membership or  
196 renewed membership in the Regular Class of the Florida  
197 Retirement System, as provided in s. 121.021(11) and (12) or s.  
198 121.122.

199 b. The employee is employed in a full-time position  
200 classified in the Accounting Manual for Florida's College System  
201 ~~Public Community Colleges~~ as:



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202 (I) Instructional; or

203 (II) Executive Management, Instructional Management, or  
204 Institutional Management and the community college determines  
205 that recruiting to fill a vacancy in the position is to be  
206 conducted in the national or regional market, and the duties and  
207 responsibilities of the position include the formulation,  
208 interpretation, or implementation of policies, or the  
209 performance of functions that are unique or specialized within  
210 higher education and that frequently support the mission of the  
211 community college.

212 c. The employee is employed in a position not included in  
213 the Senior Management Service Class of the Florida Retirement  
214 System as described in s. 121.055.

215 5. Members of the program are subject to the same  
216 reemployment limitations, renewed membership provisions, and  
217 forfeiture provisions applicable to regular members of the  
218 Florida Retirement System under ss. 121.091(9), 121.122, and  
219 121.091(5), respectively. A member who receives a program  
220 distribution funded by employer and required employee  
221 contributions is deemed to be retired from a state-administered  
222 retirement system if the member is subsequently employed with an  
223 employer that participates in the Florida Retirement System.

224 6. Eligible community college employees are compulsory  
225 members of the Florida Retirement System until, pursuant to s.  
226 1012.875, a written election to withdraw from the system and  
227 participate in the optional retirement program is filed with the  
228 program administrator and received by the division.

229 a. A community college employee whose program eligibility  
230 results from initial employment shall be enrolled in the





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231 optional retirement program retroactive to the first day of  
232 eligible employment. The employer and employee retirement  
233 contributions paid through the month of the employee plan change  
234 shall be transferred to the community college to the employee's  
235 optional program account, and, effective the first day of the  
236 next month, the employer shall pay the applicable contributions  
237 based upon subparagraph 1.

238 b. A community college employee whose program eligibility  
239 is due to the subsequent designation of the employee's position  
240 as one of those specified in subparagraph 4., or due to the  
241 employee's appointment, promotion, transfer, or reclassification  
242 to a position specified in subparagraph 4., must be enrolled in  
243 the program on the first day of the first full calendar month  
244 that such change in status becomes effective. The employer and  
245 employee retirement contributions paid from the effective date  
246 through the month of the employee plan change must be  
247 transferred to the community college to the employee's optional  
248 program account, and, effective the first day of the next month,  
249 the employer shall pay the applicable contributions based upon  
250 subparagraph 1.

251 7. Effective July 1, 2003, through December 31, 2008, a any  
252 member of the optional retirement program who has service credit  
253 in the pension plan of the Florida Retirement System for the  
254 period between his or her first eligibility to transfer from the  
255 pension plan to the optional retirement program and the actual  
256 date of transfer may, during employment, transfer to the  
257 optional retirement program a sum representing the present value  
258 of the accumulated benefit obligation under the defined benefit  
259 retirement program for the period of service credit. Upon



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260 transfer, all service credit previously earned under the pension  
261 plan during this period is nullified for purposes of entitlement  
262 to a future benefit under the pension plan.

263 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.-

264 (a) Employees initially enrolled on or after July 1, 2015,  
265 in positions covered by the Elected Officers' Class or the  
266 Senior Management Service Class are compulsory members of the  
267 investment plan, except those eligible to withdraw from the  
268 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
269 eligible for optional retirement programs under paragraph  
270 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan  
271 membership continues if there is subsequent employment in a  
272 position covered by another membership class. Membership in the  
273 pension plan is not permitted except as provided in s.  
274 121.591(2). Employees initially enrolled in the Florida  
275 Retirement System before July 1, 2015, may retain their  
276 membership in the pension plan or investment plan and are  
277 eligible to use the election opportunity specified in s.  
278 121.4501(4)(f); employees initially enrolled on or after July 1,  
279 2015, are not eligible to use the election opportunity.

280 (b) Employees eligible to withdraw from the system under s.  
281 121.052(3)(d) or s. 121.055(1)(b)2. may withdraw from the system  
282 or participate in the investment plan as provided under those  
283 provisions. Employees eligible for optional retirement programs  
284 under paragraph (2)(c) or s. 121.35 may participate in the  
285 optional retirement program or the investment plan as provided  
286 in those provisions. Eligible employees required to participate  
287 pursuant to paragraph (1)(a) in the optional retirement program  
288 as provided under s. 121.35 must participate in the investment



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289 plan if employed in a position not eligible for the optional  
290 retirement program.

291 Section 3. Paragraph (c) of subsection (3) of section  
292 121.052, Florida Statutes, is amended to read:

293 121.052 Membership class of elected officers.—

294 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
295 1, 1990, participation in the Elected Officers' Class shall be  
296 compulsory for elected officers listed in paragraphs (2)(a)-(d)  
297 and (f) assuming office on or after said date, unless the  
298 elected officer elects membership in another class or withdraws  
299 from the Florida Retirement System as provided in paragraphs  
300 (3)(a)-(d):

301 (c) Before July 1, 2015, an any elected officer may, within  
302 6 months after assuming office, or within 6 months after this  
303 act becomes a law for serving elected officers, elect membership  
304 in the Senior Management Service Class as provided in s. 121.055  
305 in lieu of membership in the Elected Officers' Class. ~~Any~~ Such  
306 election made by a county elected officer ~~has shall have~~ no  
307 effect upon the statutory limit on the number of nonelective  
308 full-time positions that may be designated by a local agency  
309 employer for inclusion in the Senior Management Service Class  
310 under s. 121.055(1)(b)1.

311 Section 4. Paragraph (f) of subsection (1) and paragraph  
312 (c) of subsection (6) of section 121.055, Florida Statutes, are  
313 amended to read:

314 121.055 Senior Management Service Class.—There is hereby  
315 established a separate class of membership within the Florida  
316 Retirement System to be known as the "Senior Management Service  
317 Class," which shall become effective February 1, 1987.



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318 (1)

319 (f) Effective July 1, 1997, through June 30, 2015:

320 1. Except as provided in ~~subparagraphs~~ ~~subparagraph~~ 3. and  
321 4., an elected state officer eligible for membership in the  
322 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
323 elects membership in the Senior Management Service Class under  
324 s. 121.052(3)(c) may, within 6 months after assuming office or  
325 within 6 months after this act becomes a law for serving elected  
326 state officers, elect to participate in the Senior Management  
327 Service Optional Annuity Program, as provided in subsection (6),  
328 in lieu of membership in the Senior Management Service Class.

329 2. Except as provided in ~~subparagraphs~~ ~~subparagraph~~ 3. and  
330 4., an elected officer of a local agency employer eligible for  
331 membership in the Elected Officers' Class under s. 121.052(2)(d)  
332 who elects membership in the Senior Management Service Class  
333 under s. 121.052(3)(c) may, within 6 months after assuming  
334 office, or within 6 months after this act becomes a law for  
335 serving elected officers of a local agency employer, elect to  
336 withdraw from the Florida Retirement System, as provided in  
337 subparagraph (b)2., in lieu of membership in the Senior  
338 Management Service Class.

339 3. A retiree of a state-administered retirement system who  
340 is initially reemployed in a regularly established position on  
341 or after July 1, 2010, as an elected official eligible for the  
342 Elected Officers' Class may not be enrolled in renewed  
343 membership in the Senior Management Service Class or in the  
344 Senior Management Service Optional Annuity Program as provided  
345 in subsection (6), and may not withdraw from the Florida  
346 Retirement System as a renewed member as provided in



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347 subparagraph (b)2., as applicable, in lieu of membership in the  
348 Senior Management Service Class.

349 4. On or after July 1, 2015, an elected officer eligible  
350 for membership in the Elected Officers' Class may not be  
351 enrolled in the Senior Management Service Class or in the Senior  
352 Management Service Optional Annuity Program as provided in  
353 subsection (6).

354 (6)

355 (c) *Participation.*—

356 1. An eligible employee who is employed on or before  
357 February 1, 1987, may elect to participate in the optional  
358 annuity program in lieu of participating in the Senior  
359 Management Service Class. Such election must be ~~made~~ in writing  
360 and filed with the department and the personnel officer of the  
361 employer on or before May 1, 1987. An eligible employee who is  
362 employed on or before February 1, 1987, and who fails to make an  
363 election to participate in the optional annuity program by May  
364 1, 1987, shall be deemed to have elected membership in the  
365 Senior Management Service Class.

366 2. Except as provided in subparagraph 6., an employee who  
367 becomes eligible to participate in the optional annuity program  
368 by reason of initial employment commencing after February 1,  
369 1987, may, within 90 days after the date of commencing  
370 employment, elect to participate in the optional annuity  
371 program. Such election must be ~~made~~ in writing and filed with  
372 the personnel officer of the employer. An eligible employee who  
373 does not within 90 days after commencing employment elect to  
374 participate in the optional annuity program shall be deemed to  
375 have elected membership in the Senior Management Service Class.



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376 3. A person who is appointed to a position in the Senior  
377 Management Service Class and who is a member of an existing  
378 retirement system or the Special Risk or Special Risk  
379 Administrative Support Classes of the Florida Retirement System  
380 may elect to remain in such system or class in lieu of  
381 participating in the Senior Management Service Class or optional  
382 annuity program. Such election must be ~~made~~ in writing and filed  
383 with the department and the personnel officer of the employer  
384 within 90 days after such appointment. An eligible employee who  
385 fails to make an election to participate in the existing system,  
386 the Special Risk Class of the Florida Retirement System, the  
387 Special Risk Administrative Support Class of the Florida  
388 Retirement System, or the optional annuity program shall be  
389 deemed to have elected membership in the Senior Management  
390 Service Class.

391 4. Except as provided in subparagraph 5., an employee's  
392 election to participate in the optional annuity program is  
393 irrevocable if the employee continues to be employed in an  
394 eligible position and continues to meet the eligibility  
395 requirements set forth in this paragraph.

396 5. Effective from July 1, 2002, through September 30, 2002,  
397 an active employee in a regularly established position who has  
398 elected to participate in the Senior Management Service Optional  
399 Annuity Program has one opportunity to choose to move from the  
400 Senior Management Service Optional Annuity Program to the  
401 Florida Retirement System Pension Plan.

402 a. The election must be ~~made~~ in writing and must be filed  
403 with the department and the personnel officer of the employer  
404 before October 1, 2002, or, in the case of an active employee



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405 who is on a leave of absence on July 1, 2002, within 90 days  
406 after the conclusion of the leave of absence. This election is  
407 irrevocable.

408 b. The employee shall receive service credit under the  
409 pension plan equal to his or her years of service under the  
410 Senior Management Service Optional Annuity Program. The cost for  
411 such credit is the amount representing the present value of that  
412 employee's accumulated benefit obligation for the affected  
413 period of service.

414 c. The employee must transfer the total accumulated  
415 employer contributions and earnings on deposit in his or her  
416 Senior Management Service Optional Annuity Program account. If  
417 the transferred amount is not sufficient to pay the amount due,  
418 the employee must pay a sum representing the remainder of the  
419 amount due. The employee may not retain any employer  
420 contributions or earnings from the Senior Management Service  
421 Optional Annuity Program account.

422 6. A retiree of a state-administered retirement system who  
423 is initially reemployed on or after July 1, 2010, may not renew  
424 membership in the Senior Management Service Optional Annuity  
425 Program.

426 7. Effective July 1, 2015, the Senior Management Service  
427 Optional Annuity Program is closed to new members. Members  
428 enrolled in the Senior Management Service Optional Annuity  
429 Program before July 1, 2015, may retain their membership in the  
430 annuity program.

431 Section 5. Paragraph (a) of subsection (4) of section  
432 121.091, Florida Statutes, is amended to read:

433 121.091 Benefits payable under the system.—Benefits may not



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434 be paid under this section unless the member has terminated  
435 employment as provided in s. 121.021(39) (a) or begun  
436 participation in the Deferred Retirement Option Program as  
437 provided in subsection (13), and a proper application has been  
438 filed in the manner prescribed by the department. The department  
439 may cancel an application for retirement benefits when the  
440 member or beneficiary fails to timely provide the information  
441 and documents required by this chapter and the department's  
442 rules. The department shall adopt rules establishing procedures  
443 for application for retirement benefits and for the cancellation  
444 of such application when the required information or documents  
445 are not received.

446 (4) DISABILITY RETIREMENT BENEFIT.—

447 (a) *Disability retirement; entitlement and effective date.*—

448 1.a. A member who becomes totally and permanently disabled,  
449 as defined in paragraph (b), after completing 5 years of  
450 creditable service, or a member who becomes totally and  
451 permanently disabled in the line of duty regardless of service,  
452 is entitled to a monthly disability benefit, ~~7~~ except that any  
453 member with less than 5 years of creditable service on July 1,  
454 1980, or any person who becomes a member of the Florida  
455 Retirement System on or after such date must have completed 10  
456 years of creditable service before becoming totally and  
457 permanently disabled in order to receive disability retirement  
458 benefits for a any disability that which occurs other than in  
459 the line of duty. However, if a member employed on July 1, 1980,  
460 who has less than 5 years of creditable service as of that date  
461 becomes totally and permanently disabled after completing 5  
462 years of creditable service and is found not to have attained



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463 fully insured status for benefits under the federal Social  
464 Security Act, such member is entitled to a monthly disability  
465 benefit.

466 b. Effective July 1, 2001, a member of the pension plan  
467 initially enrolled before July 1, 2015, who becomes totally and  
468 permanently disabled, as defined in paragraph (b), after  
469 completing 8 years of creditable service, or a member who  
470 becomes totally and permanently disabled in the line of duty  
471 regardless of service, is entitled to a monthly disability  
472 benefit.

473 c. Effective July 1, 2015, a member of the pension plan  
474 initially enrolled on or after July 1, 2015, who becomes totally  
475 and permanently disabled, as defined in paragraph (b), after  
476 completing 10 years of creditable service, or a member who  
477 becomes totally and permanently disabled in the line of duty  
478 regardless of service, is entitled to a monthly disability  
479 benefit.

480 2. If the division ~~has received from the employer~~ the  
481 required documentation of the member's termination of employment  
482 from the employer, the effective retirement date for a member  
483 who applies and is approved for disability retirement shall be  
484 as established by rule of the division.

485 3. For a member who is receiving Workers' Compensation  
486 payments, the effective disability retirement date may not  
487 precede the date the member reaches Maximum Medical Improvement  
488 (MMI), unless the member terminates employment before reaching  
489 MMI.

490 Section 6. Paragraph (c) of subsection (3) and paragraph  
491 (a) of subsection (4) of section 121.35, Florida Statutes, are



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492 amended to read:

493 121.35 Optional retirement program for the State University  
494 System.-

495 (3) ELECTION OF OPTIONAL PROGRAM.-

496 (c) Any employee who becomes eligible to participate in the  
497 optional retirement program on or after January 1, 1993, shall  
498 be a compulsory participant of the program unless such employee  
499 elects membership in the Florida Retirement System. Such  
500 election shall be made in writing and filed with the personnel  
501 officer of the employer. Any eligible employee who fails to make  
502 such election within the prescribed time period shall be deemed  
503 to have elected to participate in the optional retirement  
504 program.

505 1. Any employee whose optional retirement program  
506 eligibility results from initial employment shall be enrolled in  
507 the program at the commencement of employment. If, within 90  
508 days after commencement of employment, the employee elects  
509 membership in the Florida Retirement System, such membership  
510 shall be effective retroactive to the date of commencement of  
511 employment as provided in s. 121.4501(4).

512 2. Any employee whose optional retirement program  
513 eligibility results from a change in status due to the  
514 subsequent designation of the employee's position as one of  
515 those specified in paragraph (2)(a) or due to the employee's  
516 appointment, promotion, transfer, or reclassification to a  
517 position specified in paragraph (2)(a) shall be enrolled in the  
518 optional retirement program upon such change in status and shall  
519 be notified by the employer of such action. If, within 90 days  
520 after the date of such notification, the employee elects to



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521 retain membership in the Florida Retirement System, such  
522 continuation of membership shall be retroactive to the date of  
523 the change in status.

524 3. Notwithstanding ~~subparagraphs 1. and 2. the provisions~~  
525 ~~of this paragraph~~, effective July 1, 1997, any employee who is  
526 eligible to participate in the Optional Retirement Program and  
527 who fails to execute a contract with one of the approved  
528 companies and to notify the department in writing as provided in  
529 subsection (4) within 90 days after the date of eligibility  
530 shall be deemed to have elected membership in the Florida  
531 Retirement System, except as provided in s. 121.051(1)(a). This  
532 provision shall also apply to any employee who terminates  
533 employment in an eligible position before executing the required  
534 investment annuity contract and notifying the department. Such  
535 membership shall be retroactive to the date of eligibility, and  
536 all appropriate contributions shall be transferred to the  
537 Florida Retirement System Trust Fund and the Health Insurance  
538 Subsidy Trust Fund. If a member is initially enrolled on or  
539 after July 1, 2015, the member is deemed to have elected  
540 membership in the Florida Retirement System Investment Plan and  
541 such membership shall be retroactive to the date of eligibility.  
542 All contributions required under s. 121.72, shall be transferred  
543 to a default fund in the investment plan as provided in s.  
544 121.4501(4)(f), and the Health Insurance Subsidy Trust Fund.

545 (4) CONTRIBUTIONS.—

546 (a)1. Through June 30, 2001, each employer shall contribute  
547 on behalf of each member of the optional retirement program an  
548 amount equal to the normal cost portion of the employer  
549 retirement contribution which would be required if the employee



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550 were a regular member of the Florida Retirement System Pension  
551 Plan, plus the portion of the contribution rate required in s.  
552 112.363(8) ~~which that~~ would otherwise be assigned to the Retiree  
553 Health Insurance Subsidy Trust Fund.

554 2. Effective July 1, 2001, through June 30, 2011, each  
555 employer shall contribute on behalf of each member of the  
556 optional retirement program an amount equal to 10.43 percent of  
557 the employee's gross monthly compensation.

558 3. Effective July 1, 2011, through June 30, 2012, each  
559 member of the optional retirement program shall contribute an  
560 amount equal to the employee contribution required in s.  
561 121.71(3)(a). The employer shall contribute on behalf of each  
562 such member an amount equal to the difference between 10.43  
563 percent of the employee's gross monthly compensation and the  
564 amount equal to the employee's required contribution based on  
565 the employee's gross monthly compensation.

566 4. Effective July 1, 2012, each member of the optional  
567 retirement program shall contribute an amount equal to the  
568 employee contribution required in s. 121.71(3)(a). The employer  
569 shall contribute on behalf of each such member an amount equal  
570 to the difference between 8.15 percent of the employee's gross  
571 monthly compensation and the amount equal to the employee's  
572 required contribution based on the employee's gross monthly  
573 compensation.

574 5. The payment of the contributions, including  
575 contributions by the employee, shall be made by the employer to  
576 the department, which shall forward the contributions to the  
577 designated company or companies contracting for payment of  
578 benefits for members of the program. However, such contributions



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579 paid on behalf of an employee described in paragraph (3) (c) may  
580 not be forwarded to a company and do not begin to accrue  
581 interest until the employee has executed a contract and notified  
582 the department. The department shall deduct an amount from the  
583 contributions to provide for the administration of this program.

584 Section 7. Subsection (1), paragraph (i) of subsection (2),  
585 paragraph (b) of subsection (3), subsection (4), paragraph (c)  
586 of subsection (5), subsection (8), and paragraphs (a), (b), (c),  
587 and (h) of subsection (10) of section 121.4501, Florida  
588 Statutes, are amended to read:

589 121.4501 Florida Retirement System Investment Plan.—

590 (1) The Trustees of the State Board of Administration shall  
591 establish a defined contribution program called the "Florida  
592 Retirement System Investment Plan" or "investment plan" for  
593 members of the Florida Retirement System under which retirement  
594 benefits will be provided for eligible employees who elect to  
595 participate in the program and for employees initially enrolled  
596 on or after July 1, 2015, in positions covered by the Elected  
597 Officers' Class or the Senior Management Service Class and who  
598 are compulsory members of the investment plan unless otherwise  
599 eligible to withdraw from the system under s. 121.052(3) (d) or  
600 s. 121.055(1) (b)2., or to participate in an optional retirement  
601 program under s. 121.051(1) (a), s. 121.051(2) (c), or s. 121.35.  
602 Investment plan membership continues if there is subsequent  
603 employment in a position covered by another membership class.

604 The retirement benefits shall be provided through member-  
605 directed investments, in accordance with s. 401(a) of the  
606 Internal Revenue Code and related regulations. The employer and  
607 employee shall make contributions, as provided in this section



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608 and ss. 121.571 and 121.71, to the Florida Retirement System  
609 Investment Plan Trust Fund toward the funding of benefits.

610 (2) DEFINITIONS.—As used in this part, the term:

611 (i) "Member" or "employee" means an eligible employee who  
612 enrolls in or is defaulted into the investment plan as provided  
613 in subsection (4), a terminated Deferred Retirement Option  
614 Program member as described in subsection (21), or a beneficiary  
615 or alternate payee of a member or employee.

616 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

617 (b) Notwithstanding paragraph (a), an eligible employee who  
618 elects to participate in or is defaulted into the investment  
619 plan and establishes one or more individual member accounts may  
620 elect to transfer to the investment plan a sum representing the  
621 present value of the employee's accumulated benefit obligation  
622 under the pension plan, except as provided in paragraph (4) (b).  
623 Upon transfer, all service credit earned under the pension plan  
624 is nullified for purposes of entitlement to a future benefit  
625 under the pension plan. A member may not transfer the  
626 accumulated benefit obligation balance from the pension plan  
627 after the time period for enrolling in the investment plan has  
628 expired.

629 1. For purposes of this subsection, the present value of  
630 the member's accumulated benefit obligation is based upon the  
631 member's estimated creditable service and estimated average  
632 final compensation under the pension plan, subject to  
633 recomputation under subparagraph 2. For state employees, initial  
634 estimates shall be based upon creditable service and average  
635 final compensation as of midnight on June 30, 2002; for district  
636 school board employees, initial estimates shall be based upon



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637 creditable service and average final compensation as of midnight  
638 on September 30, 2002; and for local government employees,  
639 initial estimates shall be based upon creditable service and  
640 average final compensation as of midnight on December 31, 2002.  
641 The dates specified are the "estimate date" for these employees.  
642 The actuarial present value of the employee's accumulated  
643 benefit obligation shall be based on the following:  
644     a. The discount rate and other relevant actuarial  
645 assumptions used to value the Florida Retirement System Trust  
646 Fund at the time the amount to be transferred is determined,  
647 consistent with the factors provided in sub-subparagraphs b. and  
648 c.  
649     b. A benefit commencement age, based on the member's  
650 estimated creditable service as of the estimate date.  
651     c. Except as provided under sub-subparagraph d., for a  
652 member initially enrolled:  
653         (I) Before July 1, 2011, the benefit commencement age is  
654 the younger of the following, but may not be younger than the  
655 member's age as of the estimate date:  
656             (A) Age 62; or  
657             (B) The age the member would attain if the member completed  
658 30 years of service with an employer, assuming the member worked  
659 continuously from the estimate date, and disregarding any  
660 vesting requirement that would otherwise apply under the pension  
661 plan.  
662         (II) On or after July 1, 2011, the benefit commencement age  
663 is the younger of the following, but may not be younger than the  
664 member's age as of the estimate date:  
665             (A) Age 65; or



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666         (B) The age the member would attain if the member completed  
667 33 years of service with an employer, assuming the member worked  
668 continuously from the estimate date, and disregarding any  
669 vesting requirement that would otherwise apply under the pension  
670 plan.  
671         d. For members of the Special Risk Class and for members of  
672 the Special Risk Administrative Support Class entitled to retain  
673 the special risk normal retirement date:  
674             (I) Initially enrolled before July 1, 2011, the benefit  
675 commencement age is the younger of the following, but may not be  
676 younger than the member's age as of the estimate date:  
677                 (A) Age 55; or  
678                 (B) The age the member would attain if the member completed  
679 25 years of service with an employer, assuming the member worked  
680 continuously from the estimate date, and disregarding any  
681 vesting requirement that would otherwise apply under the pension  
682 plan.  
683             (II) Initially enrolled on or after July 1, 2011, the  
684 benefit commencement age is the younger of the following, but  
685 may not be younger than the member's age as of the estimate  
686 date:  
687                 (A) Age 60; or  
688                 (B) The age the member would attain if the member completed  
689 30 years of service with an employer, assuming the member worked  
690 continuously from the estimate date, and disregarding any  
691 vesting requirement that would otherwise apply under the pension  
692 plan.  
693         e. The calculation must disregard vesting requirements and  
694 early retirement reduction factors that would otherwise apply





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695 under the pension plan.

696 2. For each member who elects to transfer moneys from the  
697 pension plan to his or her account in the investment plan, the  
698 division shall recompute the amount transferred under  
699 subparagraph 1. within 60 days after the actual transfer of  
700 funds based upon the member's actual creditable service and  
701 actual final average compensation as of the initial date of  
702 participation in the investment plan. If the recomputed amount  
703 differs from the amount transferred by \$10 or more, the division  
704 shall:

705 a. Transfer, or cause to be transferred, from the Florida  
706 Retirement System Trust Fund to the member's account the excess,  
707 if any, of the recomputed amount over the previously transferred  
708 amount together with interest from the initial date of transfer  
709 to the date of transfer under this subparagraph, based upon the  
710 effective annual interest equal to the assumed return on the  
711 actuarial investment which was used in the most recent actuarial  
712 valuation of the system, compounded annually.

713 b. Transfer, or cause to be transferred, from the member's  
714 account to the Florida Retirement System Trust Fund the excess,  
715 if any, of the previously transferred amount over the recomputed  
716 amount, together with interest from the initial date of transfer  
717 to the date of transfer under this subparagraph, based upon 6  
718 percent effective annual interest, compounded annually, pro rata  
719 based on the member's allocation plan.

720 3. If contribution adjustments are made as a result of  
721 employer errors or corrections, including plan corrections,  
722 following recomputation of the amount transferred under  
723 subparagraph 1., the member is entitled to the additional



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724 contributions or is responsible for returning any excess  
725 contributions resulting from the correction. However, ~~a any~~  
726 return of such erroneous excess pretax contribution by the plan  
727 must be made within the period allowed by the Internal Revenue  
728 Service. The present value of the member's accumulated benefit  
729 obligation ~~may shall~~ not be recalculated.

730 4. As directed by the member, the state board shall  
731 transfer or cause to be transferred the appropriate amounts to  
732 the designated accounts within 30 days after the effective date  
733 of the member's participation in the investment plan unless the  
734 major financial markets for securities available for a transfer  
735 are seriously disrupted by an unforeseen event that causes the  
736 suspension of trading on ~~a any~~ national securities exchange in  
737 the country where the securities were issued. In that event, the  
738 30-day period may be extended by a resolution of the state  
739 board. Transfers are not commissionable or subject to other fees  
740 and may be in the form of securities or cash, as determined by  
741 the state board. Such securities are valued as of the date of  
742 receipt in the member's account.

743 5. If the state board or the division receives notification  
744 from the United States Internal Revenue Service that this  
745 paragraph or any portion of this paragraph will cause the  
746 retirement system, or a portion thereof, to be disqualified for  
747 tax purposes under the Internal Revenue Code, the portion that  
748 will cause the disqualification does not apply. Upon such  
749 notice, the state board and the division shall notify the  
750 presiding officers of the Legislature.

751 (4) PARTICIPATION; ENROLLMENT.-

752 (a)1. Effective June 1, 2002, through February 28, 2003, a



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753 90-day election period, preceded by a 90-day education period,  
754 was provided to each eligible employee participating in the  
755 Florida Retirement System which permitted each eligible employee  
756 to elect membership in the investment plan, and an employee who  
757 failed to elect the investment plan during the election period  
758 remained in the pension plan. An eligible employee who was  
759 employed in a regularly established position during the election  
760 period was granted the option to make one subsequent election,  
761 as provided in paragraph (f). With respect to an eligible  
762 employee who did not participate in the initial election period  
763 or who is initially employed who is employed in a regularly  
764 established position after the close of the initial election  
765 period but before July 1, 2015, on June 1, 2002, by a state  
766 employer.

767 a. Any such employee may elect to participate in the  
768 investment plan in lieu of retaining his or her membership in  
769 the pension plan. The election must be made in writing or by  
770 electronic means and must be filed with the third party  
771 administrator by August 31, 2002, or, in the case of an active  
772 employee who is on a leave of absence on April 1, 2002, by the  
773 last business day of the 5th month following the month the leave  
774 of absence concludes. This election is irrevocable, except as  
775 provided in paragraph (g). Upon making such election, the  
776 employee shall be enrolled as a member of the investment plan,  
777 the employee's membership in the Florida Retirement System is  
778 governed by the provisions of this part, and the employee's  
779 membership in the pension plan terminates. The employee's  
780 enrollment in the investment plan is effective the first day of  
781 the month for which a full month's employer contribution is made



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782 ~~to the investment plan.~~  
783 ~~b. Any such employee who fails to elect to participate in~~  
784 ~~the investment plan within the prescribed time period is deemed~~  
785 ~~to have elected to retain membership in the pension plan, and~~  
786 ~~the employee's option to elect to participate in the investment~~  
787 ~~plan is forfeited.~~  
788 ~~2. With respect to employees who become eligible to~~  
789 ~~participate in the investment plan by reason of employment in a~~  
790 ~~regularly established position with a state employer commencing~~  
791 ~~after April 1, 2002:~~  
792 ~~a. Any such employee shall, by default, be enrolled in the~~  
793 ~~pension plan at the commencement of employment, and may, by the~~  
794 ~~last business day of the 5th month following the employee's~~  
795 ~~month of hire, elect to participate in the investment plan. The~~  
796 ~~employee's election must be made in writing or by electronic~~  
797 ~~means and must be filed with the third-party administrator. The~~  
798 ~~election to participate in the investment plan is irrevocable,~~  
799 ~~except as provided in paragraph (f)-(g).~~  
800 ~~a.b. If the employee files such election within the~~  
801 ~~prescribed time period, enrollment in the investment plan is~~  
802 ~~effective on the first day of employment. The retirement~~  
803 ~~contributions paid through the month of the employee plan change~~  
804 ~~shall be transferred to the investment program, and, effective~~  
805 ~~the first day of the next month, the employer and employee must~~  
806 ~~pay the applicable contributions based on the employee~~  
807 ~~membership class in the program.~~  
808 ~~b.e. An employee who fails to elect to participate in the~~  
809 ~~investment plan within the prescribed time period is deemed to~~  
810 ~~have elected to retain membership in the pension plan, and the~~



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811 employee's option to elect to participate in the investment plan  
812 is forfeited.

813 ~~2.3-~~ With respect to employees who become eligible to  
814 participate in the investment plan pursuant to s.  
815 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
816 participate in the investment plan in lieu of retaining his or  
817 her membership in the State Community College System Optional  
818 Retirement Program or the State University System Optional  
819 Retirement Program. The election must be ~~made~~ in writing or by  
820 electronic means and must be filed with the third-party  
821 administrator. This election is irrevocable, except as provided  
822 in paragraph ~~(f)~~(g). Upon making such election, the employee  
823 shall be enrolled as a member in the investment plan, the  
824 employee's membership in the Florida Retirement System is  
825 governed by the provisions of this part, and the employee's  
826 participation in the State Community College System Optional  
827 Retirement Program or the State University System Optional  
828 Retirement Program terminates. The employee's enrollment in the  
829 investment plan is effective on the first day of the month for  
830 which a full month's employer and employee contribution is made  
831 to the investment plan.

832 ~~4. For purposes of this paragraph, "state employer" means~~  
833 ~~any agency, board, branch, commission, community college,~~  
834 ~~department, institution, institution of higher education, or~~  
835 ~~water management district of the state, which participates in~~  
836 ~~the Florida Retirement System for the benefit of certain~~  
837 ~~employees.~~

838 (b) With respect to employees who become eligible to  
839 participate in the investment plan, except as provided in



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840 paragraph (g), by reason of employment in a regularly  
841 established position commencing on or after July 1, 2015, such  
842 employee shall be enrolled in the pension plan at the  
843 commencement of employment and may, by the last business day of  
844 the 8th month following the employee's month of hire, elect to  
845 participate in the pension plan or the investment plan. Eligible  
846 employees may make a plan election only if they are earning  
847 service credit in an employer-employee relationship consistent  
848 with s. 121.021(17)(b), excluding leaves of absence without pay.

849 1. The employee's election must be in writing or by  
850 electronic means and must be filed with the third-party  
851 administrator. The election to participate in the pension plan  
852 or investment plan is irrevocable, except as provided in  
853 paragraph (f).

854 2. If the employee fails to make an election of the pension  
855 plan or investment plan within 8 months following the month of  
856 hire, the employee is deemed to have elected the investment plan  
857 and will be defaulted into the investment plan retroactively to  
858 the employee's date of employment. The employee's option to  
859 participate in the pension plan is forfeited, except as provided  
860 in paragraph (f).

861 3. The amount of the employee and employer contributions  
862 paid before the default to the investment plan shall be  
863 transferred to the investment plan and placed in a default fund  
864 as designated by the State Board of Administration. The employee  
865 may move the contributions once an account is activated in the  
866 investment plan.

867 4. Effective the first day of the month after an eligible  
868 employee makes a plan election of the pension plan or investment



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869 plan, or after the month of default to the investment plan, the  
870 employee and employer shall pay the applicable contributions  
871 based on the employee membership class in the pension plan or  
872 investment plan.

873 ~~(b)1. With respect to an eligible employee who is employed~~  
874 ~~in a regularly established position on September 1, 2002, by a~~  
875 ~~district school board employer.~~

876 a. Any such employee may elect to participate in the  
877 investment plan in lieu of retaining his or her membership in  
878 the pension plan. The election must be made in writing or by  
879 electronic means and must be filed with the third party  
880 administrator by November 30, or, in the case of an active  
881 employee who is on a leave of absence on July 1, 2002, by the  
882 last business day of the 5th month following the month the leave  
883 of absence concludes. This election is irrevocable, except as  
884 provided in paragraph (g). Upon making such election, the  
885 employee shall be enrolled as a member of the investment plan,  
886 the employee's membership in the Florida Retirement System is  
887 governed by the provisions of this part, and the employee's  
888 membership in the pension plan terminates. The employee's  
889 enrollment in the investment plan is effective the first day of  
890 the month for which a full month's employer contribution is made  
891 to the investment program.

892 b. Any such employee who fails to elect to participate in  
893 the investment plan within the prescribed time period is deemed  
894 to have elected to retain membership in the pension plan, and  
895 the employee's option to elect to participate in the investment  
896 plan is forfeited.

897 2. With respect to employees who become eligible to



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898 ~~participate in the investment plan by reason of employment in a~~  
899 ~~regularly established position with a district school board~~  
900 ~~employer commencing after July 1, 2002.~~

901 a. Any such employee shall, by default, be enrolled in the  
902 pension plan at the commencement of employment, and may, by the  
903 last business day of the 5th month following the employee's  
904 month of hire, elect to participate in the investment plan. The  
905 employee's election must be made in writing or by electronic  
906 means and must be filed with the third party administrator. The  
907 election to participate in the investment plan is irrevocable,  
908 except as provided in paragraph (g).

909 b. If the employee files such election within the  
910 prescribed time period, enrollment in the investment plan is  
911 effective on the first day of employment. The employer  
912 retirement contributions paid through the month of the employee  
913 plan change shall be transferred to the investment plan, and,  
914 effective the first day of the next month, the employer shall  
915 pay the applicable contributions based on the employee  
916 membership class in the investment plan.

917 c. Any such employee who fails to elect to participate in  
918 the investment plan within the prescribed time period is deemed  
919 to have elected to retain membership in the pension plan, and  
920 the employee's option to elect to participate in the investment  
921 plan is forfeited.

922 3. For purposes of this paragraph, "district school board  
923 employer" means any district school board that participates in  
924 the Florida Retirement System for the benefit of certain  
925 employees, or a charter school or charter technical career  
926 center that participates in the Florida Retirement System as



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927 ~~provided in s. 121.051(2)(d).~~

928 ~~(e)1. With respect to an eligible employee who is employed~~  
929 ~~in a regularly established position on December 1, 2002, by a~~  
930 ~~local employer:~~

931 ~~a. Any such employee may elect to participate in the~~  
932 ~~investment plan in lieu of retaining his or her membership in~~  
933 ~~the pension plan. The election must be made in writing or by~~  
934 ~~electronic means and must be filed with the third-party~~  
935 ~~administrator by February 28, 2003, or, in the case of an active~~  
936 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
937 ~~last business day of the 5th month following the month the leave~~  
938 ~~of absence concludes. This election is irrevocable, except as~~  
939 ~~provided in paragraph (g). Upon making such election, the~~  
940 ~~employee shall be enrolled as a participant of the investment~~  
941 ~~plan, the employee's membership in the Florida Retirement System~~  
942 ~~is governed by the provisions of this part, and the employee's~~  
943 ~~membership in the pension plan terminates. The employee's~~  
944 ~~enrollment in the investment plan is effective the first day of~~  
945 ~~the month for which a full month's employer contribution is made~~  
946 ~~to the investment plan.~~

947 ~~b. Any such employee who fails to elect to participate in~~  
948 ~~the investment plan within the prescribed time period is deemed~~  
949 ~~to have elected to retain membership in the pension plan, and~~  
950 ~~the employee's option to elect to participate in the investment~~  
951 ~~plan is forfeited.~~

952 ~~2. With respect to employees who become eligible to~~  
953 ~~participate in the investment plan by reason of employment in a~~  
954 ~~regularly established position with a local employer commencing~~  
955 ~~after October 1, 2002:~~



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956 ~~a. Any such employee shall, by default, be enrolled in the~~  
957 ~~pension plan at the commencement of employment, and may, by the~~  
958 ~~last business day of the 5th month following the employee's~~  
959 ~~month of hire, elect to participate in the investment plan. The~~  
960 ~~employee's election must be made in writing or by electronic~~  
961 ~~means and must be filed with the third-party administrator. The~~  
962 ~~election to participate in the investment plan is irrevocable,~~  
963 ~~except as provided in paragraph (g).~~

964 ~~b. If the employee files such election within the~~  
965 ~~prescribed time period, enrollment in the investment plan is~~  
966 ~~effective on the first day of employment. The employer~~  
967 ~~retirement contributions paid through the month of the employee~~  
968 ~~plan change shall be transferred to the investment plan, and,~~  
969 ~~effective the first day of the next month, the employer shall~~  
970 ~~pay the applicable contributions based on the employee~~  
971 ~~membership class in the investment plan.~~

972 ~~c. Any such employee who fails to elect to participate in~~  
973 ~~the investment plan within the prescribed time period is deemed~~  
974 ~~to have elected to retain membership in the pension plan, and~~  
975 ~~the employee's option to elect to participate in the investment~~  
976 ~~plan is forfeited.~~

977 ~~3. For purposes of this paragraph, "local employer" means~~  
978 ~~any employer not included in paragraph (a) or paragraph (b).~~

979 ~~(c)-(d) Contributions available for self-direction by a~~  
980 ~~member who has not selected one or more specific investment~~  
981 ~~products shall be allocated as prescribed by the state board.~~  
982 ~~The third-party administrator shall notify the member at least~~  
983 ~~quarterly that the member should take an affirmative action to~~  
984 ~~make an asset allocation among the investment products.~~



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985        ~~(d)~~(e) On or after July 1, 2011, a member of the pension  
986 plan who obtains a refund of employee contributions retains his  
987 or her prior plan choice upon return to employment in a  
988 regularly established position with a participating employer.  
989        ~~(e)~~(f) A member of the investment plan who takes a  
990 distribution of any contributions from his or her investment  
991 plan account is considered a retiree. A retiree who is initially  
992 reemployed in a regularly established position on or after July  
993 1, 2010, is not eligible to be enrolled in renewed membership.  
994        ~~(f)~~(g) After the period during which an eligible employee  
995 had the choice to elect the pension plan or the investment plan,  
996 or the month following the receipt of the eligible employee's  
997 plan election, if sooner, the employee shall have one  
998 opportunity, at the employee's discretion, to ~~choose to~~ move  
999 from the pension plan to the investment plan or from the  
1000 investment plan to the pension plan. Eligible employees may  
1001 elect to move between plans only if they are earning service  
1002 credit in an employer-employee relationship consistent with s.  
1003 121.021(17)(b), excluding leaves of absence without pay.  
1004 Effective July 1, 2005, such elections are effective on the  
1005 first day of the month following the receipt of the election by  
1006 the third-party administrator and are not subject to the  
1007 requirements regarding an employer-employee relationship or  
1008 receipt of contributions for the eligible employee in the  
1009 effective month, except when the election is received by the  
1010 third-party administrator. This paragraph is contingent upon  
1011 approval by the Internal Revenue Service. This paragraph is not  
1012 applicable to compulsory investment plan members under paragraph  
1013 (g).



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1014        1. If the employee chooses to move to the investment plan,  
1015 ~~the provisions of subsection (3) governs govern~~ the transfer.  
1016        2. If the employee chooses to move to the pension plan, the  
1017 employee must transfer from his or her investment plan account,  
1018 and from other employee moneys as necessary, a sum representing  
1019 the present value of that employee's accumulated benefit  
1020 obligation immediately following the time of such movement,  
1021 determined assuming that attained service equals the sum of  
1022 service in the pension plan and service in the investment plan.  
1023 Benefit commencement occurs on the first date the employee is  
1024 eligible for unreduced benefits, using the discount rate and  
1025 other relevant actuarial assumptions that were used to value the  
1026 pension plan liabilities in the most recent actuarial valuation.  
1027 For an any employee who, at the time of the second election,  
1028 already maintains an accrued benefit amount in the pension plan,  
1029 the then-present value of the accrued benefit is deemed part of  
1030 the required transfer amount. The division must ensure that the  
1031 transfer sum is prepared using a formula and methodology  
1032 certified by an enrolled actuary. A refund of any employee  
1033 contributions or additional member payments made which exceed  
1034 the employee contributions that would have accrued had the  
1035 member remained in the pension plan and not transferred to the  
1036 investment plan is not permitted.  
1037        3. Notwithstanding subparagraph 2., an employee who chooses  
1038 to move to the pension plan and who became eligible to  
1039 participate in the investment plan by reason of employment in a  
1040 regularly established position with a state employer after June  
1041 1, 2002; a district school board employer after September 1,  
1042 2002; or a local employer after December 1, 2002, must transfer



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1043 from his or her investment plan account, and from other employee  
1044 moneys as necessary, a sum representing the employee's actuarial  
1045 accrued liability. A refund of any employee contributions or  
1046 additional ~~member participant~~ payments made which exceed the  
1047 employee contributions that would have accrued had the member  
1048 remained in the pension plan and not transferred to the  
1049 investment plan is not permitted.

1050 4. An employee's ability to transfer from the pension plan  
1051 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
1052 ~~(d)~~, and the ability of a current employee to have an option to  
1053 later transfer back into the pension plan under subparagraph 2.,  
1054 shall be deemed a significant system amendment. Pursuant to s.  
1055 121.031(4), any resulting unfunded liability arising from actual  
1056 original transfers from the pension plan to the investment plan  
1057 must be amortized within 30 plan years as a separate unfunded  
1058 actuarial base independent of the reserve stabilization  
1059 mechanism ~~described~~ ~~defined~~ in s. 121.031(3)(f). For the first  
1060 25 years, a direct amortization payment may not be calculated  
1061 for this base. During this 25-year period, the separate base  
1062 shall be used to offset the impact of employees exercising their  
1063 second program election under this paragraph. The actuarial  
1064 funded status of the pension plan will not be affected by such  
1065 second program elections in any significant manner, after due  
1066 recognition of the separate unfunded actuarial base. Following  
1067 the initial 25-year period, any remaining balance of the  
1068 original separate base shall be amortized over the remaining 5  
1069 years of the required 30-year amortization period.

1070 5. If the employee chooses to transfer from the investment  
1071 plan to the pension plan and retains an excess account balance



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1072 in the investment plan after satisfying the buy-in requirements  
1073 under this paragraph, the excess may not be distributed until  
1074 the member retires from the pension plan. The excess account  
1075 balance may be rolled over to the pension plan and used to  
1076 purchase service credit or upgrade creditable service in the  
1077 pension plan.

1078 (g) All employees initially enrolled on or after July 1,  
1079 2015, in positions covered by the Elected Officers' Class or the  
1080 Senior Management Service Class are compulsory members of the  
1081 investment plan, except those eligible to withdraw from the  
1082 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
1083 eligible for optional retirement programs under s.  
1084 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees  
1085 eligible to withdraw from the system under s. 121.052(3)(d) or  
1086 s. 121.055(1)(b)2. may withdraw from the system or participate  
1087 in the investment plan as provided in those sections. Employees  
1088 eligible for optional retirement programs under s. 121.051(2)(c)  
1089 or s. 121.35, except as provided in s. 121.051(1)(a), may  
1090 participate in the optional retirement program or the investment  
1091 plan as provided in those sections. Investment plan membership  
1092 continues if there is subsequent employment in a position  
1093 covered by another membership class.

1094 1. Membership in the pension plan is not permitted except  
1095 as provided in s. 121.591(2). Employees initially enrolled in  
1096 the Florida Retirement System before July 1, 2015, may retain  
1097 their membership in the pension plan or investment plan and are  
1098 eligible to use the election opportunity specified in paragraph  
1099 (f).

1100 2. Employees initially enrolled on or after July 1, 2015,



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1101 may not use the election opportunity specified in paragraph (f).

1102 3. The amount of retirement contributions paid by the  
1103 employee and employer, as required under s. 121.72, shall be  
1104 placed in a default fund as designated by the state board, until  
1105 an account is activated in the investment plan, at which time  
1106 the member may move the contributions from the default fund to  
1107 other funds provided in the investment plan.

1108 (5) CONTRIBUTIONS.—

1109 (c) The state board, acting as plan fiduciary, shall ~~must~~  
1110 ensure that all plan assets are held in a trust, pursuant to s.  
1111 401 of the Internal Revenue Code. The fiduciary shall ~~must~~  
1112 ensure that such contributions are allocated as follows:

1113 1. The employer and employee contribution portion earmarked  
1114 for member accounts shall be used to purchase interests in the  
1115 appropriate investment vehicles as specified by the member, or  
1116 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1117 2. The employer contribution portion earmarked for  
1118 administrative and educational expenses shall be transferred to  
1119 the Florida Retirement System Investment Plan Trust Fund.

1120 3. The employer contribution portion earmarked for  
1121 disability benefits shall be transferred to the Florida  
1122 Retirement System Trust Fund.

1123 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
1124 shall be administered by the state board and affected employers.  
1125 The state board may require oaths, by affidavit or otherwise,  
1126 and acknowledgments from persons in connection with the  
1127 administration of its statutory duties and responsibilities for  
1128 the investment plan. An oath, by affidavit or otherwise, is ~~may~~  
1129 not ~~be~~ required of a member at the time of enrollment.



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1130 Acknowledgment of an employee's election to participate in the  
1131 program may ~~shall~~ be no greater than necessary to confirm the  
1132 employee's election except for members initially enrolled on or  
1133 after July 1, 2015, as provided in paragraph (4) (g). The state  
1134 board shall adopt rules to carry out its statutory duties with  
1135 respect to administering the investment plan, including  
1136 establishing the roles and responsibilities of affected state,  
1137 local government, and education-related employers, the state  
1138 board, the department, and third-party contractors. The  
1139 department shall adopt rules necessary to administer the  
1140 investment plan in coordination with the pension plan and the  
1141 disability benefits available under the investment plan.

1142 (a)1. The state board shall select and contract with a  
1143 third-party administrator to provide administrative services if  
1144 those services cannot be competitively and contractually  
1145 provided by the division. With the approval of the state board,  
1146 the third-party administrator may subcontract to provide  
1147 components of the administrative services. As a cost of  
1148 administration, the state board may compensate ~~any~~ such  
1149 contractor for its services, in accordance with the terms of the  
1150 contract, as is deemed necessary or proper by the board. The  
1151 third-party administrator may not be an approved provider or be  
1152 affiliated with an approved provider.

1153 2. These administrative services may include, but are not  
1154 limited to, enrollment of eligible employees, collection of  
1155 employer and employee contributions, disbursement of  
1156 contributions to approved providers in accordance with the  
1157 allocation directions of members; services relating to  
1158 consolidated billing; individual and collective recordkeeping





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1159 and accounting; asset purchase, control, and safekeeping; and  
1160 direct disbursement of funds to and from the third-party  
1161 administrator, the division, the state board, employers,  
1162 members, approved providers, and beneficiaries. This section  
1163 does not prevent or prohibit a bundled provider from providing  
1164 any administrative or customer service, including accounting and  
1165 administration of individual member benefits and contributions;  
1166 individual member recordkeeping; asset purchase, control, and  
1167 safekeeping; direct execution of the member's instructions as to  
1168 asset and contribution allocation; calculation of daily net  
1169 asset values; direct access to member account information; or  
1170 periodic reporting to members, at least quarterly, on account  
1171 balances and transactions, if these services are authorized by  
1172 the state board as part of the contract.

1173 (b)1. The state board shall select and contract with one or  
1174 more organizations to provide educational services. With  
1175 approval of the state board, the organizations may subcontract  
1176 to provide components of the educational services. As a cost of  
1177 administration, the state board may compensate any such  
1178 contractor for its services in accordance with the terms of the  
1179 contract, as is deemed necessary or proper by the board. The  
1180 education organization may not be an approved provider or be  
1181 affiliated with an approved provider.

1182 2. Educational services shall be designed by the state  
1183 board and department to assist employers, eligible employees,  
1184 members, and beneficiaries in order to maintain compliance with  
1185 United States Department of Labor regulations under s. 404(c) of  
1186 the Employee Retirement Income Security Act of 1974 and to  
1187 assist employees in their choice of pension plan or investment



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1188 plan retirement alternatives. Educational services include, but  
1189 are not limited to, disseminating educational materials;  
1190 providing retirement planning education; explaining the pension  
1191 plan and the investment plan; and offering financial planning  
1192 guidance on matters such as investment diversification,  
1193 investment risks, investment costs, and asset allocation. An  
1194 approved provider may also provide educational information,  
1195 including retirement planning and investment allocation  
1196 information concerning its products and services.

1197 (c)1. In evaluating and selecting a third-party  
1198 administrator, the state board shall establish criteria for  
1199 evaluating the relative capabilities and qualifications of each  
1200 proposed administrator. In developing such criteria, the state  
1201 board shall consider:

1202 a. The administrator's demonstrated experience in providing  
1203 administrative services to public or private sector retirement  
1204 systems.

1205 b. The administrator's demonstrated experience in providing  
1206 daily valued recordkeeping to defined contribution programs.

1207 c. The administrator's ability and willingness to  
1208 coordinate its activities with employers, the state board, and  
1209 the division, and to supply to such employers, the board, and  
1210 the division the information and data they require, including,  
1211 but not limited to, monthly management reports, quarterly member  
1212 reports, and ad hoc reports requested by the department or state  
1213 board.

1214 d. The cost-effectiveness and levels of the administrative  
1215 services provided.

1216 e. The administrator's ability to interact with the



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1217 members, the employers, the state board, the division, and the  
1218 providers; the means by which members may access account  
1219 information, direct investment of contributions, make changes to  
1220 their accounts, transfer moneys between available investment  
1221 vehicles, and transfer moneys between investment products; and  
1222 any fees that apply to such activities.

1223 f. Any other factor deemed necessary by the state board.

1224 2. In evaluating and selecting an educational provider, the  
1225 state board shall establish criteria under which it shall  
1226 consider the relative capabilities and qualifications of each  
1227 proposed educational provider. In developing such criteria, the  
1228 state board shall consider:

1229 a. Demonstrated experience in providing educational  
1230 services to public or private sector retirement systems.

1231 b. Ability and willingness to coordinate its activities  
1232 with the employers, the state board, and the division, and to  
1233 supply to such employers, the board, and the division the  
1234 information and data they require, including, but not limited  
1235 to, reports on educational contacts.

1236 c. The cost-effectiveness and levels of the educational  
1237 services provided.

1238 d. Ability to provide educational services via different  
1239 media, including, but not limited to, the Internet, personal  
1240 contact, seminars, brochures, and newsletters.

1241 e. Any other factor deemed necessary by the state board.

1242 3. The establishment of the criteria shall be solely within  
1243 the discretion of the state board.

1244 (d) The state board shall develop the form and content of  
1245 any contracts to be offered under the investment plan. In



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1246 developing the contracts, the board shall consider:

1247 1. The nature and extent of the rights and benefits to be  
1248 afforded in relation to the contributions required under the  
1249 plan.

1250 2. The suitability of the rights and benefits provided and  
1251 the interests of employers in the recruitment and retention of  
1252 eligible employees.

1253 (e)1. The state board may contract for professional  
1254 services, including legal, consulting, accounting, and actuarial  
1255 services, deemed necessary to implement and administer the  
1256 investment plan. The state board may enter into a contract with  
1257 one or more vendors to provide low-cost investment advice to  
1258 members, supplemental to education provided by the third-party  
1259 administrator. All fees under any such contract shall be paid by  
1260 those members who choose to use the services of the vendor.

1261 2. The department may contract for professional services,  
1262 including legal, consulting, accounting, and actuarial services,  
1263 deemed necessary to implement and administer the investment plan  
1264 in coordination with the pension plan. The department, in  
1265 coordination with the state board, may enter into a contract  
1266 with the third-party administrator in order to coordinate  
1267 services common to the various programs within the Florida  
1268 Retirement System.

1269 (f) The third-party administrator may not receive direct or  
1270 indirect compensation from an approved provider, except as  
1271 specifically provided ~~for~~ in the contract with the state board.

1272 (g) The state board shall receive and resolve member  
1273 complaints against the program, the third-party administrator,  
1274 or any program vendor or provider; shall resolve any conflict



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1275 between the third-party administrator and an approved provider  
1276 if such conflict threatens the implementation or administration  
1277 of the program or the quality of services to employees; and may  
1278 resolve any other conflicts. The third-party administrator shall  
1279 retain all member records for at least 5 years for use in  
1280 resolving any member conflicts. The state board, the third-party  
1281 administrator, or a provider is not required to produce  
1282 documentation or an audio recording to justify action taken with  
1283 regard to a member if the action occurred 5 or more years before  
1284 the complaint is submitted to the state board. It is presumed  
1285 that all action taken 5 or more years before the complaint is  
1286 submitted was taken at the request of the member and with the  
1287 member's full knowledge and consent. To overcome this  
1288 presumption, the member must present documentary evidence or an  
1289 audio recording demonstrating otherwise.

1290 (10) EDUCATION COMPONENT.—

1291 (a) The state board, in coordination with the department,  
1292 shall provide for an education component for eligible employees  
1293 ~~system members~~ in a manner consistent with ~~the provisions of~~  
1294 ~~this subsection section. The education component must be~~  
1295 ~~available to eligible employees at least 90 days prior to the~~  
1296 ~~beginning date of the election period for the employees of the~~  
1297 ~~respective types of employers.~~

1298 (b) Except for members initially enrolled on or after July  
1299 1, 2015, as provided in paragraph (4)(g), the education  
1300 component must provide system members with impartial and  
1301 balanced information about plan choices. The education component  
1302 must involve multimedia formats. Program comparisons must, to  
1303 the greatest extent possible, be based upon the retirement



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1304 income that different retirement programs may provide to the  
1305 member. The state board shall monitor the performance of the  
1306 contract to ensure that the program is conducted in accordance  
1307 with the contract, applicable law, and the rules of the state  
1308 board.

1309 (c) Except for members initially enrolled on or after July  
1310 1, 2015, as provided in paragraph (4)(g), the state board, in  
1311 coordination with the department, shall provide for an initial  
1312 and ongoing transfer education component to provide system  
1313 members with information necessary to make informed plan choice  
1314 decisions. The transfer education component must include, but is  
1315 not limited to, information on:

1316 1. The amount of money available to a member to transfer to  
1317 the defined contribution program.

1318 2. The features of and differences between the pension plan  
1319 and the defined contribution program, both generally and  
1320 specifically, as those differences may affect the member.

1321 3. The expected benefit available if the member were to  
1322 retire under each of the retirement programs, based on  
1323 appropriate alternative sets of assumptions.

1324 4. The rate of return from investments in the defined  
1325 contribution program and the period of time over which such rate  
1326 of return must be achieved to equal or exceed the expected  
1327 monthly benefit payable to the member under the pension plan.

1328 5. The historical rates of return for the investment  
1329 alternatives available in the defined contribution programs.

1330 6. The benefits and historical rates of return on  
1331 investments available in a typical deferred compensation plan or  
1332 a typical plan under s. 403(b) of the Internal Revenue Code for



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1333 which the employee may be eligible.

1334 7. The program choices available to employees of the State  
1335 University System and the comparative benefits of each available  
1336 program, if applicable.

1337 8. Payout options available in each of the retirement  
1338 programs.

1339 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
1340 ~~System employers have an obligation to regularly communicate the~~  
1341 ~~existence of the two Florida Retirement System plans and the~~  
1342 ~~plan choice in the natural course of administering their~~  
1343 ~~personnel functions, using the educational materials supplied by~~  
1344 ~~the state board and the Department of Management Services.~~

1345 Section 8. Paragraph (b) of subsection (2) of section  
1346 121.591, Florida Statutes, is amended to read:

1347 121.591 Payment of benefits.—Benefits may not be paid under  
1348 the Florida Retirement System Investment Plan unless the member  
1349 has terminated employment as provided in s. 121.021(39) (a) or is  
1350 deceased and a proper application has been filed as prescribed  
1351 by the state board or the department. Benefits, including  
1352 employee contributions, are not payable under the investment  
1353 plan for employee hardships, unforeseeable emergencies, loans,  
1354 medical expenses, educational expenses, purchase of a principal  
1355 residence, payments necessary to prevent eviction or foreclosure  
1356 on an employee's principal residence, or any other reason except  
1357 a requested distribution for retirement, a mandatory de minimis  
1358 distribution authorized by the administrator, or a required  
1359 minimum distribution provided pursuant to the Internal Revenue  
1360 Code. The state board or department, as appropriate, may cancel  
1361 an application for retirement benefits if the member or



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1362 beneficiary fails to timely provide the information and  
1363 documents required by this chapter and the rules of the state  
1364 board and department. In accordance with their respective  
1365 responsibilities, the state board and the department shall adopt  
1366 rules establishing procedures for application for retirement  
1367 benefits and for the cancellation of such application if the  
1368 required information or documents are not received. The state  
1369 board and the department, as appropriate, are authorized to cash  
1370 out a de minimis account of a member who has been terminated  
1371 from Florida Retirement System covered employment for a minimum  
1372 of 6 calendar months. A de minimis account is an account  
1373 containing employer and employee contributions and accumulated  
1374 earnings of not more than \$5,000 made under the provisions of  
1375 this chapter. Such cash-out must be a complete lump-sum  
1376 liquidation of the account balance, subject to the provisions of  
1377 the Internal Revenue Code, or a lump-sum direct rollover  
1378 distribution paid directly to the custodian of an eligible  
1379 retirement plan, as defined by the Internal Revenue Code, on  
1380 behalf of the member. Any nonvested accumulations and associated  
1381 service credit, including amounts transferred to the suspense  
1382 account of the Florida Retirement System Investment Plan Trust  
1383 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1384 payment of any vested benefit to a member or beneficiary, except  
1385 for de minimis distributions or minimum required distributions  
1386 as provided under this section. If any financial instrument  
1387 issued for the payment of retirement benefits under this section  
1388 is not presented for payment within 180 days after the last day  
1389 of the month in which it was originally issued, the third-party  
1390 administrator or other duly authorized agent of the state board



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1391 shall cancel the instrument and credit the amount of the  
1392 instrument to the suspense account of the Florida Retirement  
1393 System Investment Plan Trust Fund authorized under s.  
1394 121.4501(6). Any amounts transferred to the suspense account are  
1395 payable upon a proper application, not to include earnings  
1396 thereon, as provided in this section, within 10 years after the  
1397 last day of the month in which the instrument was originally  
1398 issued, after which time such amounts and any earnings  
1399 attributable to employer contributions shall be forfeited. Any  
1400 forfeited amounts are assets of the trust fund and are not  
1401 subject to chapter 717.

1402 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under  
1403 this subsection are payable in lieu of the benefits that would  
1404 otherwise be payable under the provisions of subsection (1).  
1405 Such benefits must be funded from employer contributions made  
1406 under s. 121.571, transferred employee contributions and funds  
1407 accumulated pursuant to paragraph (a), and interest and earnings  
1408 thereon.

1409 (b) *Disability retirement; entitlement.*—

1410 1.a. A member of the investment plan initially enrolled  
1411 before July 1, 2015, who becomes totally and permanently  
1412 disabled, as defined in paragraph (d), after completing 8 years  
1413 of creditable service, or a member who becomes totally and  
1414 permanently disabled in the line of duty regardless of length of  
1415 service, is entitled to a monthly disability benefit.

1416 b. A member of the investment plan initially enrolled on or  
1417 after July 1, 2015, who becomes totally and permanently  
1418 disabled, as defined in paragraph (d), after completing 10 years  
1419 of creditable service, or a member who becomes totally and



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1420 permanently disabled in the line of duty regardless of service,  
1421 is entitled to a monthly disability benefit.

1422 2. In order for service to apply toward the 8 years of  
1423 creditable service required for regular disability benefits, or  
1424 toward the creditable service used in calculating a service-  
1425 based benefit as provided under paragraph (g), the service must  
1426 be creditable service as described below:

1427 a. The member's period of service under the investment plan  
1428 shall be considered creditable service, except as provided in  
1429 subparagraph d.

1430 b. If the member has elected to retain credit for service  
1431 under the pension plan as provided under s. 121.4501(3), all  
1432 such service is shall be considered creditable service.

1433 c. If the member elects to transfer to his or her member  
1434 accounts a sum representing the present value of his or her  
1435 retirement credit under the pension plan as provided under s.  
1436 121.4501(3), the period of service under the pension plan  
1437 represented in the present value amounts transferred is shall be  
1438 considered creditable service, except as provided in  
1439 subparagraph d.

1440 d. If a member has terminated employment and has taken  
1441 distribution of his or her funds as provided in subsection (1),  
1442 all creditable service represented by such distributed funds is  
1443 forfeited for purposes of this subsection.

1444 Section 9. Subsection (3) of section 121.71, Florida  
1445 Statutes, is amended to read:

1446 121.71 Uniform rates; process; calculations; levy.—

1447 (3)(a) Required employee retirement contribution rates for  
1448 each membership class and subclass of the Florida Retirement



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1449 System for the pension plan ~~both retirement plans~~ are as  
1450 follows:

	Percentage of Gross Compensation, Effective July 1, 2011
1451	
1452	Membership Class
1453	Regular Class 3.00%
1454	Special Risk Class 3.00%
1455	Special Risk Administrative Support Class 3.00%
1456	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders 3.00%
1457	Elected Officers' Class— Justices, Judges 3.00%
1458	



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1459	Elected Officers' Class— County Elected Officers 3.00%
1460	Senior Management Service Class 3.00%
1461	DROP 0.00%

1462 (b) Required employee retirement contribution rates for  
1463 each membership class and subclass of the Florida Retirement  
1464 System for the investment plan are as follows:

	<u>Percentage of Gross Compensation, Effective July 1, 2011</u>	<u>Percentage of Gross Compensation, Effective July 1, 2015</u>
1465		
1466	<u>Membership Class</u>	
1467		
1468		
1469		
1470		
1471		
1472	<u>Regular Class</u> 3.00%	<u>2.00%</u>
1473	<u>Special Risk</u> 3.00%	<u>2.00%</u>
1474	<u>Class</u>	



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Special Risk                    3.00%                    2.00%  
Administrative  
Support Class

1475

Elected Officers'            3.00%                    2.00%  
Class-  
Legislators,  
Governor,  
Lt. Governor,  
Cabinet  
Officers,  
State Attorneys,  
Public Defenders

1476

Elected Officers'            3.00%                    2.00%  
Class-  
Justices, Judges

1477

Elected Officers'            3.00%                    2.00%  
Class-  
County Elected  
Officers

1478

Senior Management        3.00%                    2.00%  
Service Class

1479

1480

1481

1482

Section 10. Section 238.072, Florida Statutes, is amended  
to read:



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1483                    238.072 Special service provisions for extension  
1484 personnel.—All state and county cooperative extension personnel  
1485 holding appointments by the United States Department of  
1486 Agriculture for extension work in agriculture and home economics  
1487 in this state who are joint representatives of the University of  
1488 Florida and the United States Department of Agriculture, as  
1489 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
1490 Teachers' Retirement System, chapter 238, and who are prohibited  
1491 from transferring to and participating in the Florida Retirement  
1492 System, chapter 121, may retire with full benefits upon  
1493 completion of 30 years of creditable service and shall be  
1494 considered to have attained normal retirement age under this  
1495 chapter, any law to the contrary notwithstanding. In order to  
1496 comply with ~~the provisions of~~ s. 14, Art. X of the State  
1497 Constitution, any liability accruing to the Florida Retirement  
1498 System Trust Fund as a result of ~~the provisions of~~ this section  
1499 shall be paid on an annual basis from the General Revenue Fund.

1500                    Section 11. Subsection (11) of section 413.051, Florida  
1501 Statutes, is amended to read:

1502                    413.051 Eligible blind persons; operation of vending  
1503 stands.—

1504                    (11) Effective July 1, 1996, blind licensees who remain  
1505 members of the Florida Retirement System pursuant to s.  
1506 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1507 retirement costs from their net profits or from program income.  
1508 Within 30 days after the effective date of this act, each blind  
1509 licensee who is eligible to maintain membership in the Florida  
1510 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1511 who elects to withdraw from the system as provided in s.



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1512 ~~121.051(7)(b)3. 121.051(6)(b)3.~~, must, on or before July 31,  
1513 1996, notify the Division of Blind Services and the Department  
1514 of Management Services in writing of his or her election to  
1515 withdraw. Failure to timely notify the divisions shall be deemed  
1516 a decision to remain a compulsory member of the Florida  
1517 Retirement System. However, if, at any time after July 1, 1996,  
1518 sufficient funds are not paid by a blind licensee to cover the  
1519 required contribution to the Florida Retirement System, that  
1520 blind licensee shall become ineligible to participate in the  
1521 Florida Retirement System on the last day of the first month for  
1522 which no contribution is made or the amount contributed is  
1523 insufficient to cover the required contribution. For any blind  
1524 licensee who becomes ineligible to participate in the Florida  
1525 Retirement System as described in this subsection, ~~no~~ creditable  
1526 service may not shall be earned under the Florida Retirement  
1527 System for any period following the month that retirement  
1528 contributions ceased to be reported. However, ~~any~~ such person  
1529 may participate in the Florida Retirement System in the future  
1530 if employed by a participating employer in a covered position.

1531 Section 12. Paragraph (a) of subsection (4) of section  
1532 1012.875, Florida Statutes, is amended to read:

1533 1012.875 State Community College System Optional Retirement  
1534 Program.—Each Florida College System institution may implement  
1535 an optional retirement program, if such program is established  
1536 therefor pursuant to s. 1001.64(20), under which annuity or  
1537 other contracts providing retirement and death benefits may be  
1538 purchased by, and on behalf of, eligible employees who  
1539 participate in the program, in accordance with s. 403(b) of the  
1540 Internal Revenue Code. Except as otherwise provided herein, this



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1541 retirement program, which shall be known as the State Community  
1542 College System Optional Retirement Program, may be implemented  
1543 and administered only by an individual Florida College System  
1544 institution or by a consortium of Florida College System  
1545 institutions.

1546 (4)(a)1. Through June 30, 2011, each college must  
1547 contribute on behalf of each program member an amount equal to  
1548 10.43 percent of the employee's gross monthly compensation.

1549 2. Effective July 1, 2011, through June 30, 2012, each  
1550 member shall contribute an amount equal to the employee  
1551 contribution required under s. 121.71(3)(a). The employer shall  
1552 contribute on behalf of each program member an amount equal to  
1553 the difference between 10.43 percent of the employee's gross  
1554 monthly compensation and the employee's required contribution  
1555 based on the employee's gross monthly compensation.

1556 3. Effective July 1, 2012, each member shall contribute an  
1557 amount equal to the employee contribution required under s.  
1558 121.71(3)(a). The employer shall contribute on behalf of each  
1559 program member an amount equal to the difference between 8.15  
1560 percent of the employee's gross monthly compensation and the  
1561 employee's required contribution based on the employee's gross  
1562 monthly compensation.

1563 4. The college shall deduct an amount approved by the  
1564 district board of trustees of the college to provide for the  
1565 administration of the optional retirement program. Payment of  
1566 this contribution must be made directly by the college or  
1567 through the program administrator to the designated company  
1568 contracting for payment of benefits to the program member.

1569 Section 13. The Legislature finds that a proper and





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1570 legitimate state purpose is served when employees and retirees  
1571 of the state and its political subdivisions, and the dependents,  
1572 survivors, and beneficiaries of such employees and retirees, are  
1573 extended the basic protections afforded by governmental  
1574 retirement systems. These persons must be provided benefits that  
1575 are fair and adequate and that are managed, administered, and  
1576 funded in an actuarially sound manner, as required by s. 14,  
1577 Article X of the State Constitution and part VII of chapter 112,  
1578 Florida Statutes. Therefore, the Legislature determines and  
1579 declares that this act fulfills an important state interest.

1580 Section 14. This act shall take effect July 1, 2014.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

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BILL: CS/SB 1114

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Simpson

SUBJECT: Florida Retirement System

DATE: April 9, 2014

REVISED: 04/09/14

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	White	Yeatman		<b>CA SPB 7046 as introduced</b>
1.	McVaney	McVaney	GO	<b>Fav/CS</b>
2.			AP	

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

**I. Summary:**

CS/SB 1114 makes the following changes to the Florida Retirement System (FRS), **for members initially enrolled in the FRS on or after July 1, 2015:**

- Mandates that Elected Officers' Class and Senior Management Service Class members may only join the investment plan;
- Changes the default for members who do not affirmatively choose a plan from the pension plan to the investment plan;
- Closes the Senior Management Service Optional Annuity Program to new members; and
- Changes the vesting period in the pension plan from 8 to 10 years;
- Changes the out of service disability retirement vesting period from 8 to 10 years.

The bill also lowers the employee's contribution rate from 3% to 2% for all members of the investment plan. However, the overall amount transferred into the investment plan member's account remains the same – with an increase in the employer contribution being substituted for the decrease in employee contribution.

CS/SB 1114 creates a limited exception to the prohibition on renewed membership in the Florida Retirement System. A retiree of the investment plan, the Senior Management Service Optional Annuity Program (SMSOAP), the State University System Optional Retirement Program (SUSORP) or the State Community College System Optional Retirement Program (SCCSOAP) who retired before July 1, 2010, has earned less than 10 years of creditable service, and is

employed in a regularly established position with a covered employer on or after January 1, 2015, will be a renewed member in the FRS as follows:

- Investment Plan (all classes) → Investment Plan (Regular Class)
- SMSOAP → Investment Plan (Regular Class)
- SUSORP → SUSORP
- SCCSORP → SCCSORP
- Pension Plan (all classes) → Ineligible

Renewed members will have to meet the vesting requirements of the plans in which they become renewed members. Creditable service does not accrue for a retiree's employment in a regularly established position with a covered employer from July 1, 2010, through December 31, 2014, nor may employer or employee contributions be paid into a renewed member's investment plan account for employment with a covered employer during this time period.

The overall actuarial impact of this legislation on the Florida Retirement System is expected to be insignificant in FY 2014-15 and \$48.8 million in FY 2015-16. The actuarial impacts for later periods will be determined in the subsequent annual valuations of the FRS.

## II. Present Situation:

### The Florida Retirement System

The FRS is the fourth largest public retirement system in the United States. It is a multi-employer, contributory plan, governed by the Florida Retirement System Act in ch. 121, F.S., and administered by the Department of Management Services (DMS).<sup>1</sup> The FRS was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the Pension Plan, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.<sup>2</sup>

The FRS consists of 1,008 total employers; it is the primary retirement plan for employees of state and county government agencies, district school boards, community colleges, and universities, and also includes the 185 cities and 259 special districts that have elected to join the system.<sup>3</sup> Members of the FRS are required to make employee contributions of 3 percent of their salary.<sup>4</sup> As of June 30, 2012, the FRS had 621,774 active members, 347,962 retired members and beneficiaries, and 38,724 active members of the Deferred Retirement Option Program (DROP).<sup>5</sup>

<sup>1</sup> Section 121.021(5), F.S.

<sup>2</sup> The Florida Retirement System Annual Report, July 1, 2012 – June 30, 2013, at 16, available at [https://www.rol.frs.state.fl.us/forms/2012-13\\_Annual\\_Report.pdf](https://www.rol.frs.state.fl.us/forms/2012-13_Annual_Report.pdf) (last visited April 5, 2014).

<sup>3</sup> *Id.*, at 17.

<sup>4</sup> Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class employees or 6 percent for Special Risk Class members. Employees were again required to contribute to the system after July 1, 2011.

<sup>5</sup> Florida Retirement System 2012-2013 Annual Report, at 17.

The membership of the FRS is divided into five membership classes:

- Regular Class<sup>6</sup> consists of 536,506 active members, plus 6,461 in renewed membership;
- Special Risk Class<sup>7</sup> includes 68,800 active members;
- Special Risk Administrative Support Class<sup>8</sup> has 58 active members;
- Elected Officers’ Class<sup>9</sup> has 2094 active members, plus 152 in renewed membership; and
- Senior Management Service Class<sup>10</sup> has 7,450 members, plus 210 in renewed membership.<sup>11</sup>

Each class is funded separately based upon the costs attributable to the members of that class.

Members of the FRS have two primary plan options available for participation:

- The defined benefit plan, also known as the Pension Plan; and
- The defined contribution plan, also known as the Investment Plan.

According to information provided by the SBA, approximately 45,000 new hires are processed each year for a retirement plan choice.<sup>12</sup> Historically, almost 26 percent have actively elected the Investment Plan, roughly 19 percent have actively elected the Pension Plan and over 55 percent have defaulted into the Pension Plan.

	<b>Active Election to Investment Plan</b>	<b>Active Election to Pension Plan</b>	<b>Default to Pension Plan</b>
<b>FY 2009-10</b>	9,071 (23.42%)	8,158 (21.06%)	21,501 (55.52%)
<b>FY 2010-11</b>	9,960 (24.87%)	9,042 (22.58%)	21,049 (52.56%)
<b>FY 2011-12</b>	10,937 (28.79%)	6,976 (18.37%)	20,064 (52.83%)
<b>FY 2012-13</b>	11,895 (26.23%)	7,345 (16.20%)	26,105(57.57%)
<b>FY 2013-14*</b>	8,771 (25.35%)	5,709 (16.50%)	20,114 (58.14%)
<b>TOTAL</b>	50,634 (25.74%)	37,230 (18.93%)	108,833 (55.33%)

\*Note: The counts and percentages for this fiscal year represent only those elections and defaults that occurred between July 1, 2013, and March 28, 2014.

Certain members, as specified by law and position title, may, in lieu of FRS participation, participate in optional retirement plans.

<sup>6</sup> The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

<sup>7</sup> The Special Risk Class is for members employed as: law enforcement officers, firefighters, correctional officers, probation officers, paramedics and emergency technicians, among others. Section 121.0515, F.S.

<sup>8</sup> The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.

<sup>9</sup> The Elected Officers’ Class is for elected state and county officers, and for those elected municipal or special district officers whose governing body has chosen Elected Officers’ Class participation for its elected officers. Section 121.052, F.S.

<sup>10</sup> The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

<sup>11</sup> All figures from Florida Retirement System 2012-2013 Annual Report, at 47.

<sup>12</sup> It is uncertain how many of these new hires stay for their full career.

### ***Investment Plan***

In 2000, the Legislature created the Public Employee Optional Retirement Program (Investment Plan), a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan.

Benefits under the Investment Plan accrue in individual member accounts funded by both employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.

A member vests immediately in all employee contributions paid to the Investment Plan.<sup>13</sup> With respect to the employer contributions, a member vests after completing one work year with an FRS employer.<sup>14</sup> Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.<sup>15</sup> The Investment Plan also provides disability coverage for both inline-of-duty and regular disability retirement benefits.<sup>16</sup> An FRS member who qualifies for disability while enrolled in the Investment Plan must apply for benefits as if the employee was a member of the Pension Plan. If approved for retirement disability benefits, the member is transferred to the Pension Plan.<sup>17</sup>

The SBA is primarily responsible for administering the Investment Plan.<sup>18</sup> The trustees of the SBA are the Governor as chair, the Chief Financial Officer, and the Attorney General.<sup>19</sup> The SBA selects and contracts with a third-party administrator to provide administrative services.<sup>20</sup>

The contributions paid into the individual investment accounts and into the disability account on behalf of investment plan members is noted below. Note that the amount paid into the retirement account as a percentage of salary includes the employee contribution of 3 percent.

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<sup>13</sup> Section 121.4501(6)(a), F.S.

<sup>14</sup> If a member terminates employment before vesting in the Investment Plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, then any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b) – (d), F.S.

<sup>15</sup> Section 121.591, F.S.

<sup>16</sup> See s. 121.4501(16), F.S.

<sup>17</sup> Pension Plan disability retirement benefits, which apply for Investment Plan members who qualify for disability, compensate an inline-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for special risk class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If the disability occurs other than in the line of duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date. Section 121.091(4)(f), F.S.

<sup>18</sup> Section 121.4501(8), F.S.

<sup>19</sup> Section 4, Art. IV, Fla. Const.

<sup>20</sup> The third-party administrator may not be a provider or be affiliated with a provider. Section 121.4501(8)(a), F.S.

<b>Membership Class</b>	<b>Retirement Account</b>	<b>Disability Account</b>	<b>Total Rate</b>
Regular Class	6.30%	0.25%	6.55%
Special Risk Class	14.00%	1.33%	15.33%
Special Risk Administrative Support Class	7.95%	0.45%	8.40%
Elected Officer's Class			
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	9.38%	0.41%	9.79%
• Justices and Judges	13.23%	0.73%	13.95%
• County Officers	11.34%	0.41%	11.75%
Senior Management Service Class	7.67%	0.26%	7.93%

***Pension Plan***

The Pension Plan is administered by the secretary of the DMS through the Division of Retirement.<sup>21</sup> Investment management of plan assets is handled by the SBA. As of July 1, 2013, the actuarial funding level of the plan was at 85.9 percent.<sup>22</sup>

Any member initially enrolled in the Pension Plan before July 1, 2011, vests in the Pension Plan after completing six years of service with an FRS employer.<sup>23</sup> For members enrolled on or after July 1, 2011, the member vests in the Pension Plan after eight years of creditable service.<sup>24</sup> Benefits payable under the Pension Plan are calculated based on years of service multiplied by the annual accrual rate multiplied by the member's average final compensation.<sup>25</sup> For most members of the Pension Plan, normal retirement occurs at the earliest attainment of 30 years of service or age 62.<sup>26</sup> For public safety employees in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.<sup>27</sup> Members initially enrolled in the Pension Plan on or after July 1, 2011, have longer vesting requirements. For members initially enrolled after that date, the member must complete 33 years of service or attain age 65, and members in the Special Risk classes must complete 30 years of service or attain age 60.<sup>28</sup>

Benefits payable to a pension plan retiree are calculated using formulas that include the average final compensation. "Average final compensation" means the average of the five or eight highest fiscal years of compensation for creditable service prior to retirement, termination, or death. If you enrolled in FRS prior to July 1, 2011, your average final compensation will be five years. If you enrolled in FRS on or after July 1, 2011, your average final compensation will be eight years. The average final compensation includes accumulated annual leave payments, not to

<sup>21</sup> Section 121.025, F.S.

<sup>22</sup> Florida Retirement System Actuarial Valuation as of July 1, 2013, at I-6. .

<sup>23</sup> Section 121.021(45)(a), F.S.

<sup>24</sup> Section 121.021(45)(b), F.S.

<sup>25</sup> Section 121.091, F.S.

<sup>26</sup> Section 121.021(29)(a)1., F.S.

<sup>27</sup> Section 121.021(29)(b)1., F.S.

<sup>28</sup> Sections 121.021(29)(a)2. and (b)2., F.S.

exceed 500 hours, and all payments defined as compensation in s. 121.021(22). The average final compensation does not include compensation paid to professional persons for special or particular services; payments for accumulated sick leave made due to retirement or termination; payments for accumulated annual leave in excess of 500 hours; bonuses as defined in s. 121.021(47); third party payments made on or after July 1, 1990; or fringe benefits such as automobile or housing allowances.<sup>29</sup>

“Compensation” means the monthly salary paid to a member by his or her employer for work performed arising from that employment. Compensation includes overtime payments paid from a salary fund; accumulated annual leave payments; payments in addition to the employee’s base rate of pay if specified conditions apply; amounts withheld for tax sheltered annuities or deferred compensation programs, or any other type of salary reduction plan authorized under the Internal Revenue Code.<sup>30</sup>

### ***Reemployment Restrictions***

For the purposes of the pension plan, a “retiree” means a former member of the FRS or an existing system who has terminated employment and is receiving benefit payments from the system in which he or she was a member.<sup>31</sup> For the purposes of the investment plan, a “retiree” means a former member of the investment plan who has terminated employment and taken a distribution of vested employee or employer contributions, except for a mandatory distribution of a de minimis account authorized by the state board or a minimum required distribution provided the Internal Revenue Code.<sup>32</sup>

After retiring under the FRS, a retiree can work for any private employer, for any public employer not participating in the FRS, or for any employer in another state, without affecting their FRS benefits.

However, there are certain termination requirements and reemployment limitations that affect retirement benefits **if a retiree is employed with an FRS-participating employer** during the first 12 calendar months after the effective retirement date without DROP participation or after the DROP termination date. If a retiree returns to work during the **first six calendar months** of retirement or after their DROP termination date, then their retirement application is voided and all retirement benefits, including any funds accumulated during DROP participation, must be repaid to the FRS Trust Fund. This restriction applies even if the particular position held is not covered by the FRS. A retiree cannot become a newly hired employee until after meeting the definition of termination by remaining unemployed for six calendar months.

A retiree may not receive both a salary and a retirement benefit in the same month during the **seventh through twelfth calendar months** of retirement or after the DROP termination date. There are no exceptions to this reemployment limitation during this period. This restriction applies even if the particular position held is not covered by the FRS. A retiree must inform the division if they work for an FRS employer during the reemployment limitation period.

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<sup>29</sup> Section 121.021(24), F.S.

<sup>30</sup> Section 121.021(22), F.S.

<sup>31</sup> Section 121.021(60), F.S.

<sup>32</sup> Section 121.4501(2)(k), F.S.

Suspended retirement benefits for the months a reemployed retiree is employed by an FRS employer during the reemployment limitation period will never be received by the retiree. The reemployed retiree and their employing agency are jointly and severally liable for repaying any retirement benefits the employee receives while working during this period.

There are no limits on working for an FRS employer after a retiree has been retired for 12 calendar months.

If a retiree is re-employed with an FRS participating employer, they will be required to sign a statement that their reemployment does not violate these provisions.<sup>33</sup>

Before July 1, 2010, there were various exceptions to employment with FRS-covered employers during the reemployment limitation period. All reemployment limitation exceptions that were not specific to educational institutions were closed by operation of HB 479, which also extended from one month to 12 months the exclusionary period immediately after retirement in which a retiree may not be reemployed with any FRS employer.<sup>34</sup>

### ***Renewed Membership***

Retirees of the FRS Pension Plan or the FRS Investment Plan who were initially re-employed in covered employment by June 30, 2010, renewed their membership in the FRS (Pension Plan or Investment Plan) or other state-administered retirement system and earn service credit toward a subsequent retirement benefit. Renewed members who retire again, including former DROP participants, are once more subject to reemployment limitations.

Renewed members are not eligible to participate in DROP or the Special Risk Class, and are not eligible for disability retirement. However, the surviving spouse and dependent children of a renewed member may qualify for survivor benefits.

Prior to July 1, 2010, retirees of a state-administered retirement system reemployed by an FRS-participating employer were eligible for renewed membership in the FRS. Currently, retirees initially re-employed in a regularly established position on or after July 1, 2010, are not eligible for renewed membership and will not earn creditable service toward a subsequent retirement benefit. This restriction from renewed membership includes retirees of the FRS Pension Plan, the FRS Investment Plan, the SUSORP, the SMSOAP, and the SCCSORP.<sup>35</sup>

### ***Reemployed Retirees without Renewed Membership***

Information provided by the DMS indicates that as of December of 2013, there were 5,703 employees who retired by June 30, 2010, and subsequently returned to FRS-covered employment, but are not permitted to be renewed members of the FRS. Of that number, 2,918 were retirees of the pension plan, and 2,616 were retirees of the investment plan. Anecdotal

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<sup>33</sup> The information in this section of the bill analysis comes from the FRS Pension Plan member Handbook, 2013 edition, p. 56, located at: [https://www.rol.frs.state.fl.us/forms/member\\_handbook.pdf](https://www.rol.frs.state.fl.us/forms/member_handbook.pdf). See also ss. 121.091(9), 121.122, and 1012.01(2), F.S.

<sup>34</sup> Chapter 2009-209, L.O.F.

<sup>35</sup> *Id.*, at 57. See also ss. 121.053, 121.091(9), 121.122, and 238.181, F.S.



evidence suggests that some of these “retirees” were employees who took distributions from investment plan accounts prior to July 1, 2010, and rolled them into IRAs upon their termination from FRS-covered employment. The enactment on the bar to renewed membership means that anyone who took such a distribution is deemed retired, and cannot become a renewed member of the FRS.

***Blended Employer Contribution Rates for the FRS for FY 2013-14***

FRS employers are responsible for contributing a percentage of the member’s monthly compensation based on membership class to the Division of Retirement to be distributed into the FRS Contributions Clearing Trust Fund. The employer contribution rate is a blended contribution rate set by statute, which is the same percentage regardless of whether the member participates in the Pension Plan or the Investment Plan.<sup>36</sup> In order to address unfunded actuarial liabilities (UAL) of the system, an employer contribution rate is set in statute. The rates are determined annually based on an actuarial study obtained by the DMS that calculates the necessary level of funding to support all of the benefit obligations under both FRS retirement plans.

**Current Blended Employer Contribution Rates for Each Class:<sup>37</sup>**

<b>Membership Class</b>	<b>Normal Cost Rate</b>	<b>UAL Rate</b>	<b>Total Rate</b>
Regular Class	3.53%	2.19%	5.72%
Special Risk Class	11.00%	6.83%	17.83%
Special Risk Administrative Support Class	4.17%	30.56%	34.73%
Elected Officer’s Class			
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	6.52%	24.85%	31.37%
• Justices and Judges	10.05%	17.00%	27.05%
• County Officers	8.44%	23.36%	31.80%
Senior Management Service Class	4.81%	12.27%	17.08%
Deferred Retirement Option Program (DROP)	4.63%	7.01%	11.64%

For all membership classes, except DROP, employees contribute 3 percent of their compensation towards retirement.<sup>38</sup>

After employer and employee contributions are placed into the FRS Contributions Clearing Trust Fund, the allocations under the Investment Plan are transferred to third-party administrators to be placed in the employee’s individual investment accounts, whereas contributions under the Pension Plan are transferred into the FRS Trust Fund.<sup>39</sup>

<sup>36</sup> Section 121.70(1), F.S.

<sup>37</sup> Section 121.71(4)-(5), F.S.

<sup>38</sup> Section 121.71(3), F.S.

<sup>39</sup> See sections 121.4503 and 121.72(1), F.S.

**2013 FRS Valuation**

Annually, the Department of Management Services contracts with the state actuary to complete an actuarial valuation of the FRS pension plan. The table below summarizes the market assets, actuarial assets, actuarial liabilities, the unfunded actuarial liabilities, and the funded status of the pension plan.<sup>40</sup> While the market value of the plan assets have fluctuated significantly upward and downward during the period shown, the actuarial assets have gradually grown, mostly due to the smoothing methodologies applied for the pension plan.

**Summary of Valuation Results**

	<b>Valuation ending June 30, 2011</b>	<b>Valuation ending June 30, 2012</b>	<b>Valuation ending June 30, 2013</b>
<b>Market Assets</b>	<b>\$129.1 B</b>	<b>\$122.9 B</b>	<b>\$133.0 B</b>
<b>Actuarial Assets</b>	<b>\$126.1 B</b>	<b>\$127.9 B</b>	<b>\$131.7 B</b>
<b>Actuarial Liabilities</b>	<b>\$144.1 B</b>	<b>\$147.2 B</b>	<b>\$153.3 B</b>
<b>Unfunded Actuarial Liabilities</b>	<b>(\$18.0 B)</b>	<b>(\$19.3 B)</b>	<b>(\$21.6 B)</b>
<b>Funded Status</b>	<b>87.9%</b>	<b>86.9%</b>	<b>85.9%</b>

**State University System Optional Retirement Program**

On July 1, 1984, the State University Optional Retirement Program (SUSORP) was established as an optional program under the FRS for eligible State University faculty and administrators. The program was later expanded in 1988 to include the State University System Executive Service and in 1999 to include all administrative and professional personnel exempt from career service. As of June 30, 2013, there were 17,780 participants in the SUSORP.

Eligible employees are compulsory participants in SUSORP during their first 90 days of employment. If an eligible member fails to enroll in SUSORP and execute an investment contract with a provider company during this period, the member is deemed to have elected to participate in the FRS. During the next 90 days, the member may choose to participate in the Investment Plan of the FRS. If the member fails to make an election within the first six months of employment, the member is defaulted into the Pension Plan of the FRS.

The SUSORP is a defined contribution plan qualified under the provisions of section 403(b) of the Internal Revenue Code that provides retirement and death benefits through contracts with designated investment providers<sup>41</sup>. The program was established to aid the university system in recruiting employees by offering more portability to employees who don't expect to remain in the State University System long enough to vest in the FRS Pension Plan (ten-year vesting when the SUSORP was created). It provides for full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant upon signing an investment contract within 90 days of employment in an eligible position. Contributions, which are invested as directed by the participant, accumulate in individual participant accounts, together with investment earnings. At retirement, the accumulated benefits are payable to the participant or to his or her beneficiaries or estate.

<sup>40</sup> Florida Retirement System Actuarial Valuation as of July 1, 2011, at I-3; Florida Retirement System Actuarial Valuation as of July 1, 2012, at I-3; and Florida Retirement System Actuarial Valuation as of July 1, 2013, at I-6.

<sup>41</sup> The five approved participating companies currently available under SUSORP are: ING, TIAA-CREF, Variable Annuity Life Insurance Company, Jefferson National Life Insurance Company, and MetLife Investors USA Insurance Company.

The employer and employee contribute the percentage of the member's salary designated by law on the member's behalf. The member selects from among the investment products offered by the provider companies in which the employer contribution is invested; a total of 0.01 percent of the salary is retained in the SUSORP Trust Fund for administrative expenses. Effective July 1, 2012, the employer contribution rate is 5.14 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member may voluntarily contribute, by salary reduction, an amount not to exceed the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 2.19 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial contribution rate is set in section 121.71(5), F.S.

### **State Community College System Optional Retirement Program**

In 1995, the Florida Legislature enacted provisions<sup>42</sup> allowing faculty and certain administrators with a state community college *in the FRS Regular Class* to opt out of the FRS and enroll in an optional retirement program known as the State Community College System Optional Retirement Program (SCCORP). The board of trustees of the employing agency as authorized under section 1001.64, Florida Statutes, must implement this program either individually or in consortia with other community colleges. Effective July 1, 2012, the employer contribution rate is 5.15 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member is immediately vested upon signing an investment agreement with a provider company and may voluntarily contribute, by salary reduction, an amount not to exceed the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 2.19 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial contribution rate is set in section 121.71(5), F.S.

In 2003, legislation<sup>43</sup> was enacted to give SCCORP participants an open-ended opportunity to transfer back to the FRS. If the employee elects to transfer to the Investment Plan, the employee's SCCORP account is retained and he/she starts anew under the Investment Plan. To transfer to the Pension Plan, the employee pays a specified amount<sup>44</sup> to receive service credit equal to his/her years of service under the SCCORP. No similar transfer opportunity is available for management-level (non-Regular Class) community college employees.

### **Senior Management Service Optional Annuity Program**

In 1986, the Florida Legislature enacted provisions<sup>45</sup> creating the Senior Management Service Class under the FRS and also a non-integrated optional defined contribution plan under the FRS called the Senior Management Service Optional Annuity Program (SMSOAP). The SMSOAP allows certain state senior managers within 90-days of appointment to an eligible position to opt out of the FRS and enroll in the SMSOAP which provides immediate vesting. These certain state senior managers include members in the Senior Management Service with the State of Florida,

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<sup>42</sup> See chapter 95-392, Laws of Florida.

<sup>43</sup> See section 121.051(2)(c)3., Florida Statutes, enacted by chapter 2003-260, Laws of Florida.

<sup>44</sup> The cost for the transfer is a sum representing the present value of the member's accumulated benefit obligation for the affected period of service.

<sup>45</sup> See chapter 86-149, Laws of Florida.

senior-level management positions with the Florida Legislature, senior-level management positions with the State Board of Administration, senior managers in the Judicial Branch, county health department administrators and directors within the Department of Health and judges and deputy chiefs judges of compensation claims in the Division of Administrative Hearings, as well as Elected Officials who opt to participate in the Senior Management Service Class in lieu of the Elected Officers' Class of the FRS.

SMSOAP was created to aid state government in recruiting senior managers by offering more portability of retirement benefits to those who do not expect to remain in public service long enough to vest in the FRS Pension Plan (seven-year vesting for the Senior Management Service Class at the time the class was created). As of June 30, 2013, there were 31 participants in the SMSOAP.

Under the SMSOAP, retirement and death benefits are provided through contracts with designated investment providers. The state contributes on behalf of the participant a percentage of the participant's salary as required by law. Effective July 1, 2012, the employer contribution rate is 6.27 percent. Also effective July 1, 2011, there is a mandatory employee contribution of 3 percent. The member may voluntarily contribute, by salary reduction, an amount not to exceed the percentage contributed by the employer to the member's account. The FRS has an unfunded actuarial liability so the employer also pays a 12.27 percent unfunded actuarial liability contribution to the FRS Trust Fund beginning July 1, 2013. The unfunded actuarial liability contribution rate is set in section 121.71(5), F.S.

The SMSOAP is also available to state elected officials who are members of the Elected Officers' Class and who choose membership in the Senior Management Service Class rather than the Elected Officers' Class. The Senior Management Service Class election must be made within six months of assuming office. Elected state officers who transfer to the Senior Management Service Class may, within 90 days of becoming a member of the class, elect membership in the SMSOAP.<sup>46</sup>

### III. Effect of Proposed Changes:

#### *Ten Year Vesting for New Members*

**Section 1** amends s. 121.021, F.S., to modify the definition of "vested" or "vesting" to require that members initially enrolled in the FRS on or after July 1, 2015, vest in the pension plan after 10 years of creditable service rather than 8 years of creditable service.

#### *Investment Plan Compulsory for Elected Officer's Class and Senior Management Service Class*

**Section 2** amends s. 121.051, F.S., to provide that employees initially enrolled on or after July 1, 2015, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the investment plan, are not permitted to become members of the pension plan, and are not eligible to use the 2nd election opportunity specified in s. 121.4501(4), F.S. Investment plan membership continues if there is subsequent employment in

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<sup>46</sup> Assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant capital collateral regional counsels, and assistant attorneys general are not eligible to elect participation in the SMSOAP in lieu of the SMSC.

a position covered by another membership class. This section also makes editorial changes and corrects cross-references.

**Section 9** amends provisions in s. 121.4501(4), F.S., relating to the FRS Investment Plan, to provide that employees initially enrolled on or after July, 2015, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the investment plan.

The bill also amends the existing member plan choice education component, to provide that new Elected Officers' Class and Senior Management Service Class members need not be provided that education, since they will be mandatory members of the investment plan.

***Prohibits New Elected Officers' Class Members from Joining the Senior Management Service Class or the Senior Management Service Optional Annuity Program***

**Section 3** amends s. 121.052, F.S., to prohibit Elected Officers' Class members from joining the Senior Management Service Class after July 1, 2015.

**Section 5** amends s. 121.055, F.S., to provide that on or after July 1, 2015, elected officers eligible for membership in the Elected Officer's Class may not be enrolled in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program, which is closed to all new members. Current members of the optional annuity program may retain their membership in the program.

***Limited Renewed Membership***

**Section 4** amends s. 121.053, F.S., to allow limited renewed membership for certain elected officers who retired from the investment plan prior to July 1, 2010.

**Section 5** also amends subparagraphs (1)(f)3. and (6)(c)6. of s. 121.055, F.S., to allow limited renewed membership for former members of the Senior Management Optional Annuity Program.

**Section 7** amends s. 121.122, F.S., to provide that a retiree of:

- the investment plan,
- the State University System Optional Retirement Program,
- the Senior Management Service Optional Annuity Program, or
- the State Community College System Optional Retirement Program,

who retired before July 1, 2010, has completed less than 10 years of creditable service, and is employed in a regularly established position with a covered employer on or after January 1, 2015, will be a renewed member of the Regular Class of the investment plan, unless employed in a position eligible for participation in the SUSORP or the SCCSORP, in which case the retiree will become a renewed member of the SUSOPRP or SCCSORP. The renewed member must satisfy the vesting requirements of the plan (one year for the investment plan). Members who retired and returned to renewed membership before July 1, 2010, may continue membership in the plan they choose.

Creditable service (including credit toward the retiree health insurance subsidy) does not accrue for a retiree's employment in a regularly established position with a covered employer from

July 1, 2010, through December 31, 2014. Nor may employer or employee contributions be paid into a renewed member's investment plan account for employment with a covered employer during this time period.

**Section 9** amends paragraphs (2)(e) and (4)(e) of s. 121.4501, F.S., to address participation of certain retired members of the investment plan, State University System Optional Retirement Program, State Community College System Optional Retirement Program, and the Senior Management Optional Annuity Program who have renewed membership as investment plan members.

#### ***Default to Investment Plan***

**Section 8** amends s. 121.35, F.S., to provide that if a member that is eligible to participate in the State University System Optional Retirement Program fails to execute a program contract after July 1, 2015, within 90 days after the date of eligibility, the member is deemed to have elected membership in the FRS investment plan retroactive to the date of eligibility.

**Section 9** amends s. 121.4501, F.S., to provide that an employee eligible to participate in the investment plan is initially enrolled in the pension plan, and has eight months to make an irrevocable election to participate in either the pension plan or the investment plan. If the employee fails to make an election, the employee is deemed to have elected the investment plan.

#### ***Out of Service Disability Retirement Benefit Vesting Period Increased***

**Sections 6 and 10** amends ss. 121.091, F.S., and 121.591, F.S., respectively, to provide that a member of the pension plan initially enrolled on or after July 1, 2015, who becomes totally and permanently disabled after completing 10 years of creditable service is entitled to a monthly disability benefit.

Regardless of amount of service, a member who becomes totally and permanently disabled in the line of duty is entitled to a monthly disability benefit.

#### ***Lowered Contribution Rate for Investment Plan Members***

**Section 11** amends s. 121.71, F.S., to lower the required employee contribution rate for all investment plan members from 3% to 2%, which will require higher employer contributions, beginning July 1, 2015.

#### ***Cross References***

**Sections 12 through 14** amend ss. 238.072, 413.051, and s. 1012.875, F.S., respectively, to change cross references consistent with the changes in this bill.

#### ***Important State Interest***

**Section 15** makes a finding that the bill fulfills an important state interest.

#### ***Effective Date***

The effective date of the bill is July 1, 2014.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

Because the FRS is a multi-employer pension plan, the effects of this bill extend to all member FRS government employers. To the extent this bill requires cities and counties to spend money or take action that requires the expenditure of money, the mandates provision of Art. VII, s. 18 of the State Constitution may apply. If those constitutional provisions do apply, in order for the law to be binding upon the cities and counties, the Legislature must find that the law fulfills an important state interest (included in section 13 of the bill), and one of the following relevant exceptions must be met:

- The expenditure is required to comply with a law that applies to all persons similarly situated; or
- The law must be approved by two-thirds of the membership of each house of the Legislature.

This bill contains a statement indicating that the bill fulfills an important state interest and the bill applies to similarly situated persons (all employers who participate in the FRS), so it appears that this exception would apply.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. Other Constitutional Issues:****Actuarial Requirements**

Article X, s. 14 of the State Constitution requires that benefit improvements under public pension plans in the State of Florida be concurrently funded on a sound actuarial basis, as set forth below:

SECTION 14. State retirement systems benefit changes.--A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

Article X, s. 14 of the State Constitution is implemented by statute under part VII of ch. 112, F.S., the “Florida Protection of Public Employee Retirement Benefits Act” (Act). The Act establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. It prohibits the use of any procedure,

methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.

### **Contractual Obligations**

Article I, s. 10 of the State Constitution prohibits any bill of attainder, ex post facto law, or law impairing the obligation of contracts from being passed by the Florida Legislature.

The Florida Statutes provide that the rights of members of the FRS are of a contractual nature, entered into between the member and the state, and such rights are legally enforceable as valid contractual rights and may not be abridged in any way.<sup>47</sup> This “preservation of rights” provision<sup>48</sup> was established by the Florida Legislature with an effective date of July 1, 1974.

The Florida Supreme Court has held that the Florida Legislature may only alter the benefits structure of the FRS prospectively.<sup>49</sup> The prospective application would only alter future benefits. Those benefits previously earned or accrued by the member, under the previous benefit structure, remain untouched and the member continues to enjoy that level of benefit for the period of time up until the effective date of the proposed changes. Further, once the participating member reaches retirement status, the benefits under the terms of the FRS in effect at the time of the member’s retirement vest.<sup>50</sup>

The Florida Supreme Court further held that the “preservation of rights” provision was not intended to bind future legislatures from prospectively altering benefits which accrue for future state service.<sup>51</sup> More recently, the Florida Supreme Court reaffirmed the previous holding, finding that the Legislature can alter the terms of the FRS, so long as the changes to the FRS are prospective.<sup>52</sup>

This bill does not change any benefits that a member earned prior to July 1, 2015.

## **V. Fiscal Impact Statement:**

### **A. Tax/Fee Issues:**

The bill will pass along to all employer members of the FRS an adjustment to their statutory payroll costs in order to fund the proposed benefit changes. The amount of this change will not be known until the actuarial studies are completed.

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<sup>47</sup> Section 121.011(3)(d), F.S.

<sup>48</sup> The “preservation of rights” provision vests all rights and benefits already earned under the present retirement plan so the Legislature may now only alter the benefits prospectively. *Florida Sheriffs Association v. Department of Administration, Division of Retirement*, 408 So. 2d 1033, 1037 (Fla. 1981).

<sup>49</sup> *Id.* at 1035.

<sup>50</sup> *Id.* at 1036.

<sup>51</sup> *Id.* at 1037.

<sup>52</sup> *Rick Scott, et al. v. George Williams, et al.*, 107 So. 3d 379 (Fla. 2013).



**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

A number of the provisions of the bill will result in fiscal impacts on the FRS. This legislation impacts the FRS in the following ways:

- Requires new members of the FRS to make an active election to participate in the Pension Plan of the FRS; if no active election is made, the member is enrolled in the Investment Plan of the FRS.
- Requires members of the Senior Management Class or the Elected Officers' Class initially enrolling on or after July 1, 2015, to participate in the Investment Plan of the FRS.
- Increases the service credit needed to vest in the Pension Plan of the FRS from 8 years to 10 years for all members initially enrolling in the Pension Plan on or after July 1, 2015.

Based on a special study completed April 22, 2013, the impact on the FRS is insignificant for FY 2014-15 and approximately \$48.8 million for FY 2015-16. These costs will be borne by the employers participating in the FRS.

Most of these new costs are based on shifts in contributions from members of the investment plan to the employers participating in the FRS. This is a result of the reduction in the employee contributions required for participation in the Investment Plan from 3 percent to 2 percent of salary. Based on total payroll reported for FY 2012-13, the shift from employee contributions to employer contributions would be roughly \$43.4 million annually.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 121.021, 121.051, 121.052, 121.053, 121.055, 121.091, 121.122, 121.35, 121.4501, 121.591, 121.71, 121.35, 238.072, 413.051, and 1012.875.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Governmental Oversight and Accountability on April 10, 2014:**

The CS makes the following changes to the Florida Retirement System (FRS), for members initially enrolled in the FRS on or after July 1, 2015:

- Mandates that Elected Officers' Class and Senior Management Service Class members may only join the investment plan;
- Changes the default for members who do not affirmatively choose a plan from the pension plan to the investment plan;
- Closes the Senior Management Service Optional Annuity Program to new members; and
- Changes the vesting period in the pension plan from 8 to 10 years;
- Changes the out of service disability retirement vesting period from 8 to 10 years.

The CS also lowers the employee's contribution rate from 3% to 2% for all members of the investment plan, beginning July 1, 2015. However, the overall amount transferred into the investment plan member's account remains the same – with an increase in the employer contribution being substituted for the decrease in employee contribution.

The CS also permits limited renewed membership for certain retirees of the investment plan and the optional retirement programs to participate as renewed members of the investment plan or the optional retirement programs.

**B. Amendments:**

None.

By the Committee on Community Affairs

578-01873-14

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1 A bill to be entitled  
 2 An act relating to the Florida Retirement System;  
 3 providing a directive to the Division of Law Revision  
 4 and Information; creating s. 121.601, F.S.; providing  
 5 definitions; creating s. 121.602, F.S.; requiring the  
 6 Trustees of the State Board of Administration to  
 7 establish the Florida Retirement System Cash Balance  
 8 Plan; requiring employees and employers to make  
 9 contributions for funding the plan; providing that the  
 10 plan provide a lump-sum or annuity benefit; providing  
 11 procedures for employees who are members of the  
 12 pension plan or investment plan before a certain date  
 13 to transfer to the cash balance plan; providing  
 14 procedures for employees employed after a certain date  
 15 to be enrolled in the investment plan or cash balance  
 16 plan; providing for the distribution of employee and  
 17 employer contributions and credits to the cash balance  
 18 plan; providing for the establishment of employee  
 19 annuity savings accounts and employer retirement  
 20 annuity accounts; providing vesting requirements;  
 21 providing for the payment of benefits, including  
 22 disability and death benefits, and the designation of  
 23 a beneficiary; providing for the purchase of  
 24 creditable service; providing eligibility for the  
 25 retiree health insurance subsidy and social security  
 26 coverage; providing for the education of members about  
 27 the cash balance plan and requiring the state board to  
 28 provide certain information to members on a quarterly  
 29 basis; requiring the plan to conform to Internal

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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30 Revenue Code requirements; authorizing the state board  
 31 to adopt rules relating to maintaining federal status;  
 32 providing for plan administration and imposing  
 33 fiduciary standards on such management; requiring an  
 34 annual actuarial analysis of the plan; directing the  
 35 Investment Advisory Council to make recommendations to  
 36 the board of directors; requiring the development and  
 37 adoption of an Investment Policy Statement; amending  
 38 s. 112.363, F.S., relating to the retiree health  
 39 insurance subsidy; conforming provisions to changes  
 40 made by the act; amending ss. 121.011 and 121.012,  
 41 F.S.; conforming cross-references; amending s.  
 42 121.021, F.S.; revising the definition of "Florida  
 43 Retirement System" to conform to changes made by the  
 44 act; amending s. 121.051, F.S.; prohibiting employees  
 45 from enrolling in the pension plan after a certain  
 46 date; providing exceptions; amending s. 121.052, F.S.;  
 47 prohibiting elected officials from joining the Senior  
 48 Management Service Class after a specified date;  
 49 amending s. 121.055, F.S.; prohibiting an elected  
 50 official eligible for membership in the Elected  
 51 Officers' Class from enrolling in Senior Management  
 52 Service Class or Senior Management Service Optional  
 53 Annuity Program; closing the Senior Management Service  
 54 Optional Annuity Program to new members after a  
 55 specified date; amending s. 121.091, F.S., relating to  
 56 benefits payable under the Florida Retirement System;  
 57 conforming provisions to changes made by the act;  
 58 amending s. 121.151, F.S., relating to the investment

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59 of retirement funds; conforming provisions to changes  
 60 made by the act; amending s. 121.35, F.S.; authorizing  
 61 participants in the optional retirement program for  
 62 the State University System to enroll in the cash  
 63 balance plan as of a specified date; amending s.  
 64 121.4501, F.S., relating to the Florida Retirement  
 65 System Investment Plan; limiting the ability of  
 66 members to enroll in the pension plan after a  
 67 specified date; consolidating provisions relating to  
 68 past plan elections; providing for certain employees  
 69 enrolled in the pension or investment plan to transfer  
 70 to the cash balance plan; providing for the  
 71 administration of the cash balance plan; revising the  
 72 education component to include the cash balance plan;  
 73 making conforming changes; amending s. 121.70, F.S.,  
 74 relating to legislative purposes for funding  
 75 retirement benefits; conforming provisions to changes  
 76 made by the act; amending s. 121.71, F.S., relating to  
 77 the calculation of contribution rates; conforming  
 78 provisions to changes made by the act; creating s.  
 79 121.721, F.S.; establishing contribution rates for the  
 80 cash balance plan; specifying how interest credit  
 81 rates are to be calculated; amending s. 121.73, F.S.;  
 82 expanding the section relating to allocations for  
 83 disability coverage to also include coverage for  
 84 members killed in the line of duty; conforming  
 85 provisions to changes made by the act; amending s.  
 86 121.74, F.S.; conforming provisions to changes made by  
 87 the act; amending s. 121.76, F.S.; conforming a

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88 reference; amending s. 121.78, F.S.; revising  
 89 provisions relating to the payment and distribution of  
 90 contributions to accommodate members of the cash  
 91 balance plan; amending s. 213.136, F.S.; conforming  
 92 provisions to changes made by the act; amending ss.  
 93 238.072, and 413.051, F.S.; conforming cross-  
 94 references; providing that the act fulfils an  
 95 important state interest; adjusting the required  
 96 employer contribution rates for the unfunded actuarial  
 97 liability of the Florida Retirement System for select  
 98 classes; providing a directive to the Division of Law  
 99 Revision and Information; requiring the state board to  
 100 request a determination letter from the Internal  
 101 Revenue Service; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

102  
 103  
 104  
 105 Section 1. The Division of Law Revision and Information is  
 106 directed to redesignate present part III of chapter 121, Florida  
 107 Statutes, consisting of ss. 121.70-121.78, Florida Statutes, as  
 108 part IV, and to create a new part III of chapter 121, Florida  
 109 Statutes, consisting of ss. 121.601 and 121.602, Florida  
 110 Statutes, to be entitled "Florida Retirement System Cash Balance  
 111 Plan."

112 Section 2. Section 121.601, Florida Statutes, is created to  
 113 read:

114 121.601 Definitions.—As used in this part, the term:

115 (1) "Active member" means a member who is actively employed  
 116 by a participating employer.

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- 117 (2) "Annuity savings account" means the account maintained  
 118 for member contributions.
- 119 (3) "Approved provider" means a private sector company that  
 120 is selected and approved by the state board to offer annuity  
 121 products to the cash balance plan.
- 122 (4) "Cash balance plan" means the Florida Retirement System  
 123 Cash Balance Plan created under this part.
- 124 (5) "Covered employment" means employment in a regularly  
 125 established position as defined in s. 121.021(52).
- 126 (6) "Covered position" means a position with a covered  
 127 employer that is eligible for membership in the Florida  
 128 Retirement System.
- 129 (7) "De minimis account" means an account containing  
 130 employer and employee contributions of up to \$5,000 made under  
 131 this chapter.
- 132 (8) "Electronic means" means telephone transmission if the  
 133 required information is received on a recorded line, or the  
 134 Internet if the required information is captured online.
- 135 (9) "Eligible employee" means an officer or employee, as  
 136 defined in s. 121.021(11), who:
- 137 (a) Is a member of, or is eligible for membership in, the  
 138 Florida Retirement System, including a renewed member of the  
 139 Florida Retirement System initially enrolled before July 1,  
 140 2010; or
- 141 (b) Participates in, or is eligible to participate in, the  
 142 Senior Management Service Optional Annuity Program established  
 143 under s. 121.055(6), the State Community College System Optional  
 144 Retirement Program established under s. 121.051(2)(c), or the  
 145 State University System Optional Retirement Program established

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- 146 under s. 121.35.
- 147
- 148 The term does not include a member participating in the Deferred  
 149 Retirement Option Program established under s. 121.091(13), a  
 150 retiree of a state-administered retirement system initially  
 151 reemployed in a regularly established position on or after July  
 152 1, 2010, or a compulsory participant of the State University  
 153 System Optional Retirement Program established under s. 121.35.
- 154 (10) "Member" or "employee" means an eligible employee who  
 155 enrolls in the cash balance plan as provided in this section, or  
 156 a beneficiary or alternate payee of a member or employee.
- 157 (11) "Member contributions" or "employee contributions"  
 158 means the sum of all amounts deducted from the salary of a  
 159 member by his or her employer in accordance with s. 121.71(3)  
 160 and credited to his or her individual annuity savings account in  
 161 the cash balance plan, plus any interest credits on such amounts  
 162 and any contributions specified in s. 121.602(4), (5), and (6).
- 163 (12) "Normal retirement age" means the date a member  
 164 attains his or her normal retirement date as provided in this  
 165 section, or the date a member is vested, whichever is later.
- 166 (13) "Normal retirement date" means the date a member  
 167 attains normal retirement age and is vested pursuant to this  
 168 part.
- 169 (14) "Quarter" means the 3-month period ending on the last  
 170 business day of September, December, March, and June of each  
 171 fiscal year.
- 172 (15) "Retiree" means a former member of the cash balance  
 173 plan who has terminated employment and taken a benefit as  
 174 provided in s. 121.602(8), other than a mandatory distribution

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175 of a de minimis account authorized by the state board or a  
 176 minimum required distribution provided pursuant to s. 401(a) of  
 177 the Internal Revenue Code.

178 (16) "Retirement annuity account" means the account  
 179 established for the employer credits of a member.

180 (17) "Terminated" or "termination" occurs when a member  
 181 ceases all employment relationships with participating employers  
 182 for 3 calendar months. However, if a member is employed by a  
 183 participating employer within the next 6 calendar months,  
 184 termination is deemed not to have occurred. A leave of absence  
 185 constitutes a continuation of the employment relationship,  
 186 except that a leave of absence without pay due to disability may  
 187 constitute termination if such member applies for and is  
 188 approved for disability retirement in accordance with s.  
 189 121.602(9). The department or state board may require other  
 190 evidence of termination as it deems necessary.

191 (18) "Vested" or "vesting" means the guarantee that a  
 192 member is eligible to receive a future retirement benefit upon  
 193 completion of the required years of service for the employee's  
 194 class of membership even though the member may have terminated  
 195 covered employment before reaching the normal or early  
 196 retirement date. Under the cash balance plan, a member is deemed  
 197 to be vested and to have met the required years of service after  
 198 completing 5 years of creditable service.

199 Section 3. Section 121.602, Florida Statutes, is created to  
 200 read:

201 121.602 Florida Retirement System Cash Balance Plan.—

202 (1) CREATION.—The Trustees of the State Board of  
 203 Administration shall establish a cash balance program called the

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204 "Florida Retirement System Cash Balance Plan" for members of the  
 205 Florida Retirement System under which retirement benefits will  
 206 be provided for eligible employees who elect to participate in  
 207 the plan.

208 (a) The plan must be a qualified governmental plan pursuant  
 209 to ss. 401(a) and 414(d) of the Internal Revenue Code and  
 210 related regulations. Assets of the plan shall be held in trust  
 211 for the Florida Retirement System. The employer and employee  
 212 shall make contributions, as provided in this section and ss.  
 213 121.571 and 121.71, to the Florida Retirement System Cash  
 214 Balance Trust Fund for funding the benefits of the plan.

215 (b) The state board shall establish a retirement annuity  
 216 account for each member of the cash balance plan, which shall be  
 217 credited with employer credits plus interest credits on the  
 218 employer credits. The retirement annuity account shall be used  
 219 to determine the amount of a lump-sum distribution or an annuity  
 220 benefit for a vested member upon retirement as provided under  
 221 this part.

222 (c) The state board shall establish an annuity savings  
 223 account for each member of the plan, which shall be credited  
 224 with employee contributions plus interest credits on the  
 225 employee contributions. For a vested member, the annuity savings  
 226 account shall be used to fund the member's lump-sum distribution  
 227 or annuity benefits upon retirement.

228 (d) The design and administration of the plan must comply  
 229 with all applicable provisions of the Internal Revenue Code. The  
 230 Legislature may amend the plan to comply with applicable federal  
 231 laws and regulations.

232 (2) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

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233 (a) A member of the pension plan or the investment plan who  
 234 is employed in a regularly established position with a  
 235 participating employer may elect to:

236 1. Retain membership in the pension plan or investment  
 237 plan; or

238 2. Make a one-time transfer to the cash balance plan at any  
 239 time during his or her active career under the Florida  
 240 Retirement System in which he or she is earning service credit  
 241 in an employer-employee relationship consistent with s.  
 242 121.021(17)(b), excluding leaves of absence without pay. Such  
 243 election is effective the first day of the month following the  
 244 receipt of the election by the third-party administrator and is  
 245 not subject to requirements regarding an employer-employee  
 246 relationship or receipt of contributions for the eligible  
 247 employee in the effective month except when the election is  
 248 received by the administrator. This one-time career transfer is  
 249 irrevocable, and no other subsequent transfer is allowed.

250 (b) A member who uses the one-time transfer under  
 251 subparagraph (a)2. to enroll in the cash balance plan may elect  
 252 to:

253 1. Retain all service credit earned under the pension plan  
 254 or the investment plan as credited under the Florida Retirement  
 255 System and is entitled to a deferred benefit upon termination  
 256 from the pension plan or investment plan. However, the election  
 257 to enroll in the cash balance plan terminates the active  
 258 membership of the member in the pension plan or investment plan,  
 259 and the service of a member who has transferred to the cash  
 260 balance plan is creditable for purposes of vesting only, and not  
 261 creditable for purposes of benefit accrual under the pension

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262 plan or the investment plan; or

263 2. Elect to transfer a sum representing the present value  
 264 of the member's accumulated benefit obligation under the pension  
 265 plan or the value of the member's investment plan account to the  
 266 cash balance plan. Such election is effective the first day of  
 267 the month following receipt of the election by the third-party  
 268 administrator. Upon transfer, all service credit earned under  
 269 the pension plan or investment plan is nullified for purposes of  
 270 entitlement to a future benefit under the pension plan or  
 271 investment plan. Any amount transferred, regardless of the  
 272 original source of the contributions, shall be deemed to be  
 273 employer credits in the cash balance plan.

274 (c) If the eligible employee elects to transfer his or her  
 275 accumulated benefit obligation to the cash balance plan under  
 276 subparagraph (b)2., and:

277 1. The employee is a member of the pension plan, the  
 278 employee must transfer the present value of the accumulated  
 279 benefit obligation under the pension plan.

280 a. For purposes of this paragraph, the present value of the  
 281 member's accumulated benefit obligation is based upon the  
 282 member's estimated creditable service and estimated average  
 283 final compensation under the pension plan, subject to  
 284 recalculation under sub-subparagraph b. The actuarial present  
 285 value of the member's accumulated benefit obligation is based on  
 286 the following:

287 (I) The discount rate and other relevant actuarial  
 288 assumptions used to value the Florida Retirement System Trust  
 289 Fund at the time the amount to be transferred is determined,  
 290 consistent with sub-sub-subparagraph (II).

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291 (II) The member's benefit commencement age, based on the  
 292 member's estimated creditable service as of the estimate date.

293 (A) Except as provided under sub-sub-sub-subparagraph (B),  
 294 the benefit commencement age is the younger of the following,  
 295 which may not be younger than the member's age as of the  
 296 estimate date:

297 i. For a member initially enrolled before July 1, 2011, age  
 298 62 or the age the member would attain if the member completed 30  
 299 years of service with an employer, assuming that the member  
 300 worked continuously from the estimate date, and disregarding any  
 301 vesting requirement that would otherwise apply under the pension  
 302 plan.

303 ii. For a member enrolled on or after July 1, 2011, age 65  
 304 or the age the member would attain if the member completed 33  
 305 years of service with an employer, assuming that the member  
 306 worked continuously from the estimate date, and disregarding any  
 307 vesting requirement that would otherwise apply under the pension  
 308 plan.

309 (B) The benefit commencement age for members of the Special  
 310 Risk Class and for members of the Special Risk Administrative  
 311 Support Class entitled to retain the special risk normal  
 312 retirement date is the younger of the following, which may not  
 313 be younger than the member's age as of the estimate date:

314 i. For a member initially enrolled before July 1, 2011, age  
 315 55 or the age the member would attain if the member completed 25  
 316 years of service with an employer, assuming that the member  
 317 worked continuously from the estimate date, and disregarding any  
 318 vesting requirement that would otherwise apply under the pension  
 319 plan.

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320 ii. For a member enrolled on or after July 1, 2011, age 60  
 321 or the age the member would attain if the member completed 30  
 322 years of service with an employer, assuming that the member  
 323 worked continuously from the estimate date, and disregarding any  
 324 vesting requirement that would otherwise apply under the pension  
 325 plan.

326 (III) The calculation disregards vesting requirements and  
 327 early retirement reduction factors that would otherwise apply  
 328 under the pension plan.

329 b. The division shall recalculate the amount transferred  
 330 under sub-subparagraph a. within 60 days after the actual  
 331 transfer of funds based upon the member's actual creditable  
 332 service and actual final average compensation as of the initial  
 333 date of participation in the cash balance plan. If the  
 334 recalculated amount differs from the amount transferred by \$10  
 335 or more, the division shall:

336 (I) Transfer from the Florida Retirement System Trust Fund  
 337 to the member's account the excess, if any, of the recalculated  
 338 amount over the previously transferred amount plus any interest  
 339 from the initial date of transfer to the date of transfer under  
 340 this subparagraph, based upon the effective annual interest rate  
 341 equal to the assumed return on the actuarial investment which  
 342 was used in the most recent actuarial valuation of the system,  
 343 compounded annually.

344 (II) Transfer, or cause to be transferred, from the  
 345 member's account to the Florida Retirement System Trust Fund the  
 346 excess, if any, of the previously transferred amount over the  
 347 recalculated amount, plus any interest from the initial date of  
 348 transfer to the date of transfer under this subparagraph, based



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349 upon a 6 percent effective annual interest rate, compounded  
 350 annually, pro rata based on the member's allocation under the  
 351 cash balance plan.

352 c. If contribution adjustments are made due to any employer  
 353 errors or corrections, including plan corrections, following  
 354 recalculation of the amount transferred under this subparagraph,  
 355 the member is entitled to the additional contributions or is  
 356 responsible for returning any excess contributions resulting  
 357 from the correction. A return of such erroneous excess pretax  
 358 contribution by the plan must be made within the period allowed  
 359 by the Internal Revenue Service. The present value of the  
 360 member's accumulated benefit obligation may not be recalculated.

361 2. The employee is a member of the investment plan, the  
 362 employee must transfer the sum representing the account balance  
 363 of the investment plan as of the transfer date.

364 a. Upon receipt of the employee contributions from the  
 365 member's investment plan account, the contributions shall be  
 366 credited to the annuity savings account of the member.

367 b. Upon receipt of the employer contributions from the  
 368 member's investment plan account, the contributions shall be  
 369 credited to the retirement annuity account of the member.

370 c. Within 60 days after the transfer date, the third-party  
 371 administrator shall transfer any residual contributions due to  
 372 the member of the cash balance plan for the benefit of the  
 373 member and credited to the retirement annuity account or the  
 374 annuity savings account of the member, as applicable.

375 d. If contribution adjustments are made due to employer  
 376 errors or corrections, including plan corrections, following  
 377 calculation of the amount transferred under this subparagraph,

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378 the member is entitled to the additional contributions or shall  
 379 return any excess contributions resulting from the correction. A  
 380 return of such erroneous excess pretax contribution by the plan  
 381 must be made within the period allowed by the Internal Revenue  
 382 Service.

383 3. As directed by the member, the state board shall  
 384 transfer the appropriate amounts to the cash balance plan within  
 385 30 days after the effective date of the member's participation  
 386 in the cash balance plan, unless the major financial markets for  
 387 securities available for a transfer are seriously disrupted by  
 388 an unforeseen event that causes the suspension of trading on the  
 389 national securities exchange in the country where the securities  
 390 were issued. In that event, the 30-day period may be extended by  
 391 a resolution of the board. Transfers are not commissionable or  
 392 subject to other fees and may be in the form of securities or  
 393 cash, as determined by the board. Such securities are valued as  
 394 of the date of receipt in the member's account.

395 4. If the state board receives notification from the  
 396 Internal Revenue Service that this paragraph or any portion of  
 397 this paragraph will cause the Florida Retirement System, or a  
 398 portion thereof, to be disqualified for tax purposes under the  
 399 Internal Revenue Code, the portion that will cause the  
 400 disqualification does not apply. Upon such notice, the board or  
 401 the division shall notify the presiding officers of the  
 402 Legislature.

403 (3) PARTICIPATION; ENROLLMENT.—

404 (a) An eligible employee who is initially employed on or  
 405 after July 1, 2015, in a covered position eligible to  
 406 participate in the Special Risk Class and who is earning service

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407 credit in an employer-employee relationship that is consistent  
 408 with s. 121.021(17)(b), excluding leaves of absence without pay,  
 409 shall be enrolled in the cash balance plan at the commencement  
 410 of employment.

411 1. The employee must elect to participate in the pension  
 412 plan, cash balance plan, or investment plan by the last business  
 413 day of the 8th month following the employee's month of hire. The  
 414 employee's election must be in writing or by electronic means  
 415 and filed with the third-party administrator.

416 2. If the employee files such election within the  
 417 prescribed time period, enrollment in the pension plan, cash  
 418 balance plan, or the investment plan is effective on the 1st day  
 419 of employment. The retirement contributions paid through the  
 420 month of the employee plan change shall be transferred to the  
 421 pension plan, cash balance plan, or investment plan, and,  
 422 effective the 1st day of the next month, the employer and  
 423 employee shall pay the applicable contributions based on the  
 424 employee membership class in the plan.

425 3. If the employee fails to make an election of the cash  
 426 balance plan or investment plan by the last business day of the  
 427 8th month following the employee's month of hire, the employee  
 428 is deemed to have elected the investment plan and will be  
 429 defaulted into the investment plan retroactively to the  
 430 employee's date of employment.

431 4. The amount of the employee and employer contributions  
 432 paid before the default to the investment plan shall be  
 433 transferred to the investment plan and placed in a default fund  
 434 as designated by the state board. The employee may move the  
 435 contributions once an account is activated in the investment

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436 plan.

437 5. After the prescribed time period during which an  
 438 eligible employee can elect participation in the pension plan,  
 439 cash balance plan, or the investment plan, or after the month  
 440 following such election, if sooner, the employee shall have one  
 441 opportunity to move between the pension plan, investment plan,  
 442 and the cash balance plan. If the employee is no longer eligible  
 443 to participate in the Special Risk Class at the time of such  
 444 election, the employee may only elect to move to the investment  
 445 plan or the cash balance plan. Such elections are effective on  
 446 the first day of the month following the receipt of the election  
 447 by the third-party administrator. This paragraph is contingent  
 448 upon approval by the Internal Revenue Service.

449 (b) An eligible employee who is initially employed on or  
 450 after July 1, 2015, in a covered position eligible to  
 451 participate in a class other than the Special Risk Class and who  
 452 is earning service credit in an employer-employee relationship  
 453 that is consistent with s. 121.021(17)(b), excluding leaves of  
 454 absence without pay, shall be enrolled in the cash balance plan  
 455 at the commencement of employment.

456 1. The employee must elect to participate in the cash  
 457 balance plan or the investment plan by the last business day of  
 458 the 8th month following the employee's month of hire. The  
 459 employee's election must be in writing or by electronic means  
 460 and filed with the third-party administrator.

461 2. If the employee files such election within the  
 462 prescribed time period, enrollment in the cash balance plan or  
 463 the investment plan is effective on the 1st day of employment.  
 464 The retirement contributions paid through the month of the

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465 employee plan change shall be transferred to the cash balance  
 466 plan or the investment plan, and, effective the 1st day of the  
 467 next month, the employer and employee shall pay the applicable  
 468 contributions based on the employee membership class in the  
 469 plan.

470 3. If the employee fails to make an election of the cash  
 471 balance plan or investment plan by the last business day of the  
 472 8th month following the employee's month of hire, the employee  
 473 is deemed to have elected the investment plan and will be  
 474 defaulted into the investment plan retroactively to the  
 475 employee's date of employment.

476 4. The amount of the employee and employer contributions  
 477 paid before the default to the investment plan shall be  
 478 transferred to the investment plan and placed in a default fund  
 479 as designated by the state board. The employee may move the  
 480 contributions once an account is activated in the investment  
 481 plan.

482 5. After the prescribed time period during which an  
 483 eligible employee can elect the cash balance plan or the  
 484 investment plan, or after the month following such election, if  
 485 sooner, the employee shall have one opportunity to choose to  
 486 move between the investment plan and the cash balance plan. If  
 487 the employee is eligible to participate in the Special Risk  
 488 Class at the time of such election, the employee may also elect  
 489 to move to the pension plan. Such elections are effective on the  
 490 first day of the month following the receipt of the election by  
 491 the third-party administrator. This paragraph is contingent upon  
 492 approval by the Internal Revenue Service.

493 (c) An employee who becomes eligible to participate in the

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494 cash balance plan pursuant to s. 121.051(2)(c)3. or s.  
 495 121.35(3)(i) may elect to participate in the cash balance plan  
 496 in lieu of retaining his or her membership in the State  
 497 Community College System Optional Retirement Program or the  
 498 State University System Optional Retirement Program.

499 1. The election must be made in writing or by electronic  
 500 means and filed with the third-party administrator.

501 2. Upon making such election, the employee shall be  
 502 enrolled as a member of the cash balance plan, the employee's  
 503 membership in the Florida Retirement System shall be governed by  
 504 this part, and the employee's participation in the State  
 505 Community College System Optional Retirement Program or the  
 506 State University System Optional Retirement Program terminates.

507 3. The employee's enrollment in the cash balance plan is  
 508 effective on the first day of the month for which a full month's  
 509 employer and employee contribution is made to the cash balance  
 510 plan.

511 (d) A retiree who is initially reemployed in a regularly  
 512 established position on or after July 1, 2010, is not eligible  
 513 to be enrolled in renewed membership in the Florida Retirement  
 514 System except as provided in s. 121.122.

515 (e) Eligible employees may elect to move between plans only  
 516 if they are earning service credit in an employer-employee  
 517 relationship consistent with s. 121.021(17)(b), excluding leaves  
 518 of absence without pay. Such elections are effective on the  
 519 first day of the month following receipt of the election by the  
 520 third-party administrator. This paragraph is contingent upon  
 521 approval by the Internal Revenue Service.

522 1. If the employee chooses to move from the pension plan to

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523 the investment plan, s. 121.4501(3) governs the transfer.  
 524 2. If the employee chooses to move from the pension plan or  
 525 investment plan to the cash balance plan, subsection (2) governs  
 526 the transfer.  
 527 3. If the employee chooses to move from the cash balance  
 528 plan to the investment plan and establishes one or more  
 529 individual member accounts, the employee may elect to transfer a  
 530 sum representing the balance of the member's cash balance  
 531 accounts to the investment plan. Upon transfer, all service  
 532 credit earned under the cash balance plan is nullified for  
 533 purposes of entitlement to a future benefit under the cash  
 534 balance plan.  
 535 4. If an employee participating in the Special Risk Class  
 536 chooses to move to the pension plan, the employee must transfer  
 537 from his or her investment plan account or cash balance accounts  
 538 and from other employee moneys as necessary, a sum representing  
 539 the present value of the employee's accumulated benefit  
 540 obligation immediately following the time of such movement,  
 541 determined by assuming that attained service equals the sum of  
 542 service in the pension plan, service in the investment plan, and  
 543 service in the cash balance plan. Benefit commencement occurs on  
 544 the first date the employee is eligible for unreduced benefits  
 545 using the discount rate and other relevant actuarial assumptions  
 546 that were used to value the pension plan liabilities in the most  
 547 recent actuarial valuation. For an employee who, at the time of  
 548 the election, already maintains an accrued benefit amount in the  
 549 pension plan, the then-present value of the accrued benefit is  
 550 deemed part of the required transfer amount. The division must  
 551 ensure that the transfer sum is prepared using a formula and

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552 methodology certified by an enrolled actuary. A refund of  
 553 employee contributions or additional member payments made which  
 554 exceed the employee contributions that would have accrued had  
 555 the member remained in the pension plan and not transferred to  
 556 the investment plan or cash balance plan is not permitted.  
 557 5. An employee's ability to transfer from the pension plan  
 558 to the investment plan or cash balance plan, and the ability of  
 559 a current employee to have the option to later transfer back  
 560 into the pension plan, shall be deemed a significant system  
 561 amendment. Pursuant to s. 121.031(4), any resulting unfunded  
 562 liability arising from actual original transfers from the  
 563 pension plan to the investment plan must be amortized within 30  
 564 plan years as a separate unfunded actuarial base independent of  
 565 the reserve stabilization mechanism described in s.  
 566 121.031(3)(f). For the first 25 years, a direct amortization  
 567 payment may not be calculated for this base. During this period,  
 568 the separate base shall be used to offset the impact of  
 569 employees exercising their option to transfer back into the  
 570 pension plan. The actuarial funded status of the pension plan is  
 571 not affected by such second program elections in a significant  
 572 manner after due recognition of the separate unfunded actuarial  
 573 base. Following the initial 25-year period, any remaining  
 574 balance of the original separate base shall be amortized over  
 575 the remaining 5 years of the required 30-year amortization  
 576 period.  
 577 6. If an employee participating in the Special Risk Class  
 578 chooses to transfer from the investment plan or cash balance  
 579 plan to the pension plan and retains an excess account balance  
 580 in the investment plan after satisfying the buy-in requirements

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581 under this paragraph, the excess may not be distributed until  
 582 the member retires from the pension plan. The excess account  
 583 balance may be rolled over to the pension plan and used to  
 584 purchase service credit or upgrade creditable service in the  
 585 pension plan.

586 (4) CONTRIBUTIONS AND CREDITS.—

587 (a) The employee and employer shall make the required  
 588 contributions to the cash balance plan based on a percentage of  
 589 the employee's gross monthly compensation, as provided in s.  
 590 121.71.

591 (b) Employee contributions shall be deposited into the  
 592 annuity savings account of the member pursuant to s. 121.721,  
 593 and employer contributions shall be deposited into the  
 594 retirement savings account pursuant to s. 121.721.

595 (c) A member may not make voluntary contributions to the  
 596 cash balance plan.

597 (d) The state board, acting as a fiduciary to the cash  
 598 balance plan, must ensure that all plan assets are held in a  
 599 trust pursuant to s. 401 of the Internal Revenue Code. The  
 600 fiduciary must ensure that such contributions are allocated as  
 601 follows:

602 1. The employer and employee contribution portions  
 603 earmarked for member retirement annuity and annuity savings  
 604 accounts shall be credited to the appropriate account.

605 2. The employer contribution portion earmarked for  
 606 administrative and educational expenses shall be transferred to  
 607 the Florida Retirement System Cash Balance Plan Trust Fund.

608 3. The employer contribution portion earmarked for  
 609 disability benefits shall be transferred to the Florida

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610 Retirement System Trust Fund.

611 4. The employer contribution portions earmarked for  
 612 amortization of the unfunded actuarial liability of the pension  
 613 plan and the cash balance plan shall be transferred to the  
 614 Florida Retirement System Trust Fund.

615 (e) The third-party administrator shall monitor and notify  
 616 employers of the maximum contribution levels allowed for members  
 617 under the Internal Revenue Code. If a member contributes to any  
 618 other tax-deferred plan, the member must ensure that total  
 619 contributions made to the cash balance plan and to any other  
 620 such plan do not exceed the federally allowed maximum.

621 (5) ANNUITY SAVINGS ACCOUNT CREDITS.—A member's annuity  
 622 savings account is the sum of the member's mandatory credits  
 623 plus the interest credits on those credits.

624 (a) The service credits shall be credited as provided in s.  
 625 121.71 on a monthly basis.

626 (b) The interest credits shall be credited as provided in  
 627 s. 121.721. The Legislature reserves the right to prospectively  
 628 change the interest credits.

629 (c) The member's annuity savings account is vested from the  
 630 date the employee becomes a member of the cash balance plan.

631 (6) EMPLOYER RETIREMENT ANNUITY CREDITS.—A member's  
 632 retirement annuity account is the sum of all employer credits to  
 633 the account plus the interest credits on those credits.

634 (a) The service credits shall be credited on a monthly  
 635 basis as provided in s. 121.71.

636 (b) The interest credits shall be credited as provided in  
 637 s. 121.721. The Legislature expressly reserves the right to  
 638 prospectively change the interest credits.

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639 (7) VESTING REQUIREMENTS.—

640 (a) A member is fully and immediately vested in all  
 641 employee credits plus interest credits paid to an annuity  
 642 savings account as provided in subsection (5).

643 (b) A member is vested in all employer credits plus  
 644 interest credits paid to the retirement annuity account on  
 645 behalf of the member as provided in subsection (6), upon  
 646 completion of 5 years of creditable service.

647 1. If a member has not vested in the member's retirement  
 648 annuity account at termination, has not withdrawn such member's  
 649 annuity savings account, and is reemployed as an eligible  
 650 employee within 15 years after the member's most recent  
 651 termination, such member's prior years of service, employer  
 652 credits, and interest credits are restored upon reemployment.

653 2. If a member has not vested in the member's retirement  
 654 annuity account at termination and has not withdrawn such  
 655 member's annuity savings account, but is not reemployed as an  
 656 eligible employee within 15 years after the member's most recent  
 657 termination, any nonvested employer credits and interest  
 658 credits, including accompanying service credit, are forfeited.

659 (c) A member is vested in any benefits transferred from the  
 660 pension plan or investment plan to the cash balance plan upon  
 661 meeting the vesting requirements of the member's membership  
 662 class set forth in s. 121.021(45) or s. 121.4501(6), as  
 663 applicable. The third-party administrator shall notify the  
 664 member when the member has satisfied the vesting period.

665 1. If a member has not vested in the benefit transferred  
 666 from the pension plan or investment plan at termination of  
 667 employment, has not withdrawn such member's annuity savings

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668 account, and is reemployed as an eligible employee within 15  
 669 years after such member's most recent termination, the member's  
 670 prior years of service, employer credits, and interest credits  
 671 are restored upon reemployment.

672 2. If a member is not vested in the benefit transferred  
 673 from the pension plan or investment plan at termination of  
 674 employment, has not withdrawn such member's annuity savings  
 675 account, and is not reemployed as an eligible employee within 15  
 676 years after such member's most recent termination, such member's  
 677 prior years of service, employer credits, and interest credits  
 678 shall be forfeited.

679 (d) If the member elects to receive any of his or her  
 680 vested annuity savings account upon termination of employment as  
 681 provided in s. 121.021(39) (a), except for a mandatory  
 682 distribution of a de minimis account authorized by the state  
 683 board or a minimum required distribution provided under s.  
 684 401(a) (9) of the Internal Revenue Code, the member shall forfeit  
 685 all nonvested retirement annuity credits, interest credits, and  
 686 accompanying service credit paid on behalf of the member to the  
 687 cash balance plan.

688 (8) BENEFITS PAYMENTS.—

689 (a) Benefits may not be paid under the cash balance plan  
 690 unless the member has terminated employment or is deceased and a  
 691 proper application prescribed by the state board has been filed  
 692 by the member or beneficiary.

693 (b) If a member elects to receive his or her benefits upon  
 694 termination of employment, the member must submit a written  
 695 application or an application by electronic means to the third-  
 696 party administrator indicating his or her preferred benefit

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697 payment date and selecting an authorized method of benefit  
 698 payment as provided in paragraph (d). The member may defer  
 699 receipt of benefits until he or she chooses to make such  
 700 application, subject to federal requirements.

701 (c) The state board may cancel an application for  
 702 retirement benefits if the member or beneficiary fails to timely  
 703 provide the information and documents required by this chapter  
 704 and the rules of the board. The state board shall adopt rules  
 705 establishing procedures for the application for retirement  
 706 benefits and for the cancellation of such application if the  
 707 required information or documents are not received.

708 (d) Upon receipt by the third-party administrator of a  
 709 properly executed application for benefit payments, the total  
 710 accumulated benefit is payable to the member pro rata across all  
 711 Florida Retirement System benefit sources as:

- 712 1. A lump-sum or partial benefit payment to the member;
- 713 2. A lump-sum direct rollover benefit payment whereby all  
 714 accrued benefits, plus interest credits, are paid from the  
 715 member's account directly to the custodian of an eligible  
 716 retirement plan, as defined in s. 402(c)(8)(B) of the Internal  
 717 Revenue Code, on behalf of the member;
- 718 3. An annuity with a guaranteed benefit under any one of  
 719 the options offered under the investment plan; or
- 720 4. A combination of 1.-3.

721 (e) The benefit payment method selected by the member or  
 722 beneficiary, and the retirement of the member, are final and  
 723 irrevocable at the time a benefit payment is cashed, deposited,  
 724 or transferred to another financial institution. Any additional  
 725 service that remains unclaimed at retirement may not be claimed

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726 or purchased, and the type of retirement may not be changed,  
 727 except that if a member recovers from a disability, the member  
 728 may subsequently request benefits under subsection (9).

729 (f) Benefits in the form of vested accumulations as  
 730 described in subsection (7) are payable in accordance with all  
 731 of the following terms and conditions:

732 1. Benefits are payable only to a member, an alternate  
 733 payee of a qualified domestic relations order, or a beneficiary.

734 2. Benefits shall be paid by the third-party administrator  
 735 or designated approved providers in accordance with the law, the  
 736 contracts, and any applicable state board rule or policy.

737 3. The member must be terminated from all employment as  
 738 provided in s. 121.021(39).

739 4. Benefit payments may not be made until the member has  
 740 been terminated for 3 calendar months.

741 5. If a member or former member of the Florida Retirement  
 742 System receives an invalid benefit payment, such person must  
 743 repay the full amount within 90 days after receipt of final  
 744 notification by the state board or the third-party administrator  
 745 that the benefit payment was invalid, or, in lieu of repayment,  
 746 the member must terminate employment from all participating  
 747 employers.

748 a. If the member or former member fails to repay the full  
 749 invalid benefit payment within 90 days after receipt of final  
 750 notification, the person may be deemed retired from the cash  
 751 balance plan by the board and is subject to s. 121.122. If such  
 752 person is deemed retired, any joint and several liability set  
 753 out in s. 121.091(9)(d)2. is void, and the board, the  
 754 department, or the employing agency is not liable for interest

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755 credits on contributions that have not been deposited into the  
 756 person's cash balance account in the cash balance plan, pending  
 757 resolution of the invalid benefit payment.

758 b. The member or former member who has been deemed retired  
 759 or who has been determined by the board to have taken an invalid  
 760 benefit payment may appeal the agency decision through the  
 761 complaint process under s. 121.4501(8)(g). As used in this  
 762 subparagraph, the term "invalid benefit payment" means any  
 763 payment from an account in the cash balance plan which is taken  
 764 in violation of this section or s. 121.091(9).

765 (g) Benefits, including the annuity savings account, are  
 766 not payable under the cash balance plan for employee hardships,  
 767 unforeseeable emergencies, loans, medical expenses, educational  
 768 expenses, purchase of a principal residence, payments necessary  
 769 to prevent eviction from or foreclosure on an employee's  
 770 principal residence, or any other reason except a requested  
 771 distribution for retirement, a mandatory de minimis account  
 772 distribution authorized by the third-party administrator, or a  
 773 required minimum distribution provided pursuant to the Internal  
 774 Revenue Code.

775 (h) The state board may cash out a de minimis account of a  
 776 member who has been terminated from Florida Retirement System  
 777 employment for a minimum of 6 calendar months. Such cash-out  
 778 must be a complete lump-sum liquidation of the vested account  
 779 balance, subject to the Internal Revenue Code, or a lump-sum  
 780 direct rollover distribution paid directly to the custodian of  
 781 an eligible retirement plan, as defined by the code, on behalf  
 782 of the member.

783 (i) If any instrument issued for the payment of retirement

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784 benefits under this section is not presented for payment within  
 785 180 days after the last day of the month in which it was  
 786 originally issued, the third-party administrator or other  
 787 authorized agent of the state board shall cancel the instrument  
 788 and credit the amount of the instrument to the Florida  
 789 Retirement System Cash Balance Plan Trust Fund. Any amounts so  
 790 credited to the trust fund, not including earnings thereon, are  
 791 payable upon proper application as provided in this section  
 792 within 10 years after the last day of the month in which the  
 793 financial instrument was originally issued, after which time  
 794 such amounts and any earnings attributable to employer  
 795 retirement annuity credits are forfeited. Any forfeited amounts  
 796 are assets of the trust fund and not subject to chapter 717.

797 (j) A member may not receive a distribution of employee  
 798 contributions if a pending qualified domestic relations order is  
 799 filed against the member's cash balance plan account.

800 (k) The benefits payable to any person under the cash  
 801 balance plan, and any contributions and credits accumulated  
 802 under the plan, are not subject to assignment, execution,  
 803 attachment, or any legal process, except for qualified domestic  
 804 relations orders, income deduction orders as provided in s.  
 805 61.1301, and federal income tax levies.

806 (9) DISABILITY BENEFITS.-

807 (a) For any member of the cash balance plan who becomes  
 808 totally and permanently disabled, benefits must be paid in  
 809 accordance with the following:

810 1. The member may elect to receive benefits pursuant to s.

811 121.591(2); or

812 2. The member may elect to receive the vested balance of



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813 his or her cash balance annuity savings account and the vested  
814 balance of his or her retirement annuity account.

815 (b) Pursuant to s. 121.73, an employer shall contribute a  
816 percentage of gross monthly compensation to provide disability  
817 coverage for active members in the cash balance plan.

818 (10) DEATH BENEFITS.—Under the cash balance plan:

819 (a) Survivor benefits of a deceased member are payable in  
820 accordance with the following terms and conditions:

821 1. To the extent vested, benefits are payable only to a  
822 member's beneficiary or beneficiaries as designated by the  
823 member as provided in subsection (11).

824 2. Benefits shall be paid by the third-party administrator  
825 or designated approved providers in accordance with the law, the  
826 contracts, and any applicable rule or policy of the state board.

827 (b) In the event of a member's death, all vested  
828 accumulations as described in subsections (5) and (6), less  
829 withholding taxes remitted to the Internal Revenue Service,  
830 shall be distributed as provided in paragraph (c) or as  
831 described in subsection (8) as if the member retired on the date  
832 of death. No other death benefits are available for survivors of  
833 members, except for benefits, or coverage for benefits, as are  
834 otherwise provided by law or separately provided by the  
835 employer, at the employer's discretion.

836 (c) Upon receipt by the third-party administrator of a  
837 properly executed application for the distribution of benefits,  
838 the total accumulated benefit is payable by the administrator to  
839 the member's surviving beneficiary or beneficiaries as:

840 1. A lump-sum distribution payable to the beneficiary or  
841 beneficiaries as provided in subsection (11);

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842 2. An eligible rollover distribution, if allowed, on behalf  
843 of the surviving beneficiary of a deceased member, whereby all  
844 accrued benefits, plus interest credits, are paid from the  
845 deceased member's account directly to the custodian of an  
846 eligible retirement plan, as described in s. 402(c)(8)(B) of the  
847 Internal Revenue Code, on behalf of the surviving beneficiary;

848 3. An annuity with a guaranteed benefit under any one of  
849 the options offered under the investment plan; or

850 4. A combination of 1.-3.

851 (d) Notwithstanding any other provision of this chapter:

852 1. The surviving spouse of any member killed in the line of  
853 duty may receive a monthly benefit equal to one-half of the  
854 monthly salary that was received by the member at the time of  
855 death for the rest of the surviving spouse's lifetime if all  
856 service and interest credits that have accumulated in the  
857 member's accounts are transferred to the pension plan; or, if  
858 the member had vested, the surviving spouse may elect to receive  
859 a benefit as provided in paragraph (c). Benefits provided by  
860 this paragraph supersede any other distribution that may have  
861 been provided by the member's designation of beneficiary.

862 2. If the surviving spouse of a member killed in the line  
863 of duty dies, the monthly payments that would have been payable  
864 to the surviving spouse had the surviving spouse lived shall be  
865 paid for the use and benefit of the member's child or children  
866 younger than 18 years of age and unmarried until the 18th  
867 birthday of the member's youngest child.

868 3. If a member killed in the line of duty leaves no  
869 surviving spouse but is survived by a child or children younger  
870 than 18 years of age, the benefits normally payable to a

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 871 surviving spouse under subparagraph 1. shall be paid for the use  
 872 and benefit of the member's child or children younger than 18  
 873 years of age and unmarried until the 18th birthday of the  
 874 member's youngest child.

875  
 876 This paragraph does not abrogate other applicable provisions of  
 877 state or federal law providing for payment of death benefits.

878 (11) DESIGNATION OF BENEFICIARIES.—Section 121.4501(20)  
 879 governs the designation of beneficiaries for the cash balance  
 880 plan.

881 (12) PURCHASE OF CREDITABLE SERVICE.—

882 (a) Creditable service of a member includes military  
 883 service in the Armed Forces of the United States as provided  
 884 under s. 121.111(1).

885 (b) A member may purchase creditable service for up to 2  
 886 work years of authorized leaves of absence, including any leaves  
 887 of absence covered under the Family Medical Leave Act as  
 888 provided under s. 121.121.

889 (c) Except as provided in this subsection, no other service  
 890 for periods of employment may be purchased by or on behalf of a  
 891 member.

892 (13) RETIREE HEALTH INSURANCE SUBSIDY.—All eligible  
 893 employees who are members of the cash balance plan are eligible  
 894 to receive the retiree health insurance subsidy, subject to s.  
 895 112.363.

896 (14) SOCIAL SECURITY COVERAGE.—Social security coverage  
 897 shall be provided for all eligible employees who become members  
 898 of the cash balance plan. Any modification of the present  
 899 agreement with the Social Security Administration, or referendum

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 900 required under the Social Security Act, for the purpose of  
 901 providing social security coverage for a member shall be  
 902 requested by the state agency in compliance with the applicable  
 903 provisions of the Social Security Act. However, retroactive  
 904 social security coverage for service with the employer before  
 905 December 1, 1970, may not be provided for a member who was not  
 906 covered under the agreement as of November 30, 1970.

907 (15) CASH BALANCE PLAN EDUCATION.—Section 121.4501(10)  
 908 governs the education of members who are in the cash balance  
 909 plan.

910 (16) MEMBER INFORMATION REQUIREMENTS.—Each quarter the  
 911 state board shall provide each member of the cash balance plan a  
 912 quarterly statement of benefits which provides the member with  
 913 basic data about the member's retirement account. At a minimum,  
 914 the statement must include:

915 (a) The member's accrued service credit;

916 (b) The member's balance of the retirement annuity account  
 917 and the annuity savings account at the close of the current  
 918 quarter and previous quarter;

919 (c) Itemized account contributions for the quarter;

920 (d) Any posted interest credits earned on the account;

921 (e) The amount of the account in which the member is fully  
 922 vested; and

923 (f) The amount of the account in which the member is not  
 924 fully vested.

925 (17) FEDERAL REQUIREMENTS.—

926 (a) This section shall be construed, and the cash balance  
 927 plan shall be administered, so as to comply with the Internal  
 928 Revenue Code and specifically with plan qualification

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929 requirements imposed on governmental plans under 26 U.S.C. s.  
 930 401(a) of the code. The state board may adopt rules reasonably  
 931 necessary to establish or maintain the qualified status of the  
 932 cash balance plan under the Internal Revenue Code and to  
 933 implement and administer the plan in compliance with the code  
 934 and as designated under this part; however, the state board may  
 935 not adopt any rule that makes a substantive change to the cash  
 936 balance plan as designed under this part.

937 (b) Any provision of this chapter which is susceptible to  
 938 more than one construction shall be interpreted in favor of the  
 939 construction most likely to satisfy requirements imposed by s.  
 940 401(a) of the Internal Revenue Code.

941 (c) Credits payable under this section for any limitation  
 942 year may not exceed the maximum amount allowable for qualified  
 943 cash balance plans under applicable provisions of the Internal  
 944 Revenue Code. If an employee who is enrolled in the cash balance  
 945 plan participates in any other plan that is maintained by the  
 946 participating employer, benefits that accrue under the cash  
 947 balance plan are considered primary for any aggregate limitation  
 948 applicable under s. 415 of the code.

949 (18) CASH BALANCE PLAN ADMINISTRATION.—Section 121.4501(8)  
 950 also governs the administration of the cash balance plan.

951 (19) STATEMENT OF FIDUCIARY STANDARDS AND  
 952 RESPONSIBILITIES.—Investment of cash balance plan assets shall  
 953 be made for the sole interest and exclusive purpose of providing  
 954 benefits to members and beneficiaries and defraying reasonable  
 955 expenses of administering the plan. The plan's assets shall be  
 956 invested on behalf of the plan members with the care, skill, and  
 957 diligence that a prudent person acting in a like manner would

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958 undertake. The performance of the investment duties specified in  
 959 this subsection must comply with the fiduciary standards set  
 960 forth in the Employee Retirement Income Security Act of 1974 at  
 961 29 U.S.C. s. 1104(a)(1)(A)-(C). In case of conflict with other  
 962 provisions of law authorizing investments, the investment and  
 963 fiduciary standards specified in this subsection prevail.

964 (20) ACTUARIAL STUDY.—Pursuant to s. 121.031, an annual  
 965 actuarial valuation and appraisal of the liability of the cash  
 966 balance plan shall be conducted, and the required credits  
 967 necessary to discharge any liability and maintain the plan on an  
 968 actuarial reserve basis shall be provided to the Legislature by  
 969 December 31 before the next legislative session. Such study  
 970 shall be conducted by a qualified actuary employed or retained  
 971 by the state board.

972 (21) INVESTMENT ADVISORY COUNCIL.—The Investment Advisory  
 973 Council, created pursuant to s. 215.444, shall make  
 974 recommendations to the board regarding investment policy,  
 975 strategy, and procedures for the cash balance plan.

976 (22) INVESTMENT POLICY STATEMENT.—In making investments for  
 977 the cash balance plan pursuant to ss. 215.44-215.53, the board  
 978 may not make investments that are not in conformance with the  
 979 Florida Retirement System Cash Balance Plan Investment Policy  
 980 Statement (IPS) as developed by the executive director and  
 981 approved by the board. The IPS must, at a minimum, include the  
 982 investment objectives of the Cash Balance Plan Trust Fund, types  
 983 of securities in which the board may invest, and evaluation  
 984 criteria for measuring the investment performance of the fund.

985 (a) The executive director of the board may present  
 986 recommended changes to the IPS, as necessary, for the board's

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987 approval.  
 988 (b) The executive director shall first present the proposed  
 989 IPS and any subsequent recommended changes to the approved IPS  
 990 to the Investment Advisory Council for review. The council shall  
 991 present the results of its review to the board before the  
 992 board's final approval of the IPS or changes in the IPS.  
 993 Section 4. Paragraph (b) of subsection (2) of section  
 994 112.363, Florida Statutes, is amended to read:  
 995 112.363 Retiree health insurance subsidy.—  
 996 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—  
 997 (b) For purposes of this section, a person is deemed  
 998 retired from a state-administered retirement system when he or  
 999 she terminates employment with all employers participating in  
 1000 the Florida Retirement System as described in s. 121.021(39)  
 1001 and:  
 1002 1. For a member of the investment plan established under  
 1003 part II of chapter 121, the member participant meets the age or  
 1004 service requirements to qualify for normal retirement as set  
 1005 forth in s. 121.021(29) and meets the definition of retiree in  
 1006 s. 121.4501(2).  
 1007 2. For a member of the ~~Florida Retirement System~~ pension  
 1008 plan established under part I of chapter 121, or ~~an~~ any employee  
 1009 who maintains creditable service under both the pension plan and  
 1010 the investment plan or under both the pension plan and the cash  
 1011 balance plan, the member begins drawing retirement benefits from  
 1012 the pension plan.  
 1013 3. For a member of the cash balance plan established under  
 1014 part III of chapter 121, the member meets the age or service  
 1015 requirements to qualify for normal retirement as set forth in s.

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1016 121.021(29) and meets the definition of retiree in s. 121.601.  
 1017 4. For a member of both the investment plan and the cash  
 1018 balance plan, the member meets the definition of retiree in s.  
 1019 121.601 and begins drawing benefits from the cash balance plan.  
 1020 Section 5. Paragraph (h) of subsection (3) of section  
 1021 121.011, Florida Statutes, is amended to read:  
 1022 121.011 Florida Retirement System.—  
 1023 (3) PRESERVATION OF RIGHTS.—  
 1024 (h) Effective July 1, 2011, the retirement system shall  
 1025 require employer and employee contributions as provided in s.  
 1026 121.071 and part IV ~~III~~ of this chapter.  
 1027 Section 6. Section 121.012, Florida Statutes, is amended to  
 1028 read:  
 1029 121.012 Inclusive provisions.—The provisions of part I of  
 1030 this chapter apply ~~shall be applicable~~ to parts II, ~~and~~ III, and  
 1031 IV to the extent such provisions are not inconsistent with, or  
 1032 duplicative of, the provisions of parts II, ~~and~~ III, and IV.  
 1033 Section 7. Subsection (3) of section 121.021, Florida  
 1034 Statutes, is amended to read:  
 1035 121.021 Definitions.—The following words and phrases as  
 1036 used in this chapter have the respective meanings set forth  
 1037 unless a different meaning is plainly required by the context:  
 1038 (3) "Florida Retirement System" or "system" means the  
 1039 general retirement system established by this chapter,  
 1040 including, but not limited to:  
 1041 (a) The defined benefit program administered under this  
 1042 part, referred to as the "Florida Retirement System Pension  
 1043 Plan" or "pension plan"; ~~and~~  
 1044 (b) The defined contribution program administered under

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1045 part II of this chapter, referred to as the "Florida Retirement  
1046 System Investment Plan" or "investment plan-"; and

1047 (c) The cash balance program established under part III of  
1048 this chapter, referred to as the "Florida Retirement System Cash  
1049 Balance Plan" or "cash balance plan."

1050 Section 8. Paragraph (c) of subsection (2) of section  
1051 121.051, Florida Statutes, is amended, present subsections (3)  
1052 through (9) of that section are redesignated as subsections (4)  
1053 through (10), and a new subsection (3) is added to that section,  
1054 to read:

1055 121.051 Participation in the system.-

1056 (2) OPTIONAL PARTICIPATION.-

1057 (c) Employees of public community colleges or charter  
1058 technical career centers sponsored by public community colleges,  
1059 designated in s. 1000.21(3), who are members of the Regular  
1060 Class of the Florida Retirement System and who comply with the  
1061 criteria set forth in this paragraph and s. 1012.875 may, in  
1062 lieu of participating in the Florida Retirement System, elect to  
1063 withdraw from the system altogether and participate in the State  
1064 Community College System Optional Retirement Program provided by  
1065 the employing agency under s. 1012.875.

1066 1.a. Through June 30, 2001, the cost to the employer for  
1067 benefits under the optional retirement program equals the normal  
1068 cost portion of the employer retirement contribution which would  
1069 be required if the employee were a member of the pension plan's  
1070 Regular Class, plus the portion of the contribution rate  
1071 required by s. 112.363(8) which would otherwise be assigned to  
1072 the Retiree Health Insurance Subsidy Trust Fund.

1073 b. Effective July 1, 2001, through June 30, 2011, each

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1074 employer shall contribute on behalf of each member of the  
1075 optional program an amount equal to 10.43 percent of the  
1076 employee's gross monthly compensation. The employer shall deduct  
1077 an amount for the administration of the program.

1078 c. Effective July 1, 2011, through June 30, 2012, each  
1079 member shall contribute an amount equal to the employee  
1080 contribution required under s. 121.71(3). The employer shall  
1081 contribute on behalf of each program member an amount equal to  
1082 the difference between 10.43 percent of the employee's gross  
1083 monthly compensation and the employee's required contribution  
1084 based on the employee's gross monthly compensation.

1085 d. Effective July 1, 2012, each member shall contribute an  
1086 amount equal to the employee contribution required under s.  
1087 121.71(3). The employer shall contribute on behalf of each  
1088 program member an amount equal to the difference between 8.15  
1089 percent of the employee's gross monthly compensation and the  
1090 employee's required contribution based on the employee's gross  
1091 monthly compensation.

1092 e. The employer shall contribute an additional amount to  
1093 the Florida Retirement System Trust Fund equal to the unfunded  
1094 actuarial accrued liability portion of the Regular Class  
1095 contribution rate.

1096 2. The decision to participate in the optional retirement  
1097 program is irrevocable as long as the employee holds a position  
1098 eligible for participation, except as provided in subparagraph

1099 3. Any service creditable under the Florida Retirement System is  
1100 retained after the member withdraws from the system; however,  
1101 additional service credit in the system may not be earned while  
1102 a member of the optional retirement program.

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1103 3. Effective July 1, 2003, through June 30, 2015, an  
 1104 employee who has elected to participate in the optional  
 1105 retirement program shall have one opportunity, at the employee's  
 1106 discretion, to transfer from the optional retirement program to  
 1107 the pension plan under this part of the Florida Retirement  
 1108 ~~System~~ or to the investment plan established under part II of  
 1109 this chapter, subject to the terms of the applicable optional  
 1110 retirement program contracts. Except as provided in subsection  
 1111 (3), an employee participating in the optional retirement  
 1112 program on or after July 1, 2015, is not eligible to transfer to  
 1113 the Florida Retirement System.

1114 a. If the employee chooses to move to the investment plan,  
 1115 any contributions, interest, and earnings creditable to the  
 1116 employee under the optional retirement program are retained by  
 1117 the employee in the optional retirement program, and the  
 1118 applicable provisions of s. 121.4501(4) govern the election.

1119 b. If the employee chooses to move to the pension plan ~~of~~  
 1120 ~~the Florida Retirement System~~, the employee shall receive  
 1121 service credit equal to his or her years of service under the  
 1122 optional retirement program.

1123 (I) The cost for such credit is the amount representing the  
 1124 present value of the employee's accumulated benefit obligation  
 1125 for the affected period of service. The cost shall be calculated  
 1126 as if the benefit commencement occurs on the first date the  
 1127 employee becomes eligible for unreduced benefits, using the  
 1128 discount rate and other relevant actuarial assumptions that were  
 1129 used to value the Florida Retirement System Pension Plan  
 1130 liabilities in the most recent actuarial valuation. The  
 1131 calculation must include any service already maintained under

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1132 the pension plan in addition to the years under the optional  
 1133 retirement program. The present value of any service already  
 1134 maintained must be applied as a credit to total cost resulting  
 1135 from the calculation. The division must ensure that the transfer  
 1136 sum is prepared using a formula and methodology certified by an  
 1137 enrolled actuary.

1138 (II) The employee ~~shall~~ must transfer from his or her  
 1139 optional retirement program account and from other employee  
 1140 moneys as necessary, a sum representing the present value of the  
 1141 employee's accumulated benefit obligation immediately following  
 1142 the time of such movement, determined assuming that attained  
 1143 service equals the sum of service in the pension plan and  
 1144 service in the optional retirement program.

1145 4. Participation in the optional retirement program is  
 1146 limited to employees who satisfy the following eligibility  
 1147 criteria:

1148 a. The employee is otherwise eligible for membership or  
 1149 renewed membership in the Regular Class of the Florida  
 1150 Retirement System, as provided in s. 121.021(11) and (12) or s.  
 1151 121.122.

1152 b. The employee is employed in a full-time position  
 1153 classified in the Accounting Manual for Florida's Public  
 1154 Community Colleges as:

1155 (I) Instructional; or

1156 (II) Executive Management, Instructional Management, or  
 1157 Institutional Management and the community college determines  
 1158 that recruiting to fill a vacancy in the position is to be  
 1159 conducted in the national or regional market, and the duties and  
 1160 responsibilities of the position include the formulation,

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1161 interpretation, or implementation of policies, or the  
 1162 performance of functions that are unique or specialized within  
 1163 higher education and that frequently support the mission of the  
 1164 community college.

1165 c. The employee is employed in a position not included in  
 1166 the Senior Management Service Class of the Florida Retirement  
 1167 System as described in s. 121.055.

1168 5. Members of the program are subject to the same  
 1169 reemployment limitations, renewed membership provisions, and  
 1170 forfeiture provisions applicable to regular members of the  
 1171 Florida Retirement System under ss. 121.091(9), 121.122, and  
 1172 121.091(5), respectively. A member who receives a program  
 1173 distribution funded by employer and required employee  
 1174 contributions is deemed to be retired from a state-administered  
 1175 retirement system if the member is subsequently employed with an  
 1176 employer that participates in the Florida Retirement System.

1177 6. Eligible community college employees are compulsory  
 1178 members of the Florida Retirement System until, pursuant to s.  
 1179 1012.875, a written election to withdraw from the system and  
 1180 participate in the optional retirement program is filed with the  
 1181 program administrator and received by the division.

1182 a. A community college employee whose program eligibility  
 1183 results from initial employment shall be enrolled in the  
 1184 optional retirement program retroactive to the first day of  
 1185 eligible employment. The employer and employee retirement  
 1186 contributions paid through the month of the employee plan change  
 1187 shall be transferred to the community college to the employee's  
 1188 optional program account, and, effective the first day of the  
 1189 next month, the employer shall pay the applicable contributions

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1190 based upon subparagraph 1.

1191 b. A community college employee whose program eligibility  
 1192 is due to the subsequent designation of the employee's position  
 1193 as one of those specified in subparagraph 4., or due to the  
 1194 employee's appointment, promotion, transfer, or reclassification  
 1195 to a position specified in subparagraph 4., must be enrolled in  
 1196 the program on the first day of the first full calendar month  
 1197 that such change in status becomes effective. The employer and  
 1198 employee retirement contributions paid from the effective date  
 1199 through the month of the employee plan change must be  
 1200 transferred to the community college to the employee's optional  
 1201 program account, and, effective the first day of the next month,  
 1202 the employer shall pay the applicable contributions based upon  
 1203 subparagraph 1.

1204 7. Effective July 1, 2003, through December 31, 2008, any  
 1205 member of the optional retirement program who has service credit  
 1206 in the pension plan ~~of the Florida Retirement System~~ for the  
 1207 period between his or her first eligibility to transfer from the  
 1208 pension plan to the optional retirement program and the actual  
 1209 date of transfer may, during employment, transfer to the  
 1210 optional retirement program a sum representing the present value  
 1211 of the accumulated benefit obligation under the defined benefit  
 1212 retirement program for the period of service credit. Upon  
 1213 transfer, all service credit previously earned under the pension  
 1214 plan during this period is nullified for purposes of entitlement  
 1215 to a future benefit under the pension plan.

1216 (3) OPTIONAL PLAN MEMBERSHIP IN FLORIDA RETIREMENT SYSTEM.-

1217 (a) Effective July 1, 2015, all eligible employees, except  
 1218 those eligible to withdraw from the Florida Retirement System

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 1219 under s. 121.052(3)(d) or s. 121.055(1)(b)2. or those eligible  
 1220 for optional retirement programs under s. 121.051(1)(a), s.  
 1221 121.051(2)(c), or s. 121.35, who initially enrolled on or after  
 1222 July 1, 2015, are not eligible to enroll in the pension plan.  
 1223 (b) Employees eligible to withdraw from the Florida  
 1224 Retirement System under s. 121.052(3)(d) or s. 121.055(1)(b)2.  
 1225 may withdraw from the system or participate in the investment  
 1226 plan or the cash balance plan as provided under those sections.  
 1227 Employees eligible for optional retirement programs under s.  
 1228 121.051(2)(c) or s. 121.35 may participate in the optional  
 1229 retirement program, the investment plan, or the cash balance  
 1230 plan as provided under those sections. Eligible employees  
 1231 required to participate in the optional retirement program under  
 1232 s. 121.35 pursuant to s. 121.051(1)(a) must elect to participate  
 1233 in the investment plan or the cash balance plan if employed in a  
 1234 position not eligible for the optional retirement program.

1235 Section 9. Paragraph (c) of subsection (3) of section  
 1236 121.052, Florida Statutes, is amended to read:

1237 121.052 Membership class of elected officers.—

1238 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
 1239 1, 1990, participation in the Elected Officers' Class shall be  
 1240 compulsory for elected officers listed in paragraphs (2)(a)-(d)  
 1241 and (f) assuming office on or after said date, unless the  
 1242 elected officer elects membership in another class or withdraws  
 1243 from the Florida Retirement System as provided in paragraphs  
 1244 (3)(a)-(d):

1245 (c) Before July 1, 2015, an ~~any~~ elected officer may, within  
 1246 6 months after assuming office, or within 6 months after this  
 1247 act becomes a law for serving elected officers, elect membership

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 1248 in the Senior Management Service Class as provided in s. 121.055  
 1249 in lieu of membership in the Elected Officers' Class. ~~Any~~ Such  
 1250 election ~~does not affect~~ ~~made by a county elected officer shall~~  
 1251 ~~have no effect upon~~ the statutory limit on the number of  
 1252 nonelective full-time positions that may be designated by a  
 1253 local agency employer for inclusion in the Senior Management  
 1254 Service Class under s. 121.055(1)(b)1.

1255 Section 10. Paragraph (f) of subsection (1) and paragraph  
 1256 (c) of subsection (6) of section 121.055, Florida Statutes, are  
 1257 amended to read:

1258 121.055 Senior Management Service Class.—There is hereby  
 1259 established a separate class of membership within the Florida  
 1260 Retirement System to be known as the "Senior Management Service  
 1261 Class," which shall become effective February 1, 1987.

1262 (1)

1263 (f) Effective July 1, 1997, through June 30, 2015:

1264 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 1265 4., an elected state officer eligible for membership in the  
 1266 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
 1267 elects membership in the Senior Management Service Class under  
 1268 s. 121.052(3)(c) may, within 6 months after assuming office or  
 1269 within 6 months after this act becomes a law for serving elected  
 1270 state officers, elect to participate in the Senior Management  
 1271 Service Optional Annuity Program, as provided in subsection (6),  
 1272 in lieu of membership in the Senior Management Service Class.

1273 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 1274 4., an elected officer of a local agency employer eligible for  
 1275 membership in the Elected Officers' Class under s. 121.052(2)(d)  
 1276 who elects membership in the Senior Management Service Class



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1277 under s. 121.052(3)(c) may, within 6 months after assuming  
 1278 office, or within 6 months after this act becomes a law for  
 1279 serving elected officers of a local agency employer, elect to  
 1280 withdraw from the Florida Retirement System, as provided in  
 1281 subparagraph (b)2., in lieu of membership in the Senior  
 1282 Management Service Class.

1283 3. A retiree of a state-administered retirement system who  
 1284 is initially reemployed in a regularly established position on  
 1285 or after July 1, 2010, as an elected official eligible for the  
 1286 Elected Officers' Class may not be enrolled in renewed  
 1287 membership in the Senior Management Service Class or in the  
 1288 Senior Management Service Optional Annuity Program as provided  
 1289 in subsection (6), and may not withdraw from the Florida  
 1290 Retirement System as a renewed member as provided in  
 1291 subparagraph (b)2., as applicable, in lieu of membership in the  
 1292 Senior Management Service Class.

1293 4. On or after July 1, 2015, an elected officer eligible  
 1294 for membership in the Elected Officers' Class may not be  
 1295 enrolled in the Senior Management Service Class or in the Senior  
 1296 Management Service Optional Annuity Program except as provided  
 1297 in subsection (6).

1298 (6)

1299 (c) *Participation.*—

1300 1. An eligible employee who is employed on or before  
 1301 February 1, 1987, may elect to participate in the optional  
 1302 annuity program in lieu of participating in the Senior  
 1303 Management Service Class. Such election must be made in writing  
 1304 and filed with the department and the personnel officer of the  
 1305 employer on or before May 1, 1987. An eligible employee who is

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1306 employed on or before February 1, 1987, and who fails to make an  
 1307 election to participate in the optional annuity program by May  
 1308 1, 1987, shall be deemed to have elected membership in the  
 1309 Senior Management Service Class.

1310 2. Except as provided in subparagraph 6., an employee who  
 1311 becomes eligible to participate in the optional annuity program  
 1312 by reason of initial employment commencing after February 1,  
 1313 1987, may, within 90 days after the date of commencing  
 1314 employment, elect to participate in the optional annuity  
 1315 program. Such election must be made in writing and filed with  
 1316 the personnel officer of the employer. An eligible employee who  
 1317 does not within 90 days after commencing employment elect to  
 1318 participate in the optional annuity program shall be deemed to  
 1319 have elected membership in the Senior Management Service Class.

1320 3. A person who is appointed to a position in the Senior  
 1321 Management Service Class and who is a member of an existing  
 1322 retirement system or the Special Risk or Special Risk  
 1323 Administrative Support Classes of the Florida Retirement System  
 1324 may elect to remain in such system or class in lieu of  
 1325 participating in the Senior Management Service Class or optional  
 1326 annuity program. Such election must be made in writing and filed  
 1327 with the department and the personnel officer of the employer  
 1328 within 90 days after such appointment. An eligible employee who  
 1329 fails to make an election to participate in the existing system,  
 1330 the Special Risk Class of the Florida Retirement System, the  
 1331 Special Risk Administrative Support Class of the Florida  
 1332 Retirement System, or the optional annuity program shall be  
 1333 deemed to have elected membership in the Senior Management  
 1334 Service Class.

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1335 4. Except as provided in subparagraph 5., an employee's  
 1336 election to participate in the optional annuity program is  
 1337 irrevocable if the employee continues to be employed in an  
 1338 eligible position and continues to meet the eligibility  
 1339 requirements set forth in this paragraph.

1340 5. Effective from July 1, 2002, through September 30, 2002,  
 1341 an active employee in a regularly established position who has  
 1342 elected to participate in the Senior Management Service Optional  
 1343 Annuity Program has one opportunity to choose to move from the  
 1344 Senior Management Service Optional Annuity Program to the  
 1345 Florida Retirement System Pension Plan.

1346 a. The election must be made in writing and must be filed  
 1347 with the department and the personnel officer of the employer  
 1348 before October 1, 2002, or, in the case of an active employee  
 1349 who is on a leave of absence on July 1, 2002, within 90 days  
 1350 after the conclusion of the leave of absence. This election is  
 1351 irrevocable.

1352 b. The employee shall receive service credit under the  
 1353 pension plan equal to his or her years of service under the  
 1354 Senior Management Service Optional Annuity Program. The cost for  
 1355 such credit is the amount representing the present value of that  
 1356 employee's accumulated benefit obligation for the affected  
 1357 period of service.

1358 c. The employee must transfer the total accumulated  
 1359 employer contributions and earnings on deposit in his or her  
 1360 Senior Management Service Optional Annuity Program account. If  
 1361 the transferred amount is not sufficient to pay the amount due,  
 1362 the employee must pay a sum representing the remainder of the  
 1363 amount due. The employee may not retain any employer

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1364 contributions or earnings from the Senior Management Service  
 1365 Optional Annuity Program account.

1366 6. A retiree of a state-administered retirement system who  
 1367 is initially reemployed on or after July 1, 2010, may not renew  
 1368 membership in the Senior Management Service Optional Annuity  
 1369 Program.

1370 7. Effective July 1, 2015, the Senior Management Service  
 1371 Optional Annuity Program is closed to new members. Members  
 1372 enrolled in the program before July 1, 2015, may retain their  
 1373 membership in the program.

1374 Section 11. Paragraph (d) of subsection (9) of section  
 1375 121.091, Florida Statutes, is amended to read:

1376 121.091 Benefits payable under the system.—Benefits may not  
 1377 be paid under this section unless the member has terminated  
 1378 employment as provided in s. 121.021(39)(a) or begun  
 1379 participation in the Deferred Retirement Option Program as  
 1380 provided in subsection (13), and a proper application has been  
 1381 filed in the manner prescribed by the department. The department  
 1382 may cancel an application for retirement benefits when the  
 1383 member or beneficiary fails to timely provide the information  
 1384 and documents required by this chapter and the department's  
 1385 rules. The department shall adopt rules establishing procedures  
 1386 for application for retirement benefits and for the cancellation  
 1387 of such application when the required information or documents  
 1388 are not received.

1389 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

1390 (d) This subsection applies to a retiree ~~retirees~~, as  
 1391 defined in s. 121.4501(2), of the Florida Retirement System  
 1392 Investment Plan and s. 121.601 of the Florida Retirement System

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1393 Cash Balance Plan, subject to the following conditions:

1394 1. A retiree may not be reemployed with an employer  
1395 participating in the Florida Retirement System until such person  
1396 has been retired for 6 calendar months.

1397 2. A retiree employed in violation of this subsection and  
1398 an employer that employs or appoints such person are jointly and  
1399 severally liable for reimbursement of any benefits paid to the  
1400 retirement trust fund from which the benefits were paid. The  
1401 employer must have a written statement from the retiree that he  
1402 or she is not retired from a state-administered retirement  
1403 system.

1404 Section 12. Section 121.151, Florida Statutes, is amended  
1405 to read:

1406 121.151 Investments.—The Board of Administration, created  
1407 by authority of the State Constitution, shall invest and  
1408 reinvest available funds of the System Trust Fund and the  
1409 Florida Retirement System Cash Balance Plan Trust Fund in  
1410 accordance with ~~the provisions of~~ ss. 215.44-215.53.

1411 Section 13. Paragraph (c) of subsection (3) of section  
1412 121.35, Florida Statutes, is amended to read:

1413 121.35 Optional retirement program for the State University  
1414 System.—

1415 (3) ELECTION OF OPTIONAL PROGRAM.—

1416 (c) ~~An Any~~ employee who becomes eligible to participate in  
1417 the optional retirement program on or after January 1, 1993,  
1418 shall be a compulsory participant of the program unless such  
1419 employee elects membership in the Florida Retirement System.  
1420 Such election must ~~shall~~ be made in writing and filed with the  
1421 personnel officer of the employer. An Any eligible employee who

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1422 fails to make such election within the prescribed time period  
1423 shall be deemed to have elected to participate in the optional  
1424 retirement program.

1425 1. ~~An Any~~ employee whose optional retirement program  
1426 eligibility results from initial employment before July 1, 2015,  
1427 shall be enrolled in the program at the commencement of  
1428 employment. If, within 90 days after commencement of employment,  
1429 the employee elects membership in the Florida Retirement System,  
1430 such membership is ~~shall be~~ effective retroactive to the date of  
1431 commencement of employment as provided in s. 121.4501(4).

1432 2. An employee whose optional retirement program  
1433 eligibility results from initial employment on or after July 1,  
1434 2015, shall be enrolled in the program at the commencement of  
1435 employment. If, within 90 days after commencement of employment,  
1436 the employee elects membership in the Florida Retirement System,  
1437 such membership is effective retroactive to the date of  
1438 commencing employment as provided in s. 121.602(3).

1439 3.2- ~~An Any~~ employee whose optional retirement program  
1440 eligibility results from a change in status due to the  
1441 subsequent designation of the employee's position as one of  
1442 those specified in paragraph (2) (a) or due to the employee's  
1443 appointment, promotion, transfer, or reclassification to a  
1444 position specified in paragraph (2) (a) shall be enrolled in the  
1445 optional retirement program upon such change in status and ~~shall~~  
1446 ~~be~~ notified by the employer of such action. If, within 90 days  
1447 after the date of such notification, the employee elects to  
1448 retain membership in the Florida Retirement System, such  
1449 continuation of membership is ~~shall be~~ retroactive to the date  
1450 of the change in status.

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1451 ~~4.3-~~ Notwithstanding subparagraphs 1., 2., and 3. the  
 1452 ~~provisions of this paragraph~~, effective July 1, 1997, an any  
 1453 employee who is eligible to participate in the Optional  
 1454 Retirement Program and who fails to execute a contract with one  
 1455 of the approved companies and to notify the department in  
 1456 writing as provided in subsection (4) within 90 days after the  
 1457 date of eligibility shall be deemed to have elected membership  
 1458 in the Florida Retirement System, except as provided in s.  
 1459 121.051(1)(a). This provision ~~shall~~ also applies apply to an any  
 1460 employee who terminates employment in an eligible position  
 1461 before executing the required investment annuity contract and  
 1462 notifying the department. Such membership is shall be  
 1463 retroactive to the date of eligibility, and all appropriate  
 1464 contributions shall be transferred to the Florida Retirement  
 1465 System Trust Fund and the Health Insurance Subsidy Trust Fund.  
 1466 Section 14. Subsection (4), paragraph (a) of subsection  
 1467 (5), paragraphs (c), (g), and (h) of subsection (10), and  
 1468 paragraph (a) of subsection (15) of section 121.4501, Florida  
 1469 Statutes, are amended to read:  
 1470 121.4501 Florida Retirement System Investment Plan.-  
 1471 (4) PARTICIPATION; ENROLLMENT.-  
 1472 (a)1. Effective June 1, 2002, through February 28, 2003, a  
 1473 90-day election period was provided to each eligible employee  
 1474 participating in the Florida Retirement System, preceded by a  
 1475 90-day education period, allowing each eligible employee to  
 1476 elect membership in the investment plan; an employee who failed  
 1477 to elect the investment plan during the election period remained  
 1478 in the pension plan. An eligible employee who was employed in a  
 1479 regularly established position during the election period was

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1480 granted the option to make one subsequent election, as provided  
 1481 in paragraph (e). With respect to an eligible employee who did  
 1482 not participate in the initial election period or who is  
 1483 employed initially in a regularly established position after the  
 1484 close of the initial election period but before July 1, 2015, or  
 1485 June 1, 2002, by a state employer:  
 1486 a. ~~Any such employee may elect to participate in the~~  
 1487 ~~investment plan in lieu of retaining his or her membership in~~  
 1488 ~~the pension plan. The election must be made in writing or by~~  
 1489 ~~electronic means and must be filed with the third-party~~  
 1490 ~~administrator by August 31, 2002, or, in the case of an active~~  
 1491 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
 1492 ~~last business day of the 5th month following the month the leave~~  
 1493 ~~of absence concludes. This election is irrevocable, except as~~  
 1494 ~~provided in paragraph (g). Upon making such election, the~~  
 1495 ~~employee shall be enrolled as a member of the investment plan,~~  
 1496 ~~the employee's membership in the Florida Retirement System is~~  
 1497 ~~governed by the provisions of this part, and the employee's~~  
 1498 ~~membership in the pension plan terminates. The employee's~~  
 1499 ~~enrollment in the investment plan is effective the first day of~~  
 1500 ~~the month for which a full month's employer contribution is made~~  
 1501 ~~to the investment plan.~~  
 1502 b. ~~Any such employee who fails to elect to participate in~~  
 1503 ~~the investment plan within the prescribed time period is deemed~~  
 1504 ~~to have elected to retain membership in the pension plan, and~~  
 1505 ~~the employee's option to elect to participate in the investment~~  
 1506 ~~plan is forfeited.~~  
 1507 2. ~~With respect to employees who become eligible to~~  
 1508 ~~participate in the investment plan by reason of employment in a~~

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1509 ~~regularly established position with a state employer commencing~~  
 1510 ~~after April 1, 2002.~~

1511 ~~a.~~ Any such employee shall, by default, be enrolled in the  
 1512 pension plan at the commencement of employment, and may, by the  
 1513 last business day of the 5th month following the employee's  
 1514 month of hire, elect to participate in the investment plan. The  
 1515 employee's election must be ~~made~~ in writing or by electronic  
 1516 means and ~~must be~~ filed with the third-party administrator. The  
 1517 election to participate in the investment plan is irrevocable,  
 1518 except as provided in paragraph (e) ~~(g)~~.

1519 ~~a.b.~~ If the employee files such election within the  
 1520 prescribed time period, enrollment in the investment plan is  
 1521 effective on the first day of employment. The retirement  
 1522 contributions paid through the month of the employee plan change  
 1523 shall be transferred to the investment program, and, effective  
 1524 the first day of the next month, the employer and employee must  
 1525 pay the applicable contributions based on the employee  
 1526 membership class in the program.

1527 ~~b.e.~~ An employee who fails to elect to participate in the  
 1528 investment plan within the prescribed time period is deemed to  
 1529 have elected to retain membership in the pension plan, and the  
 1530 employee's option to elect to participate in the investment plan  
 1531 is forfeited.

1532 ~~2.3.~~ With respect to employees who become eligible to  
 1533 participate in the investment plan pursuant to s.  
 1534 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
 1535 participate in the investment plan in lieu of retaining his or  
 1536 her membership in the State Community College System Optional  
 1537 Retirement Program or the State University System Optional

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1538 Retirement Program. The election must be ~~made~~ in writing or by  
 1539 electronic means and ~~must be~~ filed with the third-party  
 1540 administrator. This election is irrevocable, except as provided  
 1541 in paragraph (g). Upon making such election, the employee shall  
 1542 be enrolled as a member in the investment plan, the employee's  
 1543 membership in the Florida Retirement System is governed by the  
 1544 provisions of this part, and the employee's participation in the  
 1545 State Community College System Optional Retirement Program or  
 1546 the State University System Optional Retirement Program  
 1547 terminates. The employee's enrollment in the investment plan is  
 1548 effective on the first day of the month for which a full month's  
 1549 employer and employee contribution is made to the investment  
 1550 plan.

1551 ~~4. For purposes of this paragraph, "state employer" means~~  
 1552 ~~any agency, board, branch, commission, community college,~~  
 1553 ~~department, institution, institution of higher education, or~~  
 1554 ~~water management district of the state, which participates in~~  
 1555 ~~the Florida Retirement System for the benefit of certain~~  
 1556 ~~employees.~~

1557 ~~(b)1. With respect to an eligible employee who is employed~~  
 1558 ~~in a regularly established position on September 1, 2002, by a~~  
 1559 ~~district school board employer.~~

1560 ~~a. Any such employee may elect to participate in the~~  
 1561 ~~investment plan in lieu of retaining his or her membership in~~  
 1562 ~~the pension plan. The election must be made in writing or by~~  
 1563 ~~electronic means and must be filed with the third-party~~  
 1564 ~~administrator by November 30, or, in the case of an active~~  
 1565 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
 1566 ~~last business day of the 5th month following the month the leave~~

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1567 of absence concludes. This election is irrevocable, except as  
 1568 provided in paragraph (g). Upon making such election, the  
 1569 employee shall be enrolled as a member of the investment plan,  
 1570 the employee's membership in the Florida Retirement System is  
 1571 governed by the provisions of this part, and the employee's  
 1572 membership in the pension plan terminates. The employee's  
 1573 enrollment in the investment plan is effective the first day of  
 1574 the month for which a full month's employer contribution is made  
 1575 to the investment program.

1576 b. Any such employee who fails to elect to participate in  
 1577 the investment plan within the prescribed time period is deemed  
 1578 to have elected to retain membership in the pension plan, and  
 1579 the employee's option to elect to participate in the investment  
 1580 plan is forfeited.

1581 2. With respect to employees who become eligible to  
 1582 participate in the investment plan by reason of employment in a  
 1583 regularly established position with a district school board  
 1584 employer commencing after July 1, 2002:

1585 a. Any such employee shall, by default, be enrolled in the  
 1586 pension plan at the commencement of employment, and may, by the  
 1587 last business day of the 5th month following the employee's  
 1588 month of hire, elect to participate in the investment plan. The  
 1589 employee's election must be made in writing or by electronic  
 1590 means and must be filed with the third-party administrator. The  
 1591 election to participate in the investment plan is irrevocable,  
 1592 except as provided in paragraph (g).

1593 b. If the employee files such election within the  
 1594 prescribed time period, enrollment in the investment plan is  
 1595 effective on the first day of employment. The employer

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1596 retirement contributions paid through the month of the employee  
 1597 plan change shall be transferred to the investment plan, and,  
 1598 effective the first day of the next month, the employer shall  
 1599 pay the applicable contributions based on the employee  
 1600 membership class in the investment plan.

1601 e. Any such employee who fails to elect to participate in  
 1602 the investment plan within the prescribed time period is deemed  
 1603 to have elected to retain membership in the pension plan, and  
 1604 the employee's option to elect to participate in the investment  
 1605 plan is forfeited.

1606 3. For purposes of this paragraph, "district school board  
 1607 employer" means any district school board that participates in  
 1608 the Florida Retirement System for the benefit of certain  
 1609 employees, or a charter school or charter technical career  
 1610 center that participates in the Florida Retirement System as  
 1611 provided in s. 121.051(2)(d).

1612 (e)1. With respect to an eligible employee who is employed  
 1613 in a regularly established position on December 1, 2002, by a  
 1614 local employer:

1615 a. Any such employee may elect to participate in the  
 1616 investment plan in lieu of retaining his or her membership in  
 1617 the pension plan. The election must be made in writing or by  
 1618 electronic means and must be filed with the third-party  
 1619 administrator by February 28, 2003, or, in the case of an active  
 1620 employee who is on a leave of absence on October 1, 2002, by the  
 1621 last business day of the 5th month following the month the leave  
 1622 of absence concludes. This election is irrevocable, except as  
 1623 provided in paragraph (g). Upon making such election, the  
 1624 employee shall be enrolled as a participant of the investment

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1625 plan, the employee's membership in the Florida Retirement System  
 1626 is governed by the provisions of this part, and the employee's  
 1627 membership in the pension plan terminates. The employee's  
 1628 enrollment in the investment plan is effective the first day of  
 1629 the month for which a full month's employer contribution is made  
 1630 to the investment plan.

1631 ~~b. Any such employee who fails to elect to participate in~~  
 1632 ~~the investment plan within the prescribed time period is deemed~~  
 1633 ~~to have elected to retain membership in the pension plan, and~~  
 1634 ~~the employee's option to elect to participate in the investment~~  
 1635 ~~plan is forfeited.~~

1636 2. With respect to employees who become eligible to  
 1637 participate in the investment plan by reason of employment in a  
 1638 regularly established position with a local employer commencing  
 1639 after October 1, 2002:

1640 a. Any such employee shall, by default, be enrolled in the  
 1641 pension plan at the commencement of employment, and may, by the  
 1642 last business day of the 5th month following the employee's  
 1643 month of hire, elect to participate in the investment plan. The  
 1644 employee's election must be made in writing or by electronic  
 1645 means and must be filed with the third party administrator. The  
 1646 election to participate in the investment plan is irrevocable,  
 1647 except as provided in paragraph (g).

1648 b. If the employee files such election within the  
 1649 prescribed time period, enrollment in the investment plan is  
 1650 effective on the first day of employment. The employer  
 1651 retirement contributions paid through the month of the employee  
 1652 plan change shall be transferred to the investment plan, and,  
 1653 effective the first day of the next month, the employer shall

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1654 pay the applicable contributions based on the employee  
 1655 membership class in the investment plan.

1656 ~~e. Any such employee who fails to elect to participate in~~  
 1657 ~~the investment plan within the prescribed time period is deemed~~  
 1658 ~~to have elected to retain membership in the pension plan, and~~  
 1659 ~~the employee's option to elect to participate in the investment~~  
 1660 ~~plan is forfeited.~~

1661 ~~3. For purposes of this paragraph, "local employer" means~~  
 1662 ~~any employer not included in paragraph (a) or paragraph (b).~~

1663 (b)(d) Contributions available for self-direction by a  
 1664 member who has not selected one or more specific investment  
 1665 products shall be allocated as prescribed by the state board.  
 1666 The third-party administrator shall notify the member at least  
 1667 quarterly that the member should take an affirmative action to  
 1668 make an asset allocation among the investment products.

1669 (c)(e) On or after July 1, 2011, a member of the pension  
 1670 plan who obtains a refund of employee contributions retains his  
 1671 or her prior plan choice upon return to employment in a  
 1672 regularly established position with a participating employer.

1673 (d)(f) A member of the investment plan who takes a  
 1674 distribution of any contributions from his or her investment  
 1675 plan account is considered a retiree. A retiree who is initially  
 1676 reemployed in a regularly established position on or after July  
 1677 1, 2010, is not eligible to be enrolled in renewed membership.

1678 (e)(g) After the period during which an eligible employee,  
 1679 who initially enrolled before July 1, 2015, had the choice to  
 1680 elect the pension plan or the investment plan, or the month  
 1681 following the receipt of the eligible employee's plan election,  
 1682 if sooner, the employee shall have one opportunity, at the

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1683 employee's discretion, to ~~choose to~~ move from the pension plan  
 1684 to the investment plan or from the investment plan to the  
 1685 pension plan. Eligible employees may elect to move between plans  
 1686 only if they are earning service credit in an employer-employee  
 1687 relationship consistent with s. 121.021(17)(b), excluding leaves  
 1688 of absence without pay. Effective July 1, 2005, such elections  
 1689 are effective on the first day of the month following the  
 1690 receipt of the election by the third-party administrator and are  
 1691 not subject to the requirements regarding an employer-employee  
 1692 relationship or receipt of contributions for the eligible  
 1693 employee in the effective month, except when the election is  
 1694 received by the ~~third party~~ administrator. This paragraph is  
 1695 contingent upon approval by the Internal Revenue Service.

1696 1. If the employee chooses to move to the investment plan,  
 1697 the provisions of subsection (3) govern the transfer.

1698 2. If the employee chooses to move to the pension plan, the  
 1699 employee must transfer from his or her investment plan account,  
 1700 and from other employee moneys as necessary, ~~a sum representing~~  
 1701 the present value of that employee's accumulated benefit  
 1702 obligation immediately following the time of such movement,  
 1703 determined assuming that attained service equals the sum of  
 1704 service in the pension plan and service in the investment plan.  
 1705 Benefit commencement occurs on the first date the employee is  
 1706 eligible for unreduced benefits, using the discount rate and  
 1707 other relevant actuarial assumptions that were used to value the  
 1708 pension plan liabilities in the most recent actuarial valuation.  
 1709 For an any employee who, at the time of the second election,  
 1710 already maintains an accrued benefit amount in the pension plan,  
 1711 the then-present value of the accrued benefit is deemed part of

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1712 the required transfer amount. The division must ensure that the  
 1713 transfer sum is prepared using a formula and methodology  
 1714 certified by an enrolled actuary. A refund of any employee  
 1715 contributions or additional member payments made which exceed  
 1716 the employee contributions that would have accrued had the  
 1717 member remained in the pension plan and not transferred to the  
 1718 investment plan is not permitted.

1719 3. Notwithstanding subparagraph 2., an employee who chooses  
 1720 to move to the pension plan and who became eligible to  
 1721 participate in the investment plan by reason of employment in a  
 1722 regularly established position with a state employer after June  
 1723 1, 2002; a district school board employer after September 1,  
 1724 2002; or a local employer after December 1, 2002, must transfer  
 1725 from his or her investment plan account, and from other employee  
 1726 moneys as necessary, a sum representing the employee's actuarial  
 1727 accrued liability. A refund of ~~any~~ employee contributions or  
 1728 additional member participant payments made which exceed the  
 1729 employee contributions that would have accrued had the member  
 1730 remained in the pension plan and not transferred to the  
 1731 investment plan is not permitted.

1732 4. An employee's ability to transfer from the pension plan  
 1733 to the investment plan pursuant to paragraph (a) and this  
 1734 paragraph ~~paragraphs (a)-(d)~~, and the ability of a current  
 1735 employee to have an option to later transfer back into the  
 1736 pension plan under subparagraph 2., shall be deemed a  
 1737 significant system amendment. Pursuant to s. 121.031(4), any  
 1738 resulting unfunded liability arising from actual original  
 1739 transfers from the pension plan to the investment plan must be  
 1740 amortized within 30 plan years as a separate unfunded actuarial



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1741 base independent of the reserve stabilization mechanism defined  
 1742 in s. 121.031(3)(f). For the first 25 years, a direct  
 1743 amortization payment may not be calculated for this base. During  
 1744 this 25-year period, the separate base shall be used to offset  
 1745 the impact of employees exercising their second program election  
 1746 under this paragraph. The actuarial funded status of the pension  
 1747 plan ~~is will~~ not be affected by such second program elections in  
 1748 any significant manner, after due recognition of the separate  
 1749 unfunded actuarial base. Following the initial 25-year period,  
 1750 any remaining balance of the original separate base shall be  
 1751 amortized over the remaining 5 years of the required 30-year  
 1752 amortization period.

1753 5. If the employee chooses to transfer from the investment  
 1754 plan to the pension plan and retains an excess account balance  
 1755 in the investment plan after satisfying the buy-in requirements  
 1756 under this paragraph, the excess may not be distributed until  
 1757 the member retires from the pension plan. The excess account  
 1758 balance may be rolled over to the pension plan and used to  
 1759 purchase service credit or upgrade creditable service in the  
 1760 pension plan.

1761 (f) An employee initially enrolled before July 1, 2015,  
 1762 shall have one opportunity in his or her working career, at the  
 1763 employee's discretion, to transfer from the pension plan to the  
 1764 cash balance plan or from the investment plan to the cash  
 1765 balance plan as provided in s. 121.602(2). An eligible employee  
 1766 may elect to transfer between plans only if he or she is earning  
 1767 service credit in an employer-employee relationship consistent  
 1768 with s. 121.021(17)(b), excluding leaves of absence without pay.  
 1769 Such elections are effective on the first day of the month

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1770 following the receipt of the election by the third-party  
 1771 administrator and are not subject to the requirements regarding  
 1772 an employer-employee relationship or receipt of contributions  
 1773 for the eligible employee in the effective month, except when  
 1774 the election is received by the administrator. This one-time  
 1775 career transfer is irrevocable, and no other transfer is  
 1776 allowed. If the employee chooses to transfer from the investment  
 1777 plan or from the pension plan to the cash balance plan, s.  
 1778 121.602(2) governs the transfer.

1779 (g) Except as otherwise provided in s. 121.602(3)(a) and  
 1780 (e), an employee initially enrolled on or after July 1, 2015, is  
 1781 not eligible to enroll in the pension plan.

1782 (5) CONTRIBUTIONS.—

1783 (a) The employee and employer shall make the required  
 1784 contributions to the investment plan based on a percentage of  
 1785 the employee's gross monthly compensation, as provided in part  
 1786 IV ~~III~~ of this chapter.

1787 (10) EDUCATION COMPONENT.—

1788 (c) The state board, in coordination with the department,  
 1789 shall provide for an initial and ongoing transfer education  
 1790 component to provide system members with information necessary  
 1791 to make informed plan choice decisions. The transfer education  
 1792 component must include, but is not limited to, information on:

1793 1. The amount of money available to a member for  
 1794 transferring to the investment plan or the cash balance plan ~~to~~  
 1795 ~~transfer to the defined contribution program.~~

1796 2. The features of and differences between the pension  
 1797 plan, the investment plan, and the cash balance plan ~~and the~~  
 1798 ~~defined contribution program~~, both generally and specifically,

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1799 as those differences may affect the member.

1800 3. The expected benefit available if the member were to  
1801 retire under each of the retirement plans ~~programs~~, based on  
1802 appropriate alternative sets of assumptions.

1803 4. The rate of return from investments in the investment  
1804 plan ~~defined contribution program~~ and the period of time over  
1805 which such rate of return must be achieved to equal or exceed  
1806 the expected monthly benefit payable to the member under the  
1807 pension plan or the benefit payable to the member under the cash  
1808 balance plan.

1809 5. The historical rates of return for the investment  
1810 alternatives available in the investment plan ~~defined~~  
1811 ~~contribution programs~~.

1812 6. The benefits and historical rates of return on  
1813 investments available in a typical deferred compensation plan or  
1814 a typical plan under s. 403(b) of the Internal Revenue Code for  
1815 which the employee may be eligible.

1816 7. The program choices available to employees of the State  
1817 University System and the comparative benefits of each available  
1818 program, if applicable.

1819 8. Payout options available in each of the retirement plans  
1820 ~~programs~~.

1821 (g) Funding for education of new employees may reflect  
1822 administrative costs to the investment plan and the cash balance  
1823 ~~pension~~ plan.

1824 (h) Pursuant to subsection (8), all Florida Retirement  
1825 System employers have an obligation to regularly communicate the  
1826 existence of the ~~two~~ Florida Retirement System plans and the  
1827 plan choice in the natural course of administering their

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1828 personnel functions, using the educational materials supplied by  
1829 the state board and the Department of Management Services.

1830 (15) STATEMENT OF FIDUCIARY STANDARDS AND  
1831 RESPONSIBILITIES.—

1832 (a) Investment of ~~defined contribution~~ plan assets shall be  
1833 made for the sole interest and exclusive purpose of providing  
1834 benefits to members and beneficiaries and defraying reasonable  
1835 expenses of administering the plan. The plan's program's assets  
1836 shall be invested on behalf of the ~~program~~ members with the  
1837 care, skill, and diligence that a prudent person acting in a  
1838 like manner would undertake. The performance of the investment  
1839 duties set forth in this paragraph must ~~shall~~ comply with the  
1840 fiduciary standards set forth in the Employee Retirement Income  
1841 Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). In case  
1842 of conflict with other provisions of law authorizing  
1843 investments, the investment and fiduciary standards set forth in  
1844 this subsection ~~shall~~ prevail.

1845 Section 15. Section 121.70, Florida Statutes, is amended to  
1846 read:

1847 121.70 Legislative purpose and intent.—

1848 (1) This part provides for a uniform system for funding  
1849 benefits provided under the Florida Retirement System Pension  
1850 Plan established under part I of this chapter, ~~(referred to in~~  
1851 ~~this part as the pension plan)~~ and under the Florida Retirement  
1852 System Investment Plan established under part II of this  
1853 chapter, and under the Florida Retirement System Cash Balance  
1854 Plan established under part III of this chapter ~~(referred to in~~  
1855 ~~this part as the investment plan)~~. The Legislature recognizes  
1856 and declares that the Florida Retirement System is a single

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1857 retirement system, consisting of three ~~two~~ retirement plans and  
 1858 other nonintegrated programs. Employees and employers  
 1859 participating in the Florida Retirement System collectively  
 1860 ~~shall make shall be responsible for making~~ contributions to  
 1861 support the benefits provided under the three ~~both~~ plans. The  
 1862 employees and employers shall make contributions based upon a  
 1863 uniform or blended contribution rate system ~~rates~~ determined as  
 1864 a percentage of the employee's gross monthly compensation for  
 1865 the employee's class or subclass of Florida Retirement System  
 1866 membership, irrespective of the retirement plan in which the  
 1867 individual employee is enrolled. ~~This shall be known as a~~  
 1868 ~~uniform or blended contribution rate system.~~

1869 (2) In establishing a uniform contribution rate system, it  
 1870 is the intent of the Legislature to:

1871 (a) Provide greater stability and certainty in financial  
 1872 planning and budgeting for Florida Retirement System employers  
 1873 by eliminating the fiscal instability that would be caused by  
 1874 multiple ~~and~~ rates coupled with employee-selected plan  
 1875 participation;

1876 (b) Provide greater fiscal equity and uniformity for system  
 1877 employers by effectively distributing the financial burden and  
 1878 benefit of short-term system deficits and surpluses,  
 1879 respectively, in proportion to total system payroll; and

1880 (c) Allow employees to make their retirement plan selection  
 1881 decisions free of circumstances that may cause employers to  
 1882 favor one plan choice over another.

1883 Section 16. Subsections (1), (3), (4), and (5) of section  
 1884 121.71, Florida Statutes, are amended to read:  
 1885 121.71 Uniform rates; process; calculations; levy.-

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1886 (1) In conducting the system actuarial study required under  
 1887 s. 121.031, the actuary shall follow all specified requirements  
 1888 ~~specified~~ to determine, by Florida Retirement System employee  
 1889 membership class, the dollar contribution amounts necessary for  
 1890 the next fiscal year for the pension plan and the cash balance  
 1891 plan as determined by independent valuations of each plan. ~~In~~  
 1892 ~~addition,~~ The actuary shall also determine, by Florida  
 1893 Retirement System membership class, based on an estimate for the  
 1894 next fiscal year of the gross compensation of employees  
 1895 participating in the investment plan, the dollar contribution  
 1896 amounts necessary to make the allocations required under ss.  
 1897 121.72 and 121.73. For each employee membership class and  
 1898 subclass, the actuarial study must establish a uniform rate  
 1899 necessary to fund the benefit obligations under the ~~both~~ Florida  
 1900 Retirement System retirement plans by dividing the sum of total  
 1901 dollars required by the estimated gross compensation of members  
 1902 in the ~~both~~ plans.

1903 (3) Required employee retirement contribution rates for  
 1904 each membership class and subclass of the Florida Retirement  
 1905 System for the ~~both~~ retirement plans are as follows:

1906

	Percentage of
	Gross
	Compensation,
	Effective
	July 1, 2011
Membership Class	

1907

1908

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1909	Regular Class	3.00%	
1910	Special Risk Class	3.00%	
1911	Special Risk Administrative Support Class	3.00%	
1912	Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%	
1913	Elected Officers' Class-- Justices, Judges	3.00%	
1914	Elected Officers' Class-- County Elected Officers	3.00%	
1915	Senior Management Service Class	3.00%	
1916	DROP	0.00%	
1917	(4) Required employer retirement contribution rates for		
1918	each membership class and subclass of the Florida Retirement		
1919	System <del>for both retirement plans</del> are as follows:		

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1920		Percentage of Gross Compensation, Effective July 1, 2013	
1921	Membership Class		
1922	Regular Class	3.53%	
1923	Special Risk Class	11.00%	
1924	Special Risk Administrative Support Class	4.17%	
1925	Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	6.52%	
1926	Elected Officers' Class-- Justices, Judges	10.05%	
1927	Elected Officers' Class-- County Elected Officers	8.44%	

1928	578-01873-14	20141114__	
	Senior Management Class		4.81%
1929			
	DROP		4.63%
1930			
1931	(5) In order to address unfunded actuarial liabilities of		
1932	the system, the required employer retirement contribution rates		
1933	for each membership class and subclass of the Florida Retirement		
1934	System <del>for both retirement plans</del> are as follows:		
1935			
	Membership Class	Percentage of Gross Compensation, Effective July 1, 2013	
1936			
1937	Regular Class		2.19%
1938	Special Risk Class		6.83%
1939	Special Risk Administrative Support Class		30.56%
1940	Elected Officers' Class-- Legislators, Governor, Lt. Governor,		24.85%

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	Cabinet Officers, State Attorneys, Public Defenders		
1941			
	Elected Officers' Class-- Justices, Judges		17.00%
1942			
	Elected Officers' Class-- County Elected Officers		23.36%
1943			
	Senior Management Service Class		12.27%
1944			
	DROP		7.01%
1945			
1946	Section 17. Section 121.721, Florida Statutes, is created		
1947	to read:		
1948	<u>121.721 Credits to cash balance plan member accounts and</u>		
1949	<u>interest on accounts; percentage amounts.--</u>		
1950	<u>(1) The service credits established in this section shall</u>		
1951	<u>be used to fund retirement benefits under the cash balance plan</u>		
1952	<u>and shall be transferred monthly by the Division of Retirement</u>		
1953	<u>from the Florida Retirement System Contributions Clearing Trust</u>		
1954	<u>Fund to the Cash Balance Plan Trust Fund and credited to each</u>		
1955	<u>participating member's account based on the membership class of</u>		
1956	<u>the member.</u>		
1957	<u>(2) The service credits are stated as a percentage of each</u>		
1958	<u>cash balance plan member's gross compensation for the calendar</u>		
1959	<u>month. A change in a contribution percentage is effective the</u>		

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1960 1st day of the month for which retirement contributions may be  
 1961 made on or after the beginning date of the change. Credit  
 1962 percentages may be modified by general law.

1963 (3) Employer and member credits as provided under s.  
 1964 121.602(5) and (6) shall be accounted for separately.

1965 (4) Credit allocations from the Florida Retirement System  
 1966 Contributions Clearing Account Trust Fund to the cash balance  
 1967 plan member annuity savings account for each member of the cash  
 1968 balance plan are as follows:

	<u>Percentage</u> <u>of Gross</u> <u>Compensation,</u> <u>Effective</u> <u>July 1, 2015</u>
1969	
1970	<u>Membership Class</u>
1971	
1972	<u>Regular Class</u> 3.00%
1973	<u>Special Risk Class</u> 3.00%
	<u>Special Risk</u> <u>Administrative</u> <u>Support Class</u> 3.00%
1974	<u>Elected Officers' Class-</u> <u>Legislators, Governor,</u> <u>Lt. Governor,</u> 3.00%

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Cabinet Officers,  
State Attorneys,  
Public Defenders

1975 Elected Officers' Class-  
Justices, Judges 3.00%

1976 Elected Officers' Class-  
County Elected Officers 3.00%

1977 Senior Management Service  
Class 3.00%

1978  
 1979 (5) Service credit allocations from the Florida Retirement  
 1980 System Contributions Clearing Account Trust Fund to the cash  
 1981 balance plan employer retirement annuity account for each member  
 1982 of the cash balance plan are as follows:

	<u>Percentage</u> <u>of Gross</u> <u>Compensation,</u> <u>Effective</u> <u>July 1, 2015</u>
1983	<u>Membership Class</u>
1984	<u>Regular Class</u> 3.05%
1985	<u>Special Risk Class</u> 9.30%
1986	

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	<u>Special Risk</u>	
	<u>Administrative</u>	
	<u>Support Class</u>	3.05%
1987	<u>Elected Officers' Class-</u>	
	<u>Legislators, Governor,</u>	
	<u>Lt. Governor,</u>	
	<u>Cabinet Officers,</u>	
	<u>State Attorneys,</u>	
	<u>Public Defenders</u>	5.58%
1988	<u>Elected Officers' Class-</u>	
	<u>Justices, Judges</u>	9.11%
1989	<u>Elected Officers' Class-</u>	
	<u>County Elected Officers</u>	7.55%
1990	<u>Senior Management Service</u>	
	<u>Class</u>	4.28%
1991		
1992	<u>(6) (a) Beginning July 1, 2015, each member of the cash</u>	
1993	<u>balance plan may be credited with interest credits on the</u>	
1994	<u>balance of the member's accounts.</u>	
1995	<u>(b) Effective July 1, 2015, the guaranteed interest credits</u>	
1996	<u>payable on the balance of each member's retirement annuity</u>	
1997	<u>account and annuity savings account accrues at an effective</u>	
1998	<u>annual rate of 2 percent, compounded monthly and credited</u>	
1999	<u>monthly based on the prior month's accumulated ending balances.</u>	
2000	<u>Such interest credits must be posted to member accounts by the</u>	

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2001	<u>15th business day of the following month.</u>	
2002	<u>(c) Effective July 1, 2015, additional interest credits</u>	
2003	<u>shall be credited as follows:</u>	
2004	<u>1. If the annual rate of return on investments of the cash</u>	
2005	<u>balance plan assets for the prior plan year did not exceed 2</u>	
2006	<u>percent, no additional interest credits shall be allowed.</u>	
2007	<u>2. If the annual rate of return on investments of the cash</u>	
2008	<u>balance plan assets for the prior plan year was greater than 2</u>	
2009	<u>percent, additional interest credits are payable on each</u>	
2010	<u>member's retirement annuity account and annuity savings account</u>	
2011	<u>equal to 75 percent of the difference between the annual rate of</u>	
2012	<u>return and 2 percent.</u>	
2013	<u>3. All additional interest credits payable under this</u>	
2014	<u>paragraph shall be allocated on the 15th business day of</u>	
2015	<u>November following the close of the plan year based on the</u>	
2016	<u>member's account balances as of the preceding June 30.</u>	
2017	<u>(d) To be eligible for an interest credit, the member must</u>	
2018	<u>have an account balance at the time the interest credit is</u>	
2019	<u>posted to the account. Interest credits may not be awarded to a</u>	
2020	<u>member who has taken a full distribution of the member's</u>	
2021	<u>accounts or who has annuitized the member's accumulated total</u>	
2022	<u>account balance before interest credits are posted.</u>	
2023	<u>(e) Notwithstanding paragraphs (b) and (c), interest</u>	
2024	<u>credits may not be granted on the member's nonvested account</u>	
2025	<u>balances following the end of the second plan year after the</u>	
2026	<u>member has terminated without meeting the vesting requirements</u>	
2027	<u>of the cash balance plan.</u>	
2028	<u>Section 18. Section 121.73, Florida Statutes, is amended to</u>	
2029	<u>read:</u>	

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2030 121.73 Allocations for member disability coverage and  
 2031 coverage for members killed in the line of duty; percentage  
 2032 amounts.—

2033 (1) The allocations established in:

2034 (a) Subsection (3) shall be used to provide disability  
 2035 coverage for members in the investment plan and ~~shall be~~  
 2036 transferred monthly by the Division of Retirement from the  
 2037 Florida Retirement System Contributions Clearing Trust Fund to  
 2038 the disability account of the Florida Retirement System Trust  
 2039 Fund.

2040 (b) Subsection (4) shall be used to provide disability  
 2041 coverage for members in the cash balance plan and transferred  
 2042 monthly by the Division of Retirement from the Florida  
 2043 Retirement System Contributions Clearing Trust Fund to the  
 2044 disability account of the Florida Retirement System Cash Balance  
 2045 Plan Trust Fund.

2046 (2) The allocations contained in this section are stated as  
 2047 a percentage of each investment plan or cash balance plan  
 2048 member's gross compensation for the calendar month. A change in  
 2049 a contribution percentage is effective the 1st ~~first~~ day of the  
 2050 month for which retirement contributions may be made on or after  
 2051 the beginning date of the change. Contribution percentages may  
 2052 be modified by general law.

2053 (3) Effective July 1, 2002, allocations from the Florida  
 2054 Retirement System Contributions Clearing Trust Fund to provide  
 2055 disability coverage for members in the investment plan, and to  
 2056 offset the costs of administering such ~~said~~ coverage, are as  
 2057 follows:  
 2058

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	Membership Class	Percentage of Gross Compensation
2059		
2060	Regular Class	0.25%
2061	Special Risk Class	1.33%
2062	Special Risk Administrative Support Class	0.45%
2063	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	0.41%
2064	Elected Officers' Class— Justices, Judges	0.73%
2065	Elected Officers' Class— County Elected Officers	0.41%
2066	Senior Management Service Class	0.26%
2067		
2068	<u>(4) Allocations from the Florida Retirement System</u>	



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2069 Contributions Clearing Trust Fund to provide disability coverage  
 2070 for members in the cash balance plan and to offset costs of  
 2071 administering such coverage, are as follows:

	<u>Percentage of Gross</u> <u>Compensation</u> <u>Effective July 1, 2015</u>
<u>Membership Class</u>	
<u>Regular Class</u>	<u>0.26%</u>
<u>Special Risk Class</u>	<u>0.95%</u>
<u>Special Risk Administrative</u> <u>Support Class</u>	<u>0.26%</u>
<u>Elected Officers' Class-</u> <u>Legislators, Governor,</u> <u>Lt. Governor, Cabinet</u> <u>Officers,</u> <u>State Attorneys, Public</u> <u>Defenders</u>	<u>0.24%</u>
<u>Elected Officers' Class-</u> <u>Justices, Judges</u>	<u>0.47%</u>
<u>Elected Officers' Class-</u> <u>County Elected Officers</u>	<u>0.27%</u>

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2080 Senior Management Service  
Class 0.21%

2081

2082 (5) The allocations established in this subsection shall be  
 2083 transferred monthly by the Division of Retirement from the  
 2084 Florida Retirement System Contributions Clearing Trust Fund to  
 2085 the in-line-of-duty death account of the Florida Retirement  
 2086 System Cash Balance Plan Trust Fund and shall be used to provide  
 2087 coverage for members of the cash balance plan killed in the line  
 2088 of duty. The allocations are as follows:

	<u>Percentage of Gross</u> <u>Compensation</u> <u>Effective July 1, 2015</u>
<u>Membership Class</u>	
<u>Regular Class</u>	<u>0.09%</u>
<u>Special Risk Class</u>	<u>0.25%</u>
<u>Special Risk Administrative</u> <u>Support Class</u>	<u>0.09%</u>
<u>Elected Officers' Class-</u> <u>Legislators, Governor,</u> <u>Lt. Governor, Cabinet</u> <u>Officers,</u>	<u>0.14%</u>

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State Attorneys, Public Defenders

2095 Elected Officers' Class--

2096 Justices, Judges 0.18%

Elected Officers' Class--

2097 County Elected Officers 0.16%

Senior Management Service

2098 Class 0.11%

2099

2100 Section 19. Section 121.74, Florida Statutes, is amended to

2101 read:

2102 121.74 Administrative and educational expenses.—In addition

2103 to contributions required to fund member accounts under ss.

2104 121.71 and 121.73, effective July 1, 2010, through June 30,

2105 2014, employers participating in the Florida Retirement System

2106 shall contribute an employer assessment amount equal to 0.03

2107 percent of the payroll reported for each class or subclass of

2108 Florida Retirement System membership. Effective July 1, 2014,

2109 ~~the employer assessment is the contribution rate shall be~~ 0.04

2110 percent of the payroll reported for each class or subclass of

2111 membership. The amount ~~assessed~~ contributed shall be transferred

2112 by the Division of Retirement from the Florida Retirement System

2113 Contributions Clearing Trust Fund to the State Board of

2114 Administration's Administrative Trust Fund to offset the costs

2115 of administering the investment plan and the cash balance plan

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2116 and the costs of providing educational services to members of

2117 the Florida Retirement System. Approval of the trustees is

2118 required before the expenditure of these funds. Payments for

2119 third-party administrative or educational expenses shall be made

2120 only pursuant to the terms of the approved contracts for such

2121 services.

2122 Section 20. Section 121.76, Florida Statutes, is amended to

2123 read:

2124 121.76 Contributions for social security and for retiree

2125 health insurance subsidy.—Contributions required under this part

2126 shall be made or deducted, as ~~may be~~ appropriate, for each pay

2127 period and are in addition to employer and member contributions

2128 required for social security and the Retiree Health Insurance

2129 Subsidy Trust Fund as provided under ~~parts I and II of~~ this

2130 chapter.

2131 Section 21. Subsection (3) of section 121.78, Florida

2132 Statutes, is amended to read:

2133 121.78 Payment and distribution of contributions.—

2134 (3) (a) Employee and employer contributions and accompanying

2135 payroll data received after the 5th working day of the month are

2136 considered late. The division employer shall assess the employer

2137 ~~be assessed by the division of Retirement~~ a penalty of 1 percent

2138 of the contributions due for each calendar month or part thereof

2139 that the contributions or accompanying payroll data are late.

2140 Proceeds from the ~~1 percent~~ assessment ~~against contributions~~

2141 made on behalf of members of the pension plan shall must be

2142 deposited in the Florida Retirement System Trust Fund, and

2143 proceeds from the ~~1 percent~~ assessment ~~against contributions~~

2144 made on behalf of members of the investment plan shall be

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2145 transferred to the third-party administrator for deposit into  
 2146 member accounts, as provided in paragraph (c). Proceeds from the  
 2147 assessment made on behalf of members of the cash balance plan  
 2148 shall be credited to the Florida Retirement System Cash Balance  
 2149 Plan Trust Fund.

2150 (b) Retirement contributions paid for a prior period shall  
 2151 be charged a delinquent fee of 1 percent for each calendar month  
 2152 or part thereof that the contributions should have been paid.  
 2153 This includes prior period contributions due to incorrect wages  
 2154 and contributions from an earlier report or wages and  
 2155 contributions that should have been reported but were not. The  
 2156 delinquent assessments may not be waived. Proceeds from the  
 2157 delinquent fee made on behalf of members of the pension plan  
 2158 shall be deposited into the Florida Retirement System Trust  
 2159 Fund. Proceeds from the delinquent fee made on behalf of members  
 2160 of the investment plan shall be transferred to the third-party  
 2161 administrator for deposit into member accounts. Proceeds from  
 2162 the delinquent fee made on behalf of members of the cash balance  
 2163 plan shall be deposited into the Florida Retirement System Cash  
 2164 Balance Plan Trust Fund to be credited to the annuity savings  
 2165 account and retirement savings accounts of the members.

2166 (c) If employee contributions or contributions made by an  
 2167 employer on behalf of members of the investment plan or  
 2168 accompanying payroll data are not received within the calendar  
 2169 month they are due, including, but not limited to, contribution  
 2170 adjustments as a result of employer errors or corrections, and  
 2171 if that delinquency results in market losses to members, the  
 2172 employer shall reimburse each member's account for market losses  
 2173 resulting from the late contributions. If a member has

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2174 terminated employment and taken a distribution, the member is  
 2175 responsible for returning any excess contributions erroneously  
 2176 provided by employers, adjusted for any investment gain or loss  
 2177 incurred during the period such excess contributions were in the  
 2178 member's account. The state board or its designated agent shall  
 2179 communicate to terminated members any obligation to repay such  
 2180 excess contribution amounts. However, the state board, its  
 2181 designated agents, the Florida Retirement System Investment Plan  
 2182 Trust Fund, the department, or the Florida Retirement System  
 2183 Trust Fund may not incur any loss or gain as a result of an  
 2184 employer's correction of such excess contributions. The third-  
 2185 party administrator, hired by the state board pursuant to s.  
 2186 121.4501(8), shall calculate the market losses for each affected  
 2187 member. If contributions made on behalf of members of the  
 2188 investment plan or accompanying payroll data are not received  
 2189 within the calendar month due, the employer shall also pay the  
 2190 cost of the third-party administrator's calculation and  
 2191 reconciliation adjustments resulting from the late  
 2192 contributions. The third-party administrator shall notify the  
 2193 employer of the results of the calculations and the total amount  
 2194 due from the employer for such losses and the costs of  
 2195 calculation and reconciliation. The employer shall remit to the  
 2196 division ~~of Retirement~~ the amount due within 30 working days  
 2197 after the date of the penalty notice sent by the division. The  
 2198 division shall transfer that amount to the third-party  
 2199 administrator, which shall deposit proceeds from the 1 percent  
 2200 assessment and from individual market losses into member  
 2201 accounts, as appropriate. The state board may adopt rules to  
 2202 administer the provisions regarding late contributions, late

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2203 submission of payroll data, the process for reimbursing member  
2204 accounts for resultant market losses, and the penalties charged  
2205 to the employers.

2206 (d) If a cash balance plan member has terminated employment  
2207 and taken a benefit payment, the member is responsible for  
2208 returning any excess contributions erroneously provided by  
2209 employers. The state board or its designated agent shall  
2210 communicate to terminated members their obligation to repay  
2211 excess contribution amounts. However, the state board, its  
2212 designated agents, the Florida Retirement System Cash Balance  
2213 Plan Trust Fund, or the department may not incur any loss as a  
2214 result of an employer's correction of the excess contributions.

2215 (e)(d) If employee contributions reported by an employer on  
2216 behalf of members are reduced as a result of employer errors or  
2217 corrections, and the member has terminated employment and taken  
2218 a refund, ~~or~~ distribution, or benefit payment, the employer  
2219 shall be billed and is responsible for recovering from the  
2220 member any excess contributions erroneously provided by the  
2221 employer.

2222 (f)(e) Assessments Delinquency fees specified in paragraph  
2223 (a) may be waived by the division, with regard to pension plan  
2224 contributions, and by the state board, with regard to investment  
2225 plan or cash balance plan contributions, only if, in the opinion  
2226 of the division or the board, as appropriate, exceptional  
2227 circumstances beyond the employer's control prevented remittance  
2228 by the prescribed due date notwithstanding the employer's good  
2229 faith efforts to effect delivery. Such a waiver of delinquency  
2230 may be granted an employer only once each plan year.

2231 (g)(f) If the employer submits excess employer or employee

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2232 contributions, the employer shall receive a credit to be applied  
2233 against future contributions owed. The employer is responsible  
2234 for reimbursing the member for any excess contributions  
2235 submitted if a any return of such an erroneous excess pretax  
2236 contribution by the program is made within 1 year after making  
2237 erroneous contributions or such other period allowed under  
2238 applicable Internal Revenue guidance.

2239 (h)(g) If contributions made by an employer on behalf of  
2240 members in the investment plan are delayed in posting to member  
2241 accounts due to acts of God beyond the control of the division  
2242 ~~of Retirement~~, the state board, or the third-party  
2243 administrator, as applicable, market losses resulting from the  
2244 late contributions are not payable to the members.

2245 Section 22. Subsection (10) of section 216.136, Florida  
2246 Statutes, is amended to read:

2247 216.136 Consensus estimating conferences; duties and  
2248 principals.—

2249 (10) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION  
2250 CONFERENCE.—The Florida Retirement System Actuarial Assumption  
2251 Conference shall develop official information with respect to  
2252 the economic and noneconomic assumptions and funding methods of  
2253 the Florida Retirement System necessary to perform the ~~system~~  
2254 actuarial studies study undertaken pursuant to ~~ss. s-~~ 121.031(3)  
2255 and 121.602(20). Such information ~~must shall~~ include an  
2256 analysis of the actuarial assumptions and actuarial methods used  
2257 in the studies study and a determination of whether changes to  
2258 the assumptions or methods need to be made due to experience  
2259 changes or revised future forecasts.

2260 Section 23. Section 238.072, Florida Statutes, is amended

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2261 to read:

2262 238.072 Special service provisions for extension  
 2263 personnel.—All state and county cooperative extension personnel  
 2264 holding appointments by the United States Department of  
 2265 Agriculture for extension work in agriculture and home economics  
 2266 in this state who are joint representatives of the University of  
 2267 Florida and the United States Department of Agriculture, as  
 2268 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the  
 2269 Teachers' Retirement System, chapter 238, and who are prohibited  
 2270 from transferring to and participating in the Florida Retirement  
 2271 System, chapter 121, may retire with full benefits upon  
 2272 completion of 30 years of creditable service and shall be  
 2273 considered to have attained normal retirement age under this  
 2274 chapter, any law to the contrary notwithstanding. In order to  
 2275 comply with ~~the provisions of~~ s. 14, Art. X of the State  
 2276 Constitution, any liability accruing to the Florida Retirement  
 2277 System Trust Fund as a result of ~~the provisions of~~ this section  
 2278 shall be paid on an annual basis from the General Revenue Fund.

2279 Section 24. Subsection (11) of section 413.051, Florida  
 2280 Statutes, is amended to read:

2281 413.051 Eligible blind persons; operation of vending  
 2282 stands.—

2283 (11) Effective July 1, 1996, blind licensees who remain  
 2284 members of the Florida Retirement System pursuant to s.  
 2285 121.051(7)(b)1. ~~must s. 121.051(6)(b)1.~~ shall pay any  
 2286 unappropriated retirement costs from their net profits or from  
 2287 program income. ~~Within 30 days after the effective date of this~~  
 2288 ~~act,~~ Each blind licensee who is eligible to maintain membership  
 2289 in the Florida Retirement System under s. 121.051(7)(b)1. ~~s.~~

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2290 ~~121.051(6)(b)1.~~, but who elects to withdraw from the system as  
 2291 provided in s. 121.051(7)(b)3. ~~s. 121.051(6)(b)3.~~, must, on or  
 2292 before July 31, 1996, notify the Division of Blind Services and  
 2293 the Department of Management Services in writing of his or her  
 2294 election to withdraw. Failure to timely notify the divisions  
 2295 shall be deemed a decision to remain a compulsory member of the  
 2296 Florida Retirement System. However, if, at any time after July  
 2297 1, 1996, sufficient funds are not paid by a blind licensee to  
 2298 cover the required contribution to the Florida Retirement  
 2299 System, that blind licensee shall become ineligible to  
 2300 participate in the Florida Retirement System on the last day of  
 2301 the first month for which no contribution is made or the amount  
 2302 contributed is insufficient to cover the required contribution.  
 2303 For any blind licensee who becomes ineligible to participate ~~in~~  
 2304 ~~the Florida Retirement System~~ as described in this subsection,  
 2305 no creditable service shall be earned under the Florida  
 2306 Retirement System for any period following the month that  
 2307 retirement contributions ceased to be reported. However, ~~any~~  
 2308 such person may participate in the Florida Retirement System in  
 2309 the future if employed by a participating employer in a covered  
 2310 position.

2311 Section 25. The Legislature finds that a proper and  
 2312 legitimate state purpose is served when employees and retirees  
 2313 of the state and its political subdivisions, and the dependents,  
 2314 survivors, and beneficiaries of such employees and retirees, are  
 2315 extended the basic protections afforded by governmental  
 2316 retirement systems. These persons must be provided benefits that  
 2317 are fair and adequate and that are managed, administered, and  
 2318 funded in an actuarially sound manner, as required by s. 14,

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2319 Article X of the State Constitution and part VII of chapter 112,  
 2320 Florida Statutes. Therefore, the Legislature determines and  
 2321 declares that this act fulfills an important state interest.

2322 Section 26. (1) Effective July 1, 2015, in order to fund  
 2323 the benefit changes provided in this act, the required employer  
 2324 contribution rates for the unfunded actuarial liability of the  
 2325 Florida Retirement System established in s. 121.75(5), Florida  
 2326 Statutes, shall be adjusted as follows:

2327 (a) Elected Officers' Class.—Rates for Legislators, the  
 2328 Governor, the Lieutenant Governor, Cabinet Officers, State  
 2329 Attorneys, and Public Defenders shall be increased by .  
 2330 percentage points.

2331 (b) Elected Officers' Class.—Rates for County Elected  
 2332 Officers shall be increased by . percentage points.

2333 (c) Senior Management Service Class.—Rates for the Senior  
 2334 Management Service Class shall be increased by . percentage  
 2335 points.

2336 (2) The adjustments provided in subsection (1) are in  
 2337 addition to all other changes to such contribution rates which  
 2338 may be enacted into law to take effect on July 1, 2013, and July  
 2339 1, 2015. The Division of Law Revision and Information is  
 2340 requested to adjust accordingly the contribution rates provided  
 2341 in s. 121.71, Florida Statutes.

2342 Section 27. (1) The State Board of Administration shall  
 2343 request a determination letter as soon as practicable from the  
 2344 Internal Revenue Service as to whether this act or any portion  
 2345 of this act will cause the Florida Retirement System to be  
 2346 disqualified for tax purposes under the Internal Revenue Code.  
 2347 If the Internal Revenue Service refuses to act upon such

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2348 request, a legal opinion from a qualified tax attorney or firm  
 2349 may be substituted for the determination letter.

2350 (2) If the board receives notification from the Internal  
 2351 Revenue Service that this act or any portion of this act will  
 2352 cause the Florida Retirement System to be disqualified, the  
 2353 portion that will cause the disqualification does not apply.  
 2354 Upon such notice, the board shall notify the presiding officers  
 2355 of the Legislature.

2356 Section 28. This act shall take effect July 1, 2015.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14

Meeting Date

Topic Florida Retirement System

Bill Number 1114 (if applicable)

Name Lisa Goodner

Amendment Barcode 255982 (if applicable)

Job Title State Courts Administrator

Address 500 S Duval St

Phone 850-922-5081

Tallahassee FL 32399

E-mail goodnerl@flcourts.org

Speaking: [X] For [ ] Against [ ] Information

Representing State Courts System

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14  
Meeting Date

Topic Florida Retirement System

Bill Number 1114  
*(if applicable)*

Name Judge Alan Lawson

Amendment Barcode 255982  
*(if applicable)*

Job Title District Judge

Address 300 S. Beach Street  
Street

Phone 386-947-1506

Daytona Beach, FL  
City amendment 255982 State Zip

E-mail lawsona@flcourts.org

Speaking:  For  Against  Information

Representing Florida Conference of District Court of Appeal Judges

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)



THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14

Meeting Date

Topic Florida Retirement System Bill Number 1114

Name Olin Shinkolser Amendment Barcode 255982  
(if applicable)

Job Title Circuit Judge; Chair-Conference of Circuit Judges  
(if applicable)

Address 430 S. Commerce Avenue Phone 863-402-6901

Street

Sebring FL 33870

City

amendment 255982

State

Zip

E-mail Oshinkolser@jud10.flcourts.org

Speaking:  For  Against  Information Amendment 255982

Representing Conference of Circuit Judges

Appearing at request of Chair:  Yes  No  
Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14

Meeting Date

Topic Florida Retirement System

Bill Number 1114  
*(if applicable)*

Name Robert Wheeler

Amendment Barcode 255982  
*(if applicable)*

Job Title County Judge - Legislative Chair

Address 301 South Monroe Street

Phone (850) 577-4303

Tallahassee FL 32301  
City amendment 255982 State Zip

E-mail wheelerR@leoncounty  
fl.gov

Speaking:  For  Against  Information

Representing County Judge Conference

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/16/2014  
Meeting Date

Topic FLORIDA RETIREMENT

Bill Number SB 1114  
*(if applicable)*

Name JON SUE

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title STATE WORKER

Address 2237 TROPIC LANE  
*Street*

Phone 850 339 7558

TALLAHASSEE FL. 32301  
*City State Zip*

E-mail SUNSD@GOMBAJ  
MAIL.COM

Speaking:  For  Against  Information

Representing SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

9/10/14

Meeting Date

Topic PENSION FRS

Bill Number 1114  
*(if applicable)*

Name MICHELLE GUERIN

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 962 INDIANA AVE

Phone 239 839 6118

Street

FORT MYERS FL 33919

City

State

Zip

E-mail NY MUSH@ADL.COM

Speaking:  For  Against  Information

Representing ~~STATE~~ SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-2014  
Meeting Date

Topic SB 1114 Retirement Bill Bill Number SB 1114  
(if applicable)

Name VIVIAN GARNER Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title 27 yr. Physical Ed. Teacher

Address 16107 Pine Ridge Dr Phone \_\_\_\_\_  
Street

Hudson, FL 34667 E-mail MVSGARNER@MSN.COM  
City State Zip

Speaking:  For  Against  Information

Representing USEP - United School Employees of Pasco

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14

Meeting Date

Topic FLORIDA RETIREMENT SYSTEM

Bill Number 1114  
*(if applicable)*

Name PAULA MCCLEENSE

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title PBC TEACHER

Address 9125 DEMERY DRIVE

Phone 561-718-0633

Street

PALM BEACH GARDENS FL 33410

City

State

Zip

E-mail P9125@COMCAST.NET

Speaking:  For  Against  Information

Representing SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14

Meeting Date

Topic Florida Retirement System

Bill Number SB 1114

(if applicable)

Name Carol Horton

Amendment Barcode \_\_\_\_\_

(if applicable)

Job Title Teacher

Address 5954 Triphammer Rd

Street

Phone 561-762-7635

Lake Worth FL 33463

City

State

Zip

E-mail hsch10@bellsouth.net

Speaking:  For  Against  Information

Representing myself

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14

Meeting Date

Topic Florida Retirement System

Bill Number SB 1114  
(if applicable)

Name Monica Capobianco

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title School Counselor

Address 940 Emerson Drive  
Street

Phone (727) 410-2125

Dunedin Fl. 34698  
City State Zip

E-mail jomocoy2@yahoo.com

Speaking:  For  Against  Information

Representing Teachers of Pasco County

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)



THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14

Meeting Date

Topic Pension Reform

Bill Number SB 1114  
*(if applicable)*

Name Abbie MacIver

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Director of Policy

Address Po Box 185  
*Street*

Phone 407-754-6400

Tallahassee FL 32302  
*City State Zip*

E-mail amaciver@afphq.org

Speaking:  For  Against  Information

Representing Americans for Prosperity

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14  
Meeting Date

Topic Fla. Retirement System

Bill Number 1114  
*(if applicable)*

Name Leticia Adams

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Senior Policy Director

Address 136 S Brough St.  
Street

Phone 850 544 6866

Tall FL 32301  
City State Zip

E-mail ladams@flchamber.com

Speaking:  For  Against  Information

Representing Florida Chamber of Commerce

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14  
Meeting Date

Topic FRS

Bill Number SB1114  
*(if applicable)*

Name Ash WILLIAMS

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Executive Director

Address 1201 Dermitage Blvd  
*Street*  
Sarasota FL 34308  
*City State Zip*

Phone 413-1253

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing SBA

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4-10-14

Meeting Date

Topic FRS

Bill Number 1114

(if applicable)

Name MIKE FEWLESS

Amendment Barcode \_\_\_\_\_

(if applicable)

Job Title CAPTAIN

Address 2500 W. COLONIAL DRIVE

Phone 407-254-7000

Street

ORLANDO

FL

32804

E-mail —

City

State

Zip

Speaking:  For  Against  Information

Representing ORANGE COUNTY SHERIFF'S OFFICE

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14  
Meeting Date

Topic FRS

Bill Number SB 1174  
*(if applicable)*

Name Ron Poppe

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title DC Programs Officer

Address 1800 Heritage Blvd

Phone 413-1497

Street

Sellersville St 32308  
City State Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing State Board of Administration

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/18  
Meeting Date

Topic PRS

Bill Number 1114  
*(if applicable)*

Name Rich Templin

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Legislative & Political Director

Address 135 S. Monroe  
*Street*

Phone 850-224-6926

Tallahassee FL 32301  
*City State Zip*

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing Florida AFL-CIO

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14  
Meeting Date

Topic FRS Bill Number 1114 (if applicable)  
Name Lynda Russell Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title Public Policy Advocate  
Address 213 S. Adams St Phone 850-224-2078  
Tallahassee FL 32301 E-mail \_\_\_\_\_  
City State Zip

Speaking:  For  Against  Information

Representing Florida Education Association

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/14

Meeting Date

Topic FRS

Bill Number SB 1114  
*(if applicable)*

Name Ron Bilbao

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Political Director

Address 777 NE 62<sup>nd</sup> St, C-112

Phone 919-923-7288

Street

Miami FL 33138

City

State

Zip

E-mail ~~ronbilba~~  
ron@seivl991.org

Speaking:  For  Against  Information

Representing SEIU Florida

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)



THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number 1114  
*(if applicable)*

Name Jeanette D. Wynn

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title AFSCME

Address 1642 M.L. King  
Street

Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing AFSCME

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/2014  
Meeting Date

Topic Retirement Bill Number SB 1114  
Name Dr. Ana Cierieszko Amendment Barcode \_\_\_\_\_  
Job Title Legislative Director - United Faculty of Miami Dade College (if applicable)  
Address 11420 ~~1101 SW~~ Kendall Drive Phone 305 321 0016  
City Miami State FL Zip 33176 E-mail acierieszko@yahoo.com

Speaking:  For  Against  Information

Representing United Faculty of Miami Dade College

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14  
Meeting Date

Topic FRS Bill Number 1114  
*(if applicable)*

Name Jim Tolley Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title President

Address 345 West Madison St Phone 850 224 7333  
Street

Tallahassee FL 32301 E-mail jimt@fpfp.org  
City State Zip

Speaking:  For  Against  Information

Representing Florida Prof Firefighters

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

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S-001 (10/2011)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

04/10/2014

Meeting Date

Topic Florida Retirement

Bill Number SB1114  
*(if applicable)*

Name Tammi King

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Bus Operator

Address 5405 Pointe Vista Circle #205

Phone (407) 283-5548

Street

Orlando

City

Florida

State

32839

Zip

E-mail Tammi King 41@yahoo.com

Speaking:  For  Against  Information

Representing Self

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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04/10/2014  
Meeting Date

Topic FRS

Bill Number SB 1114  
*(if applicable)*

Name Jeffery Roberts

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Correctional Officer Sergeant

Address 2511 Luther Road Apt #121  
*Street*  
Punta Gorda, FL 33983  
*City State Zip*

Phone (941) 883-1914

E-mail jokye45711@gmail.com

Speaking:  For  Against  Information

Representing self

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14  
Meeting Date

Topic FLA RETIREMENT

Bill Number SB 1114  
*(if applicable)*

Name LARRY DUPREE

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 8301 N. RIVER HIGHLANDS PL  
Street

Phone 813-984-8828

TPA FL 33617  
City State Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/10/2014  
Meeting Date

Topic FRS

Bill Number 1114  
(if applicable)

Name GAIL MARIE PERRY

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title CHAIR (ELECTED)

Address PO BOX 1766

Phone 954 850-4055

POMPANNO BEACH FL 33061  
Street City State Zip

E-mail workingfolk@hotmail.com

Speaking:  For  Against  Information

COUNCIL of FLORIDA

Representing COMMUNICATIONS WORKERS of AMERICA

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14  
Meeting Date

Topic Florida Retirement System

Bill Number SB 1114  
*(if applicable)*

Name Mike Riley

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 105 Appaloosa Lane  
*Street*  
Ormond Beach FL 32174  
*City State Zip*

Phone 813-956-3875

E-mail mriley2011@outlook.com

Speaking:  For  Against  Information

Representing Self

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14  
Meeting Date

Topic Florida Retirement

Bill Number SB1114  
*(if applicable)*

Name Christine Saint Louis

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Bus Operator

Address 2319 Meadow oak cir  
Street

Phone 407-756-0334

Kissimmee FL 34740  
City State Zip

E-mail coyersgirl@hotmail.com

Speaking:  For  Against  Information

Representing SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

FC.  
Retiree 412 - K  
9 AM

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14

Meeting Date

Topic Government Oversight & Accountability

Bill Number SB 1114  
*(if applicable)*

Name Amy Datz

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title ~~ANASOME~~ Retiree.

Address 1130 Crestview Ave.

Phone (850) 322-7599

Tallahassee FL 32303  
*City State Zip*

E-mail anna@datz.com

Speaking:  For  Against  Information

Representing ~~ANASOME~~ Retirees.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

04-10-14

Meeting Date

Topic FLORIDA RETIREMENT SYSTEM

Bill Number SB 1114

(if applicable)

Name JOE PETTRICK

Amendment Barcode \_\_\_\_\_

(if applicable)

Job Title PUBLIC EMPLOYEE

Address COMMODORE COURT

Street

Phone \_\_\_\_\_

WEST PALM BEACH

FL

33411

City

State

Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing SELF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4.10.14

Meeting Date

Topic \_\_\_\_\_

Bill Number SB 1114  
*(if applicable)*

Name Ken Williams

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 7411 Meadow Dr  
*Street*

Phone 813-493-7685

Tampa FL 33634  
*City State Zip*

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing \_\_\_\_\_

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/2014  
Meeting Date

Topic Florida Retirement

Bill Number SB 1114 (if applicable)

Name LES CARTER

Amendment Barcode (if applicable)

Job Title

Address 200 RIVERBEND RD

Phone 813-335-3838

Street

ORLAND BOYD FL 32174

City

State

Zip

E-mail

Speaking:  For  Against  Information

Representing

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4-10-14

Meeting Date

Topic Florida Retirement

Bill Number 1114  
*(if applicable)*

Name Beverly

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title BUS TRAISt OPERATOR

Address 910 Woodside Cir, E

Phone 407-913-3877

Street

Kissimmee

City

State

Zip

E-mail Reneebg3@gmail.com

Speaking:  For  Against  Information

Representing Self

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number SB 1114  
*(if applicable)*

Name DOUG WATLER

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 1501 Valley Rd  
*Street*  
Tallahassee, FL  
*City State Zip*

Phone \_\_\_\_\_

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing Broward County Firefighters

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date \_\_\_\_\_

Topic FRS

Bill Number 1114  
*(if applicable)*

Name LINDA Edson

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Retired educator

Address 1841 Myrick Rd.  
*Street*

Phone 850-385-3196

Tallahassee FL  
*City State Zip*

E-mail edsonl@nettally.com

Speaking:  For  Against  Information

Representing Florida Retired Educators Association

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)



THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14  
Meeting Date

Topic FRS

Bill Number 1114  
*(if applicable)*

Name BRETT SANDLIN

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title PRESIDENT

Address 1223 NW 120th Way  
Street

Phone \_\_\_\_\_

GAINESVILLE FL  
City State Zip

E-mail PRESIDENT@LOCAL3852.COM

Speaking:  For  Against  Information

Representing FIRE RESCUE PROF. OF ALACHUA COUNTY

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/10/14

Meeting Date

Topic RETIREMENT

Bill Number 1114  
*(if applicable)*

Name RON SILVER

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 2031 NE 209 ST  
*Street*

Phone 305-502-1199

MIAMI  
*City*

FL  
*State*

*Zip*

E-mail RSILVER378@AOL.COM

Speaking:  For  Against  Information

Representing TEAMSTERS - CORRECTION OFFICERS

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

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BILL: CS/CS/SB 1320

INTRODUCER: Governmental Oversight and Accountability Committee; Banking and Insurance Committee and Senator Richter

SUBJECT: Public Records/Office of Financial Regulation

DATE: April 10, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Billmeier</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2.	<u>Kim</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
3.	_____	_____	<u>RC</u>	_____

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/CS/SB 1320 creates a public records exemption for certain information held by the Office of Financial Regulation (OFR) relating to family trust companies, licensed family trust companies, and foreign licensed family trust companies. Linked bill CS/SB 1238 authorizes families to form and operate any of these three family trust companies, subject to regulatory requirements. A family trust company is an entity which provides trust services similar to those that can be provided by an individual or financial institution. This includes serving as a trustee of trusts held for the benefit of the family members as well as providing other fiduciary, investment advisory, wealth management, and administrative services to the family. A family trust company must be owned exclusively by family members and may not provide fiduciary services to the public.

This bill provides that the following records relating to family trust companies, licensed family trust companies, and foreign licensed family trust companies held by the OFR are confidential and exempt from public disclosure:

- Personal identifying information appearing in records relating to a registration, an application, or an annual certification.
- Personal identifying information appearing in records relating to an examination.
- Personal identifying information appearing in reports of examinations, operations, or conditions.
- Any portion of a list of names of the shareholders or members.

- Information received from a person from another state or nation or the federal government which is otherwise confidential.
- An emergency cease and desist order until it is made permanent or unless the public is at substantial risk of financial loss.

This bill creates a third degree felony for willfully disclosing information made confidential and exempt by this bill.

The bill provides for repeal of the exemption on October 2, 2019, unless reviewed and saved from repeal by the Legislature pursuant to the Open Government Sunset Review Act. As this bill creates a new public records exemption, the bill also provides a statement of public necessity as required by the State Constitution.

The bill provides that the act shall take effect on the same date that CS/SB 1238 or similar legislation is adopted.

## II. Present Situation:

Article I, s. 24(a) of the Florida Constitution provides:

Every person has the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or persons acting on their behalf, except with respect to records exempted pursuant to this section or specifically made confidential by this Constitution. This section specifically includes the legislative, executive, and judicial branches of government and each agency or department created thereunder; counties, municipalities, and districts; and each constitutional officer, board, and commission, or entity created pursuant to law or this Constitution.

Chapter 119, Florida Statutes, specifies conditions under which public access must be provided to records of an agency. Section 119.07(1)(a), F.S., states:

Every person who has custody of a public record shall permit the record to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public records.

Unless specifically exempted, all agency records are available for public inspection. The term “public record” is broadly defined to mean:

all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.<sup>1</sup>

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<sup>1</sup> Section 119.011(12), F.S.

The Florida Supreme Court has interpreted this definition to encompass all materials made or received by an agency in connection with official business which are used to perpetuate, communicate, or formalize knowledge.<sup>2</sup> All such materials are open for public inspection unless made exempt.<sup>3</sup>

There is a difference between records that the Legislature has made exempt from public inspection and those that are *confidential* and exempt. If the Legislature makes a record confidential and exempt, such information may not be released by an agency to anyone other than to the persons or entities designated in the statute.<sup>4</sup> If a record is simply made exempt from disclosure requirements, an agency is not prohibited from disclosing the record in all circumstances.<sup>5</sup>

Exemptions must be created by general law, and such law must specifically state the public necessity justifying the exemption.<sup>6</sup> The exemption must be no broader than necessary to accomplish the stated purpose of the law.<sup>7</sup> A bill enacting an exemption may not contain other substantive provisions.<sup>8</sup>

### **Open Government Sunset Review Act**

The Open Government Sunset Review Act<sup>9</sup> provides for the systematic review ending October 2 of the fifth year following enactment of an exemption from the Public Records Act or the Public Meetings Law. An exemption may be created, revised, or expanded only if it serves an identifiable public purpose and if the exemption is no broader than necessary to meet the public purpose it serves.<sup>10</sup>

### **Family Trust Companies**

CS/SB 1238 authorizes families to form and operate family trust companies, licensed family trust companies, and foreign licensed family trust companies (hereafter referred to collectively as “trust companies”). At least 14 other states currently have statutes governing the organization and operation of family trust companies. Florida law does not expressly authorize families to establish their own family trust companies. In general, a family trust company is an entity which provides trust services similar to those that can be provided by an individual or financial institution such as a bank or public trust company. This includes serving as a trustee of trusts held for the benefit of the family members, as well as providing other fiduciary, investment advisory, wealth management, and administrative services to the family.<sup>11</sup>

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<sup>2</sup> *Shevin v. Byron, Harless, Schaffer, Reid and Associates, Inc.*, 379 So.2d 633, 640 (Fla. 1980).

<sup>3</sup> *Shevin v. Byron, Harless, Schaffer, Reid and Associates, Inc.*, 379 So.2d 633, 640 (Fla. 1980).

<sup>4</sup> Florida Attorney General Opinion 85-62.

<sup>5</sup> *Williams v. City of Minneola*, 575 So. 2d 683, 687 (Fla. 5<sup>th</sup>DCA 1991), *review denied*, 589 So.2d 289 (Fla. 1991).

<sup>6</sup> See Fla. Const., art. I, s. 24(c).

<sup>7</sup> See Fla. Const., art. I, s. 24(c).

<sup>8</sup> See Fla. Const., art. I, s. 24(c).

<sup>9</sup> See s. 119.15, F.S.

<sup>10</sup> See s. 119.15(6)(b), F.S.

<sup>11</sup> See White Paper for SB 1238 by Senator Richter Relating to Family Trust Companies provided by the Real Property, Probate, and Trust Law Section of the Florida Bar (on file with the Senate Committee on Banking and Insurance).

### III. Effect of Proposed Changes:

**Section 1** of this bill, which is linked to the passage of CS/SB 1238 or similar legislation, provides that the following information in records relating to trust companies held by the OFR are confidential and exempt from public disclosure:

- Personal identifying information appearing in records relating to a registration, an application, or an annual certification.
- Personal identifying information appearing in records relating to an examination.
- Personal identifying information appearing in reports of examinations, operations, or conditions of trust companies. This encompasses all documents submitted to or prepared by the OFR.
- Personal identifying information appearing in working papers held by the OFR, including tests, investigations and audits.
- Any portion of a list of names of the shareholders or members.
- Information received from a person from another state or nation or the federal government which is otherwise confidential or exempt pursuant to the laws of that state or nation or pursuant to federal law.
- Emergency cease and desist orders. However, an emergency cease and desist order may be made public if it is made permanent or if continued confidentially will place the public at substantial risk of financial loss.

This bill provides that the OFR may disclose confidential and exempt information to the following:

- An authorized representative of a trust company during an examination.
- A fidelity insurance company, upon written consent of a trust company.
- An independent auditor, upon written consent of a trust company.
- A liquidator, receiver, or conservator for a trust company. However, any information which discloses the identity of a bondholder, customer, family member, member, or stockholder must be redacted by the OFR before being released.
- Any other state, federal, or foreign agency responsible for the regulation or supervision of a trust company.
- A law enforcement agency in the furtherance of the agency's official duties or for the purpose of reporting suspected criminal activity.
- A prosecutorial agency for the purpose of reporting suspected criminal activity.
- A legislative body or committee pursuant to a legislative subpoena. The legislative body or committee must maintain the confidentiality of the records it receives, except in cases involving a public official who is subject to impeachment or removal.

This bill does not prevent or restrict the publication of a report required by federal law, nor does this bill prevent or restrict the publication of a trust company's name, or the name and address of its registered agent.

This bill provides that a person who willfully discloses confidential and exempt information commits a third degree felony punishable by up to five years in prison, a \$5,000.00 fine and subject to habitual offender laws.<sup>12</sup>

This bill provides that the public records exemption created by it is subject to the Open Government Sunset Review Act and is repealed on October 2, 2019, unless reviewed and saved from repeal through reenactment by the Legislature.

**Section 2** of this bill provides the public necessity statement. The public necessity statement outlines two reasons for this public records exemption. First, family members, shareholders, and qualified participants of trust companies are targets of crime and making their identities public jeopardizes their financial and personal safety. Second, public disclosure of examinations, reports and emergency cease and desist orders could damage a family's reputation.

**Section 3** of this bill provides that this bill is effective on the same date that CS/SB 1238, or similar legislation becomes effective.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

Article I, s. 24(c) of the Florida Constitution requires a bill creating a new public records exemption to pass by a two-thirds vote of the members present and voting in each house of the Legislature. This bill requires a two-thirds vote.

Article I, s. 24(c) of the Florida Constitution requires a bill creating a new public records exemption to contain a public necessity statement justifying the exemption. This bill contains a public necessity statement.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

None.

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<sup>12</sup> The bill provides that a person who willfully discloses confidential and exempt information will be punishable pursuant to ss. 775.082, 775.083 or 775.084, F.S.

**B. Private Sector Impact:**

This bill would protect some information relating to practices of family-owned businesses of high net worth families.

**C. Government Sector Impact:**

The OFR does not anticipate that answering public records requests will adversely impact its resources.<sup>13</sup>

The Department of Corrections estimates the addition of a new felony crime will have insignificant impact.<sup>14</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

This bill also provides that records may be released to a liquidator, receiver, or conservator, however, this bill requires the OFR to redact information which discloses the identity of a bondholder, customer, family member, member or stockholder before releasing the information to the liquidator, receiver or conservator. The OFR stated that redacting the identifying information of these parties would be burdensome. More importantly, by removing information about a bondholder, customer, family member, member or stockholder from OFR's records, a receiver, liquidator or conservator would not be able to effectively perform his or her duties.<sup>15</sup>

**VIII. Statutes Affected:**

This bill creates section 662.148 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS/CS by Governmental Oversight and Accountability on April 10, 2014:**

This CS/CS makes the following changes:

- Consolidates definitions, public records exemptions and exceptions into a single section of law.
- Provides that personal identifying information are confidential and exempt in reports or records relating to registrations, applications, annual certifications, examinations, operations, conditions of trust companies.

<sup>13</sup> Office of Financial Regulation, SB 1320 Legislative Bill Analysis (March 14, 2014) at p. 5 (on file with the Senate Committee on Banking and Insurance).

<sup>14</sup> Department of Corrections, SB 1320 Legislative Bill Analysis, (March 5, 2014) at p. 2 (on file with the Senate Committee on Banking and Insurance).

<sup>15</sup> Office of Financial Regulation, SB 1320 Legislative Bill Analysis (March 14, 2014) at p. 5 (on file with the Senate Committee on Banking and Insurance).



- Adds a provision which makes permanent emergency cease and desist orders public record.
- Conforms the public necessity statement to the changes made in the CS/CS.

**CS by Banking and Insurance on March 25, 2014:**

The committee substitute removes provisions relating to the confidentiality of information in administrative and court proceedings.

**B. Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/10/2014	.	
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	.	
	.	

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The Committee on Governmental Oversight and Accountability  
(Hays) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 662.148, Florida Statutes, is created  
and incorporated into chapter 662, Florida Statutes, as created  
by SB 1238, 2014 Regular Session, to read:

662.148 Public records exemption.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Reports of examinations, operations, or conditions"



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11 means records submitted to or prepared by the office as part of  
12 the office's duties performed pursuant to s. 655.012 or s.  
13 655.045(1).

14 (b) "Working papers" means the records of the procedure  
15 followed, the tests performed, the information obtained, and the  
16 conclusions reached in an examination under s. 655.032 or s.  
17 655.045. The term also includes books and records.

18 (2) PUBLIC RECORDS EXEMPTION.—The following information  
19 held by the office is confidential and exempt from s. 119.07(1)  
20 and s. 24(a), Art. I of the State Constitution:

21 (a) Any personal identifying information appearing in  
22 records relating to a registration, an application, or an annual  
23 certification of a family trust company, licensed family trust  
24 company, or foreign licensed family trust company.

25 (b) Any personal identifying information appearing in  
26 records relating to an examination of a family trust company,  
27 licensed family trust company, or foreign licensed family trust  
28 company.

29 (c) Any personal identifying information appearing in  
30 reports of examinations, operations, or conditions of a family  
31 trust company, licensed family trust company, or foreign  
32 licensed family trust company, including working papers.

33 (d) Any portion of a list of names of the shareholders or  
34 members of a family trust company, licensed family trust  
35 company, or foreign licensed family trust company.

36 (e) Information received by the office from a person from  
37 another state or nation or the Federal Government which is  
38 otherwise confidential or exempt pursuant to the laws of that  
39 state or nation or pursuant to federal law.



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40 (f) An emergency cease and desist order issued under s.  
41 662.143 until the emergency order is made permanent unless the  
42 office finds that such confidentiality will result in  
43 substantial risk of financial loss to the public.

44 (3) AUTHORIZED RELEASE OF CONFIDENTIAL AND EXEMPT  
45 INFORMATION.—Information made confidential and exempt under  
46 subsection (2) may be disclosed by the office:

47 (a) To the authorized representative or representatives of  
48 the family trust company, licensed family trust company, or  
49 foreign licensed family trust company under examination. The  
50 authorized representative or representatives shall be identified  
51 in a resolution or by written consent of the board of directors  
52 if the trust company is a corporation, or of the managers if the  
53 trust company is a limited liability company.

54 (b) To a fidelity insurance company, upon written consent  
55 of the trust company's board of directors if a corporation, or  
56 its managers if a limited liability company.

57 (c) To an independent auditor, upon written consent of the  
58 trust company's board of directors if a corporation, or its  
59 managers if a limited liability company.

60 (d) To a liquidator, receiver, or conservator for a family  
61 trust company, licensed family trust company, or foreign  
62 licensed family trust company if a liquidator, receiver, or  
63 conservator is appointed. However, any portion of the  
64 information which discloses the identity of a bondholder,  
65 customer, family member, member, or stockholder must be redacted  
66 by the office before releasing such portion to the liquidator,  
67 receiver, or conservator.

68 (e) To any other state, federal, or foreign agency



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69 responsible for the regulation or supervision of family trust  
70 companies, licensed family trust companies, or foreign licensed  
71 family trust companies.

72 (f) To a law enforcement agency in the furtherance of the  
73 agency's official duties and responsibilities.

74 (g) To the appropriate law enforcement or prosecutorial  
75 agency for the purpose of reporting any suspected criminal  
76 activity.

77 (h) Pursuant to a legislative subpoena. A legislative body  
78 or committee that receives records or information pursuant to  
79 such a subpoena must maintain the confidential status of such  
80 records or information, except in a case involving the  
81 investigation of charges against a public official subject to  
82 impeachment or removal, in which case records or information  
83 shall only be disclosed to the extent necessary as determined by  
84 such legislative body or committee.

85 (4) PUBLICATION OF INFORMATION.—This section does not  
86 prevent or restrict the publication of:

87 (a) A report required by federal law.

88 (b) The name of the family trust company, licensed family  
89 trust company, or foreign licensed family trust company and the  
90 name and address of the registered agent of that company.

91 (5) PENALTY.—A person who willfully discloses information  
92 made confidential and exempt by this section commits a felony of  
93 the third degree, punishable as provided in s. 775.082, s.  
94 775.083, or s. 775.084.

95 (6) OPEN GOVERNMENT SUNSET REVIEW.—This section is subject  
96 to the Open Government Sunset Review Act in accordance with s.  
97 119.15 and is repealed on October 2, 2019, unless reviewed and



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98 saved from repeal through reenactment by the Legislature.

99 Section 2. The Legislature finds that it is a public  
100 necessity that personal identifying information contained in  
101 records held by the Office of Financial Regulation which pertain  
102 to a family trust company, licensed family trust company, or  
103 foreign licensed family trust company relating to registration  
104 or certification; an examination; reports of examinations,  
105 operations, or conditions, including working papers; any portion  
106 of a list of the names of shareholders or members; information  
107 received by the Office of Financial Regulation from a person  
108 from another state or nation or the Federal Government which is  
109 otherwise confidential or exempt pursuant to the laws of that  
110 jurisdiction; or an emergency cease and desist order be made  
111 confidential and exempt from s. 119.07(1), Florida Statutes, and  
112 s. 24(a), Article I of the State Constitution. This exemption is  
113 necessary because:

114 (1) Financial information and lists of names of family  
115 members, qualified participants, and shareholders, if available  
116 for public access could jeopardize the financial safety of the  
117 family members who are the subject of the information. Families  
118 with a high net worth are frequently the targets of criminal  
119 predators seeking access to their assets. It is important that  
120 the exposure of such families and family members to threats of  
121 extortion, kidnapping, and other crimes not be increased.  
122 Placing family names, private family business records and  
123 methodologies into the public domain would increase the security  
124 risk that a family could become the target of criminal activity.

125 (2) Public disclosure of an examination, report of  
126 examination, or emergency cease and desist order could expose



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127 families to security risks, and could defame or cause  
128 unwarranted damage to the good name or reputation of the family  
129 that is the subject of the information.

130 (3) Family trust companies often provide a consolidated  
131 structure for the ownership of an operating business owned by  
132 multiple family members. Placing those private business  
133 operations and methods in the public domain could jeopardize  
134 their business assets, methodologies, and practices.

135 Section 3. This act shall take effect on the same date that  
136 SB 1238 or similar legislation takes effect, if such legislation  
137 is adopted in the same legislative session or an extension  
138 thereof and becomes law.

139  
140 ===== T I T L E A M E N D M E N T =====

141 And the title is amended as follows:

142 Delete everything before the enacting clause  
143 and insert:

144 A bill to be entitled  
145 An act relating to public records; creating s.  
146 662.148, F.S.; providing definitions; providing an  
147 exemption from public records requirements for certain  
148 information held by the Office of Financial Regulation  
149 relating to a family trust company, licensed family  
150 trust company, or foreign licensed family trust  
151 company; providing for the authorized release of  
152 certain information by the office; authorizing the  
153 publication of certain information; providing a  
154 penalty; providing for future legislative review and  
155 repeal of the exemption; providing a statement of



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156  
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public necessity; providing a contingent effective  
date.



By the Committee on Banking and Insurance; and Senator Richter

597-03208A-14

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A bill to be entitled

An act relating to public records; creating s. 662.148, F.S.; providing an exemption from public records requirements for certain information held by the Office of Financial Regulation relating to a family trust company, licensed family trust company, or foreign licensed family trust company; providing definitions; providing for the authorized release of certain information by the office; authorizing the publication of certain information; providing a penalty; providing for future legislative review and repeal of the exemption; amending s. 662.147, F.S.; providing for additional authorized release of certain information by the office; providing for production of certain confidential records pursuant to legislative subpoenas; amending s. 662.146, F.S.; providing for production of certain confidential records pursuant to legislative subpoenas; providing a statement of public necessity; providing a contingent effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 662.148, Florida Statutes, is created and assigned to part IV of chapter 662, Florida Statutes, as created by SB 1238, 2014 Regular Session, to read:

662.148 Public records exemption; records relating to family trust companies, licensed family trust companies, and foreign licensed family trust companies.-

(1) PUBLIC RECORDS EXEMPTION.-The following information

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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held by the office is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution:

(a) Records relating to a registration, an application, or an annual certification of a family trust company, licensed family trust company, or foreign licensed family trust company.

(b) Records relating to an examination of a family trust company, licensed family trust company, or foreign licensed family trust company.

(c) Reports of examinations, operations, or conditions of a family trust company, licensed family trust company, or foreign licensed family trust company, including working papers.

(d) Any portion of a list of names of the shareholders or members of a family trust company, licensed family trust company, or foreign licensed family trust company.

(e) Information received by the office from a person from another state or nation or the Federal Government which is otherwise confidential or exempt pursuant to the laws of that state or nation or pursuant to federal law.

(f) An emergency cease and desist order under s. 662.143 until the emergency order is made permanent unless the office finds that such confidentiality will result in substantial risk of financial loss to the public.

(2) DEFINITIONS.-As used in this section, the term:

(a) "Reports of examinations, operations, or conditions" means records submitted to or prepared by the office as part of the office's duties performed pursuant to s. 655.012 or s. 655.045(1).

(b) "Working papers" means the records of the procedure followed, the tests performed, the information obtained, and the

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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59 conclusions reached in an examination under s. 655.032 or s.  
60 655.045. The term also includes books and records.

61 (3) AUTHORIZED RELEASE OF CONFIDENTIAL AND EXEMPT  
62 INFORMATION.—Information made confidential and exempt under  
63 subsection (1) may be disclosed by the office to:

64 (a) The authorized representative or representatives of the  
65 family trust company, licensed family trust company, or foreign  
66 licensed family trust company under examination. The authorized  
67 representative or representatives shall be identified in a  
68 resolution or by written consent of the board of directors, if  
69 the trust company is a corporation, or of the managers, if the  
70 trust company is a limited liability company.

71 (b) A fidelity insurance company, upon written consent of  
72 the trust company's board of directors, if a corporation, or its  
73 managers, if a limited liability company.

74 (c) An independent auditor, upon written consent of the  
75 trust company's board of directors, if a corporation, or its  
76 managers, if a limited liability company.

77 (d) A liquidator, receiver, or conservator for a family  
78 trust company, licensed family trust company, or foreign  
79 licensed family trust company in the event of the appointment of  
80 the liquidator, receiver, or conservator. However, any portion  
81 of the information which discloses the identity of a bondholder,  
82 customer, family member, member, or stockholder must be redacted  
83 by the office before the release of such portion to the  
84 liquidator, receiver, or conservator.

85 (e) Any other state, federal, or foreign agency responsible  
86 for the regulation or supervision of family trust companies,  
87 licensed family trust companies, or foreign licensed family

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88 trust companies.

89 (f) A law enforcement agency in the furtherance of the  
90 agency's official duties and responsibilities.

91 (4) PUBLICATION OF INFORMATION.—This section does not  
92 prevent or restrict the publication of:

93 (a) A report required by federal law.

94 (b) The name of the family trust company, licensed family  
95 trust company, or foreign licensed family trust company and the  
96 name and address of the registered agent of that company.

97 (5) PENALTY.—A person who willfully discloses information  
98 made confidential and exempt by this section commits a felony of  
99 the third degree, punishable as provided in s. 775.082, s.  
100 775.083, or s. 775.084.

101 (6) OPEN GOVERNMENT SUNSET REVIEW.—This section is subject  
102 to the Open Government Sunset Review Act in accordance with s.  
103 119.15 and shall stand repealed on October 2, 2019, unless  
104 reviewed and saved from repeal through reenactment by the  
105 Legislature.

106 Section 2. Subsections (1) through (4) of section 662.147,  
107 Florida Statutes, as created by SB 1238, 2014 Regular Session,  
108 are renumbered as subsections (3) through (6), respectively, and  
109 new subsections (1) and (2) are added to that section, to read:  
110 662.147 Records relating to the office examination; limited  
111 restrictions on public access.—

112 (1) The public records exemptions contained in s. 662.148  
113 do not prevent or restrict the office from:

114 (a) Furnishing records or information to any other state,  
115 federal, or foreign agency responsible for the regulation or  
116 supervision of family trust companies, licensed family trust

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117 companies, or foreign licensed family trust companies.

118 (b) Reporting any suspected criminal activity, with  
 119 supporting documents and information, to appropriate law  
 120 enforcement and prosecutorial agencies.

121 (2) Confidential records and information furnished pursuant  
 122 to a legislative subpoena shall be kept confidential by the  
 123 legislative body or committee that received the records or  
 124 information, except in a case involving the investigation of  
 125 charges against a public official subject to impeachment or  
 126 removal, in which case disclosure of the information shall be  
 127 only to the extent necessary as determined by the legislative  
 128 body or committee.

129 Section 3. Paragraphs (d), (e), and (f) of subsection (1)  
 130 of section 662.146, Florida Statutes, as created by SB 1238,  
 131 2014 Regular Session, are redesignated as paragraphs (e), (f),  
 132 and (g), respectively, and a new paragraph (d) is added to that  
 133 subsection, to read:

134 662.146 Confidentiality of books and records.—

135 (1) The books and records of a family trust company,  
 136 licensed family trust company, and foreign licensed family trust  
 137 company are confidential and shall be made available for  
 138 inspection and examination only:

139 (d) As compelled by legislative subpoena as provided by  
 140 law, in which case s. 662.147 applies;

141 Section 4. The Legislature finds that it is a public  
 142 necessity that records held by the Office of Financial  
 143 Regulation which pertain to a family trust company, licensed  
 144 family trust company, or foreign licensed family trust company  
 145 relating to registration or certification; an examination;

597-03208A-14

20141320c1

146 reports of examinations, operations, or conditions, including  
 147 working papers; any portion of a list of the names of  
 148 shareholders or members; information received by the Office of  
 149 Financial Regulation from a person from another state or nation  
 150 or the Federal Government which is otherwise confidential or  
 151 exempt pursuant to the laws of that jurisdiction; or an  
 152 emergency cease and desist order be made confidential and exempt  
 153 from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of  
 154 the State Constitution. This exemption is necessary because:

155 (1) No public interest is served by granting public access  
 156 to family trust company records, and no protection is afforded  
 157 to the public or the state by allowing public access to private  
 158 financial records. Additionally, a family trust company is  
 159 prohibited from serving or marketing its services to the general  
 160 public in any way; therefore, no public interests are involved.

161 (2) Families with a high net worth are frequently the  
 162 targets of criminal predators seeking access to their assets. It  
 163 is important that the exposure of such families to threats of  
 164 extortion, kidnapping, and other crimes not be increased.  
 165 Placing family business records and methodologies in the public  
 166 domain would increase the security risk that a family could  
 167 become the target of criminal activity.

168 (3) Family trust companies often provide a consolidated  
 169 structure for the ownership of an operating business owned by  
 170 multiple family members. Placing those private business  
 171 operations and methods in the public domain could jeopardize  
 172 their business assets, methodologies, and practices.

173 Section 5. This act shall take effect on the same date that  
 174 SB 1238 or similar legislation takes effect, if such legislation

597-03208A-14

20141320c1

175 is adopted in the same legislative session or an extension  
176 thereof and becomes law.



# COMMITTEE/SUBCOMMITTEE APPEARANCE RECORD

Please fill out the entire form and submit two copies to the committee/subcommittee administrative assistant at the meeting.

Type or Print Clearly

Bill Number: SB 1320 Meeting Date: April 10, 2014

Fill in appropriate information:

PCB/PCS/Amendment # or

Presentation/Workshop Topic: \_\_\_\_\_

Committee/Subcommittee: Governmental Oversight and Accountability

Name: Ashley Gault

Title: QLES Attorney

Address: 215 S. Monroe Street

City: Tallahassee State/Zip: FL / 32301

Phone Number: \_\_\_\_\_

Representing: Real Property Probate and Trust Law Section

Registered Lobbyist: YES  NO

State Employee: YES  NO  of Florida Bar

I Wish To Speak: YES  NO

I Have Been Requested to Speak: YES  NO

Bill		Amendment	
Proponent <input checked="" type="checkbox"/>	Opponent <input type="checkbox"/>	Proponent <input type="checkbox"/>	Opponent <input type="checkbox"/>
Info Only <input type="checkbox"/>		Info Only <input type="checkbox"/>	



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Gaming, *Chair*  
Appropriations  
Appropriations Subcommittee on  
Education  
Appropriations Subcommittee on Health  
and Human Services  
Banking and Insurance  
Commerce and Tourism  
Judiciary  
Rules  
Transportation

### JOINT COMMITTEE:

Joint Legislative Budget Commission

### SENATOR GARRETT RICHTER

*President Pro Tempore*  
23rd District

April 9, 2014

The Honorable Jeremy Ring, Chair  
Committee on Government Oversight and Accountability  
525 Knott Building  
404 South Monroe Street  
Tallahassee, FL 32399

Dear Chair Ring:

Senate Bill 1320, relating to Public Records/Office of Financial Regulation, is scheduled to be heard in the Committee on Government Oversight and Accountability this Thursday, April 10. Due to conflicts in my committee schedule, I will be sending my Legislative Assistant, Michael Nacheff as a representative to present the bill for your committee's consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Garrett Richter".

Garrett Richter

cc: Joe McVaney, Staff Director  
Bethany Jones, Administrative Assistant

#### REPLY TO:

- 3299 E. Tamiami Trail, Suite 203, Naples, Florida 34112-4961 (239) 417-6205
- 404 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023
- 25 Homestead Road N. Unit 42 B, Lehigh Acres, FL 33916 (239) 338-2777

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**DON GAETZ**  
President of the Senate

**GARRETT RICHTER**  
President Pro Tempore



The Florida Senate

## Committee Agenda Request

**To:** Senator Jeremy Ring, Chair  
Committee on Governmental Oversight and Accountability

**Subject:** Committee Agenda Request

**Date:** March 27, 2014

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I respectfully request that **Senate Bill #1320**, relating to Public Records/Office of Financial Regulation, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink, appearing to read "Garrett Richter".

---

Senator Garrett Richter  
Florida Senate, District 23

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

---

BILL: CS/SB 762

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Detert

SUBJECT: Family Care Councils

DATE: April 10, 2014                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Crosier</u>	<u>Hendon</u>	<u>CF</u>	<b>Favorable</b>
2.	<u>McKay</u>	<u>McVaney</u>	<u>GO</u>	<b>Fav/CS</b>

**Please see Section IX. for Additional Information:**  
COMMITTEE SUBSTITUTE - Substantial Changes

**I. Summary:**

CS/SB 762 amends s. 393.502, F.S., to change membership eligibility for Family Care Councils (FCCs) by allowing grandparents to be members, with the consent of the grandchild's parent or guardian. FCCs are local councils that advise the Agency for Persons with Disabilities on the needs of self-advocates and their families. The bill also clarifies that persons waiting to receive services may be members of FCCs.

The bill does not appear to have a fiscal impact on state or local government, and provides for an effective date of July 1, 2014.

**II. Present Situation:**

The Agency for Persons with Disabilities (APD) was created to serve the needs of Floridians with developmental disabilities. APD works in partnership with local communities and private providers to assist people who have developmental disabilities and their families. APD serves more than 50,000 individuals with autism, cerebral palsy, spina bifida, intellectual disabilities, Down syndrome, and Prader-Willi syndrome.<sup>1</sup>

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<sup>1</sup> Agency for Persons with Disabilities, *About Us*, available at <http://apd.myflorida.com/about/> (last visited Feb. 24, 2014).



APD is unable to provide services to all individuals with developmental disabilities. Individuals who are eligible for APD services are prioritized according to need and some individuals are placed on a waiting list for services.<sup>2</sup>

In 1993, the Florida Legislature established Family Care Councils (FCCs) to advise on policy issues relevant to the community and family support system in the local area.<sup>3</sup> FCCs are located within each service area of APD, of which there are 15.<sup>4</sup> Examples of services provided by APD include adult day training, personal care services, and specialized therapies.<sup>5</sup>

The primary functions of the local FCCs are to:

- Assist in providing information and outreach to families;
- Review the effectiveness of services programs and make recommendations with respect to program implementation;
- Advise the agency with respect to policy issues relevant to the community and family support system in the local area; and
- Meet and share information with other local family care councils.<sup>6</sup>

Each local FCC must have between 10 and 15 members. Members of each FCC must be recommended by a majority vote of the local FCC and then appointed by the Governor. Each FCC must include the following members:

- At least three of the members of the council must be consumers.<sup>7</sup>
  - One of these members must be a consumer who received services within the four years prior to the date of recommendation, or the legal guardian of such a consumer.
- The remainder of the council members must be parents, guardians, or siblings of persons with developmental disabilities who qualify for services pursuant to ch. 393, F.S.<sup>8</sup>

### III. Effect of Proposed Changes:

**Section 1** of the bill amends the membership eligibility for FCCs. The bill allows grandparents of persons with developmental disabilities who qualify for services pursuant to ch. 393, F.S., to serve on FCCs, with the consent of the grandchild's parent or legal guardian. The bill also clarifies that at least three members of the FCC must be individuals receiving or waiting to receive services from APD, and one such member must be an individual who has been receiving services within the 4 years before the date of recommendation by the local FCC.

**Section 2** of the bill provides an effective date of July 1, 2014.

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<sup>2</sup> Agency for Persons with Disabilities, *Waiting List*, available at <http://apd.myflorida.com/customers/waitlist> (last visited Feb. 24, 2014).

<sup>3</sup> Section 393.502(7), F.S.

<sup>4</sup> Section 393.502(1), F.S.

<sup>5</sup> Section 393.006(3), F.S.

<sup>6</sup> Section 393.502(7), F.S.

<sup>7</sup> The term "consumers" is not defined in ch. 393, F.S., but is used by APD to refer to individuals eligible for APD services per ch. 393, F.S. This includes both individuals receiving services and individuals on the waitlist to receive services.

<sup>8</sup> Section 393.502(2)(a), F.S.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None

## C. Government Sector Impact:

None

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 393.502 of the Florida Statutes.

**IX. Additional Information:**

## A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Governmental Oversight and Accountability on April 10, 2014:**

The committee substitute added a provision specifying that for a grandparent to be a council member, the grandchild's parent or legal guardian must consent to the appointment.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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188984

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/10/2014	.	
	.	
	.	
	.	

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The Committee on Governmental Oversight and Accountability  
(Bean) recommended the following:

**Senate Amendment (with title amendment)**

Delete line 22  
and insert:  
and who qualify for services pursuant to this chapter. For a grandparent to be a council member, the grandchild's parent or legal guardian must consent to the appointment and report the consent to the agency.

===== T I T L E A M E N D M E N T =====



188984

11 And the title is amended as follows:

12 Delete line 5

13 and insert:

14 for Persons with Disabilities; requiring consent of a  
15 grandchild's parent or legal guardian for appointment  
16 of a grandparent to a family care council; requiring  
17 the parent or legal guardian to provide notice of  
18 consent to the agency; providing an effective

By Senator Detert

28-00942-14

2014762\_\_

1                                   A bill to be entitled  
2           An act relating to family care councils; amending s.  
3           393.502, F.S.; revising the membership of the family  
4           care council within each service area of the Agency  
5           for Persons with Disabilities; providing an effective  
6           date.  
7  
8   Be It Enacted by the Legislature of the State of Florida:  
9  
10           Section 1. Paragraph (b) of subsection (2) of section  
11           393.502, Florida Statutes, is amended to read:  
12           393.502 Family care councils.—  
13           (2) MEMBERSHIP.—  
14           (b) At least three of the members of the council shall ~~must~~  
15           be individuals receiving or waiting to receive services from the  
16           agency consumers. One such member shall be an individual a  
17           consumer who has been receiving ~~received~~ services within the 4  
18           years before ~~prior to~~ the date of recommendation, ~~or the legal~~  
19           ~~guardian of such a consumer~~. The remainder of the council  
20           members shall be parents, grandparents, guardians, or siblings  
21           of individuals who have ~~persons with~~ developmental disabilities  
22           and who qualify for services pursuant to this chapter.  
23           Section 2. This act shall take effect July 1, 2014.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-10-14

Meeting Date

Topic Family Care Council

Bill Number SB 762  
*(if applicable)*

Name Dixie Sansom

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Lobbyist

Address POB 98  
Street

Phone 321-543-7195

Cocoa FL 32923  
City State Zip

E-mail dixiesansom@aol.com

Speaking:  For  Against  Information

Representing Area 9 Florida

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**



The Florida Senate

## Committee Agenda Request

**To:** Senator Jeremy Ring, Chair  
Committee on Governmental Oversight and Accountability

**Subject:** Committee Agenda Request

**Date:** March 4, 2014

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I respectfully request that **762**, relating to Family Care Councils , be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, reading "Nancy C. Detert".

---

Senator Nancy C. Detert  
Florida Senate, District 28



**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

---

BILL: SB 1234

INTRODUCER: Senator Bullard

SUBJECT: Florida Law Enforcement Officers' Hall of Fame

DATE: April 9, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Erickson</u>	<u>Cannon</u>	<u>CJ</u>	<b>Favorable</b>
2.	<u>McKay</u>	<u>McVaney</u>	<u>GO</u>	<b>Favorable</b>
3.	_____	_____	<u>AP</u>	_____

---

**I. Summary:**

SB 1234 establishes a Florida Law Enforcement Officers' Hall of Fame, which is administered by the Florida Department of Law Enforcement (FDLE) without appropriation of state funds. The Department of Management Services (DMS) must set aside an area on the Plaza Level of the Capitol Building (and meet other specifications) for the Hall of Fame and consult with the FDLE regarding the design and theme of the area. The bill also specifies the procedures for recommendations of potential nominees and selection of officers for induction.

**II. Present Situation:**

The FDLE has provided the following information relevant to the bill:

Florida has no publicly established Hall of Fame for law enforcement officers, and there is no Hall of Fame in Florida that gives preference to law enforcement officers who were born in Florida or adopted Florida as their home. Florida is, however, home to the American Police Hall of Fame and Museum (APHF), which was founded in 1960 and is the nation's first national police museum and memorial dedicated to American law enforcement officers killed in the line of duty. Through interactive displays, simulators and thousands of artifacts, the APHF Museum educates the public about the history and current trends of American law enforcement. The APHF Memorial lists over 8,000 officers who were killed in the line of duty. Their names are permanently etched on the Memorial's marble walls, which are added to once a year for Police Memorial Day (May 15th). The APHF Museum houses two non-profit law enforcement associations: The National Association of Chiefs of Police (NACOP) and the American Federation of

Police and Concerned Citizens (AFP&CC), which provide financial and program support.<sup>1</sup>

The Legislature has established four Halls of Fame “that honor persons born in Florida or who adopted Florida as their home, and who have made significant contributions to the state”<sup>2</sup>: the Florida Women’s Hall of Fame<sup>3</sup>; the Florida Veterans’ Hall of Fame<sup>4</sup>; the Florida Civil Rights Hall of Fame<sup>5</sup>; and the Florida Artists Hall of Fame.<sup>6</sup>

The approach taken by the bill in establishing and administering the Law Enforcement Officers’ Hall of Fame is substantially similar to the approach taken in s. 265.003, F.S., which establishes the Florida Veterans’ Hall of Fame. This statute specifies that an agency (the Department of Veterans Affairs) must administer the Florida Veterans’ Hall of Fame “without appropriation of state funds.”<sup>7</sup> The Department of Management Services (DMS) must set aside an area on the Plaza Level of the Capitol Building, where a plaque is displayed.<sup>8</sup> The DMS must consult with Department of Veterans’ Affairs, the administering agency, regarding the design and theme of the area.<sup>9</sup>

Presently, numerous agencies, associations, and organizations present state and national awards for “officer of the year,” “deputy of the year,” etc., including, but not limited to, the Florida Attorney General,<sup>10</sup> the Florida Police Chiefs Association,<sup>11</sup> and the Florida Sheriffs Association.<sup>12</sup>

Section 683.115, F.S., designates May 15th of each year as “Law Enforcement Memorial Day.” The Capitol Courtyard contains a law enforcement officer memorial monument to honor fallen officers. This monument is maintained by the Fraternal Order of Police. A memorial service for fallen officers is held annually at the Capitol.

---

<sup>1</sup> Analysis of SB 1234 (March 5, 2014) (footnote omitted), Florida Department of Law Enforcement (on file with the Senate Criminal Justice Committee) (further cited as “FDLE Bill Analysis”).

<sup>2</sup> *Id.*

<sup>3</sup> Section 265.001, F.S.

<sup>4</sup> Section 265.003, F.S.

<sup>5</sup> Section 760.065, F.S.

<sup>6</sup> Section 265.2865, F.S.

<sup>7</sup> Section 265.003(2)(a), F.S.

<sup>8</sup> Section 265.003(2)(b) and (c), F.S.

<sup>9</sup> Section 265.003(2)(b), F.S.

<sup>10</sup> “Attorney General Pam Bondi Honors Law Enforcement Officers and Victim Advocates During Crime Victims’ Week Ceremony” (News Release) (April 24, 2013), Florida Office of the Attorney General, available at <http://myfloridalegal.com/852562220065EE67.nsf/0/9485E43A4865854485257B5700620577?Open&Highlight=0,law,enforcement,officer,of,the,year> (last visited on March 12, 2014).

<sup>11</sup> “The ‘Lee McGehee’ Police Officer of the Year Awards,” Florida Police Chiefs Association, available at <http://www.fpca.com/lee-mcgehee-police-officer-of-the-year-award> (last visited on March 12, 2014).

<sup>12</sup> “Deputy Tim Liberatore is 2013 Florida Sheriffs Association’s Law Enforcement Officer of the Year” (Press Release) (August 7, 2013), Florida Sheriffs Association, available at <http://www.flsheriffs.org/newsroom/entry/deputy-time-liberatore-is-2013-florida-sheriffs-associations-law-enforcemen> (last visited on March 12, 2014).

### III. Effect of Proposed Changes:

The bill creates s. 265.004, F.S., to establish the Florida Law Enforcement Officers' Hall of Fame. According to intent language in the proposed statute:

The Legislature intends to recognize and honor those law enforcement officers who, through their works, service, and exemplary accomplishments during or following their service as law enforcement officers, have dedicated their lives to, and sacrificed their lives for, the safety of the residents of Florida and have made significant contributions to this state.

The Hall of Fame is administered by the FDLE without appropriation of state funds. The bill directs the DMS to set aside an appropriate public area on the Plaza Level of the Capitol Building for the Hall of Fame. The DMS must consult with the FDLE regarding the design and theme of the area.

The FDLE must:

- Affix the name of each inductee on a plaque displayed in the designated area of the Capitol Building;
- Annually accept recommendations of persons to be considered for induction into the Hall of Fame from law enforcement organizations the FDLE deems appropriate, including but not limited to, the Police Benevolent Association;
- Transmit a list of nominees to the Governor and Cabinet who will select the nominees to be inducted; and
- In making its recommendations to the Governor and Cabinet, give preference to law enforcement officers who were born in Florida or adopted Florida as their home state.

The FDLE may:

- Establish criteria and set specific time periods for the acceptance of nominations and for the selection process for nominees; and
- Establish, organize, and conduct a formal induction ceremony.

The bill takes effect on July 1, 2014.

### IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:****FDLE Impact**

The FDLE has provided the following comments regarding the impact of the bill on the department:

FDLE believes it is important to recognize the many accomplishments of Florida's law enforcement officers; as of December 20, 2013, there were 45,273 certified law enforcement officers in Florida. In order for the Florida Law Enforcement Officers' Hall of Fame initiative to be meaningful, it will require an extensive vetting process in order to examine and evaluate all nominations submitted to the department.

Although the bill directs FDLE to administer the Florida Law Enforcement Officers' Hall of Fame without appropriation of state funds, the associated costs related to staff time and agency resources that will be expended to carry out this annual activity cannot be absorbed within FDLE's existing appropriated resources.<sup>13</sup>

The FDLE further states:

The FDLE is required to accept nominations of persons to be considered for induction, and transmit the names to the Governor and Cabinet. The FDLE is, also, authorized to establish guidelines for the process of selecting nominees. In order to implement these statutory requirements, the FDLE will need one FTE to develop the guidelines that will govern the implementation, and to solicit, review and more importantly, vet the applications prior to processing the names submitted for consideration.

The following specific information is provided by the FDLE regarding expenditures for the one FTE, Government Analyst:

- FY 2014-15: \$63,520 (\$53,142 salary & benefits), \$10,034 (expense), and \$344 (HR)<sup>14</sup>
- FY 2015-16: \$57,259 (\$53,142 salary & benefits), \$3,773 (expenses), and \$344 (HR)

<sup>13</sup> All of the information for the "Government Sector Impact" section of this bill analysis is from the FDLE Bill Analysis.

<sup>14</sup> Standard costs associated with the FTE such as DMS personnel management and People First.

- FY 2016-17: \$57,259 (\$53,142 salary & benefits), \$3,773 (expenses), and \$344 (HR)

The FDLE further states that the bill “requires that the name of each person inducted into the Hall of Fame be placed on a plaque displayed in the designated area of the Capitol building. The costs related to this plaque will be absorbed into FDLE’s appropriated budget.”

### **DMS Impact**

The DMS is required to set aside an area on the Plaza level of the Capitol Building for the Hall of Fame. An analysis of the bill by the DMS is not available, but the FDLE states that the DMS “may incur non-recurring expenses to prepare the area.”

## **VI. Technical Deficiencies:**

The FDLE indicates that some intent language in the bill could create ambiguities that may make it difficult to implement provisions of the bill:

SB 1234 grants FDLE rule-making authority to “establish criteria and set specific time periods for the acceptance of nominations and for the selection process for nominees” whose names are transmitted to the Governor and Cabinet.<sup>15</sup> However, an apparent inconsistency in the intent language may pose difficulties for FDLE in carrying out this duty.

Section 1 states that “[T]he Legislature intends to recognize and honor those law enforcement officers who, through their works, service, and *exemplary accomplishments during or following their service as law enforcement officers*, have dedicated their lives to, and *sacrificed their lives for*,...” (Emphasis added). To the law enforcement community, the words “sacrificed their lives for” mean “died in the line of duty.” This section could be interpreted to limit eligibility only to those who have died in the line of duty, as evidenced by the inclusion of the words “exemplary accomplishments during or following their service as law enforcement officers.” If this point is not clarified, the FDLE will have difficulty in establishing criteria for the process of accepting recommendations and selecting nominees to forward to the Governor and Cabinet.

## **VII. Related Issues:**

The FDLE is required by the bill to “give preference to law enforcement officers who were born in Florida or adopted Florida as their home state.” The phrase “adopted Florida as their home state” is unclear and may be susceptible to differing interpretations.

## **VIII. Statutes Affected:**

This bill creates section 265.005 of the Florida Statutes.

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<sup>15</sup> While the FDLE interprets this language as granting the department rule-making authority, the bill does not specifically grant rulemaking authority to the FDLE for this purpose.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

---

By Senator Bullard

39-01039-14

20141234\_\_

A bill to be entitled

An act relating to the Florida Law Enforcement Officers' Hall of Fame; creating s. 265.005, F.S.; providing legislative intent; establishing the Florida Law Enforcement Officers' Hall of Fame; providing for administration of the hall of fame by the Department of Law Enforcement; directing the Department of Management Services to designate a location; establishing procedures for selection, nomination, and induction of members; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 265.005, Florida Statutes, is created to read:

265.005 Florida Law Enforcement Officers' Hall of Fame.—

(1) The Legislature intends to recognize and honor those law enforcement officers who, through their works, service, and exemplary accomplishments during or following their service as law enforcement officers, have dedicated their lives to, and sacrificed their lives for, the safety of the citizens of Florida and have made significant contributions to this state.

(2) There is established the Florida Law Enforcement Officers' Hall of Fame.

(a) The Florida Law Enforcement Officers' Hall of Fame is administered by the Department of Law Enforcement without appropriation of state funds.

(b) The Department of Management Services shall set aside an appropriate public area on the Plaza Level of the Capitol

Page 1 of 2

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

39-01039-14

20141234\_\_

Building for the Florida Law Enforcement Officers' Hall of Fame and shall consult with the Department of Law Enforcement regarding the design and theme of the area.

(c) The Department of Law Enforcement shall affix the name of each person inducted into the Florida Law Enforcement Officers' Hall of Fame on a plaque displayed in the designated area of the Capitol Building.

(3) (a) The Department of Law Enforcement shall annually accept nominations of persons to be considered for induction into the Florida Law Enforcement Officers' Hall of Fame from law enforcement organizations that the department deems appropriate, including, but not limited to, the Police Benevolent Association. The department shall transmit a list of nominees to the Governor and Cabinet who will select the nominees to be inducted.

(b) In making its recommendations to the Governor and Cabinet, the Department of Law Enforcement shall give preference to law enforcement officers who were born in Florida or adopted Florida as their home state.

(4) The Department of Law Enforcement may establish criteria and set specific time periods for the acceptance of nominations and for the selection process for nominees. The department may establish, organize, and conduct a formal induction ceremony.

Section 2. This act shall take effect July 1, 2014.

Page 2 of 2

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.



The Florida Senate

## Committee Agenda Request

**To:** Senator Jeremy Ring, Chair  
Governmental Oversight and Accountability Committee

**Subject:** Committee Agenda Request

**Date:** March 24, 2014

---

I respectfully request that **Senate Bill #1234**, relating to Florida Law Enforcement Officers' Hall of Fame, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "D. Bullard", written over a horizontal line.

Senator Dwight Bullard  
Florida Senate, District 39



**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

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BILL: SB 1700

INTRODUCER: Senator Bean

SUBJECT: Public Records/Personal Identifying Information/Compassionate Use Registry

DATE: April 9, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	<b>Favorable</b>
2.	<u>Kim</u>	<u>McVaney</u>	<u>GO</u>	<b>Favorable</b>
3.	_____	_____	<u>RC</u>	_____

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**I. Summary:**

SB 1700 makes patient and physician personal identifying information held by the Department of Health (DOH) in the compassionate use registry<sup>1</sup> (registry) confidential and exempt from the public records requirements of section 119.07(1), F.S., and article I, section 24(a) of the Florida Constitution. The bill allows law enforcement agencies, low-THC marijuana dispensing organizations, physicians, the DOH's relevant health care regulatory boards, and persons engaged in bona fide research to access the information in the registry under certain circumstances. The bill also requires that such confidential information remain confidential once released from the registry and provides penalties for violating the provisions of the exemption.

This bill is subject to the Open Government Sunset Review Act and will stand repealed on October 2, 2019, unless reviewed and reenacted by the Legislature.

The bill contains a public necessity statement as required by the Florida Constitution.

Because this bill creates a new public records exemption, a two-thirds vote of the members present and voting in each house of the Legislature is required for passage.

**II. Present Situation:**

**Public Records Laws**

The Florida Constitution provides every person the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or

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<sup>1</sup> That will be established under s. 456.60, F.S., if CS/SB 1030 passes.

employee of the state, or of persons acting on their behalf.<sup>2</sup> The records of the legislative, executive, and judicial branches are specifically included.<sup>3</sup>

The Florida Statutes also specify conditions under which public access must be provided to government records. The Public Records Act<sup>4</sup> guarantees every person's right to inspect and copy any state or local government public record<sup>5</sup> at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record.<sup>6</sup>

Only the Legislature may create an exemption to public records requirements.<sup>7</sup> Such an exemption must be created by general law and must specifically state the public necessity justifying the exemption.<sup>8</sup> Further, the exemption must be no broader than necessary to accomplish the stated purpose of the law. A bill enacting an exemption may not contain other substantive provisions<sup>9</sup> and must pass by a two-thirds vote of the members present and voting in each house of the Legislature.<sup>10</sup>

The Open Government Sunset Review Act (the Act) prescribes a legislative review process for newly created or substantially amended public records or open meetings exemptions.<sup>11</sup> It requires the automatic repeal of such exemption on October 2 of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.<sup>12</sup> The Act provides that a public records or open meetings exemption may be created or maintained only if it serves an identifiable public purpose and is no broader than is necessary to meet such public purpose.<sup>13</sup>

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<sup>2</sup> FLA. CONST., art. I, s. 24(a).

<sup>3</sup> *Id.*

<sup>4</sup> Chapter 119, F.S.

<sup>5</sup> Section 119.011(12), F.S., defines "public records" to mean "all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency." Section 119.011(2), F.S., defines "agency" to mean as "any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency." The Public Records Act does not apply to legislative or judicial records (*see Locke v. Hawkes*, 595 So.2d 32 (Fla. 1992)).

<sup>6</sup> Section 119.07(1)(a), F.S.

<sup>7</sup> FLA. CONST., art. I, s. 24(c). There is a difference between records the Legislature designates as exempt from public records requirements and those the Legislature designates *confidential and exempt*. A record classified as exempt from public disclosure may be disclosed under certain circumstances (*see WFTV, Inc. v. The School Board of Seminole*, 874 So.2d 48 (Fla. 5th DCA 2004), review denied 892 So.2d 1015 (Fla. 2004); *City of Riviera Beach v. Barfield*, 642 So.2d 1135 (Fla. 4th DCA 2004); and *Williams v. City of Minneola*, 575 So.2d 687 (Fla. 5th DCA 1991)). If the Legislature designates a record as confidential and exempt from public disclosure, such record may not be released, by the custodian of public records, to anyone other than the persons or entities specifically designated in the statutory exemption (*see Attorney General Opinion 85-62*, August 1, 1985).

<sup>8</sup> FLA. CONST., art. I, s. 24(c).

<sup>9</sup> The bill may, however, contain multiple exemptions that relate to one subject.

<sup>10</sup> FLA. CONST., art. I, s. 24(c).

<sup>11</sup> Section 119.15, F.S. An exemption is substantially amended if the amendment expands the scope of the exemption to include more records or information or to include meetings as well as records (s. 119.15(4)(b), F.S.). The requirements of the Act do not apply to an exemption that is required by federal law or that applies solely to the Legislature or the State Court System (s. 119.15(2), F.S.).

<sup>12</sup> Section 119.15(3), F.S.

<sup>13</sup> Section 119.15(6)(b), F.S.

### **The Compassionate Use Registry**

SB 1700 is the public records bill linked to CS/SB 1030, which creates s. 456.60 of the Florida Statutes. CS/SB 1030 requires the DOH to create a compassionate use registry that will be a secure, electronic, and online registry of physicians and patients who order and use low-THC marijuana. Dispensing organizations will be required to verify physician orders and to record the date, time, quantity and form of the low-THC marijuana they dispense. The registry will be designed so that multiple doctors will not be able to register the same patients.

### **III. Effect of Proposed Changes:**

**Section 1** creates s. 456.61, F.S., to make confidential and exempt from the public records requirements of s. 119.07(1), F.S., and article I, section 24(a) of the Florida Constitution any patient and physician identifying information in the compassionate use registry. The bill specifically exempts a registered patient's and physician's name, address, telephone number, and government issued identification number. In addition, the ordering physician's Drug Enforcement Administration (DEA) number and all information pertaining to the physician's order for low-THC marijuana are confidential and exempt.

The following entities will have access to confidential and exempt information:

- A law enforcement agency that is investigating a violation of law regarding cannabis if the subject of the investigation claims he, she or it is acting within the parameters of s. 456.60, F.S.;
- A dispensing organization attempting to verify the authenticity of a physician's order for low-THC marijuana;
- A physician ordering low-THC marijuana for his or her patient;
- The DOH for the purpose of maintaining the registry;
- Health care regulatory boards investigating a physician for a violation of s. 456.60, F.S. If a board uncovers criminal activity, the board may provide relevant information to the appropriate law enforcement agency; and
- Researchers approved by the DOH, who agree to maintain the confidentiality of the information they receive and agree not to contact a patient or physician whose information is in the registry.

The bill states that all information that is released from the registry remains confidential and exempt and requires any person receiving information from the registry to maintain the confidentiality of that information. Any person who willingly and knowingly violates a provision of this exemption commits a third degree felony.

The bill also provides for the automatic repeal of the exemption on October 2, 2019, unless reenacted by the Legislature.

**Section 2** provides legislative findings. The bill states that the Legislature finds it is a public necessity to protect the information in the compassionate use registry in order to protect the privacy of patients who choose to use low-THC marijuana and physicians who choose to order it. The Legislature finds that the public availability of registry information could make the public

aware of a patient's medical diseases or conditions and may also open patients and physicians up to discrimination for their use or ordering of low-THC marijuana.

**Section 3** establishes an effective date that is the same as the effective date of CS/SB 1030 or similar legislation passed in the same legislative session. The bill only takes effect if CS/SB 1030, or similar legislation, is passed and becomes law.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

##### **Vote Requirement**

Article I, section 24(c) of the Florida Constitution requires a two-thirds vote of the members present and voting in each house of the Legislature for passage of a newly-created or expanded public records or public meetings exemption. As such, this bill requires a two-thirds vote for passage.

##### **Public Necessity Statement**

Article I, section 24(c) of the Florida Constitution requires a public necessity statement for a newly-created or expanded public records or public meetings exemption. As such, this bill includes a public necessity statement.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. **Government Sector Impact:**

The fiscal and technological impact of developing and maintaining a new registry for low-THC marijuana is indeterminate. In all likelihood, the cost of maintaining public records and responding to public records requests will be absorbed by the program.<sup>14</sup>

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill creates section 456.61 of the Florida Statutes.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>14</sup> 2014 Agency Legislative Bill Analysis for SB 1030 from the Department of Health, on file with the Senate Committee on Governmental Oversight and Accountability.

By Senator Bean

4-02537B-14

20141700\_\_

1 A bill to be entitled  
 2 An act relating to public records; creating s. 456.61,  
 3 F.S.; exempting from public records requirements  
 4 personal identifying information of patients and  
 5 physicians held by the Department of Health in the  
 6 compassionate use registry; exempting information  
 7 related to ordering and dispensing low-THC marijuana;  
 8 authorizing specified persons and entities access to  
 9 the exempt information; requiring that information  
 10 released from the registry remain confidential;  
 11 providing a criminal penalty; providing for future  
 12 legislative review and repeal; providing a statement  
 13 of public necessity; providing a contingent effective  
 14 date.

15  
 16 Be It Enacted by the Legislature of the State of Florida:

17  
 18 Section 1. Section 456.61, Florida Statutes, is created to  
 19 read:

20 456.61 Public records exemption for personal identifying  
 21 information in the compassionate use registry.—

22 (1) A patient's personal identifying information held by  
 23 the department in the compassionate use registry established  
 24 under s. 456.60, including, but not limited to, the patient's  
 25 name, address, telephone number, and government-issued  
 26 identification number, and all information pertaining to the  
 27 physician's order for low-THC marijuana and the dispensing  
 28 thereof are confidential and exempt from s. 119.07(1) and s.  
 29 24(a), Art. I of the State Constitution.

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

4-02537B-14

20141700\_\_

30 (2) A physician's identifying information held by the  
 31 department in the compassionate use registry established under  
 32 s. 456.60, including, but not limited to, the physician's name,  
 33 address, telephone number, government-issued identification  
 34 number, and Drug Enforcement Administration number, and all  
 35 information pertaining to the physician's order for low-THC  
 36 marijuana and the dispensing thereof are confidential and exempt  
 37 from s. 119.07(1) and s. 24(a), Art. I of the State  
 38 Constitution.

39 (3) The department shall allow access to the registry,  
 40 including access to confidential and exempt information, to:

41 (a) A law enforcement agency that is investigating a  
 42 violation of law regarding cannabis in which the subject of the  
 43 investigation claims an exception established under s. 456.60.

44 (b) A dispensing organization approved by the department  
 45 pursuant to s. 456.60(3)(b) which is attempting to verify the  
 46 authenticity of a physician's order for low-THC marijuana,  
 47 including whether the order had been previously filled and  
 48 whether the order was written for the person attempting to have  
 49 it filled.

50 (c) A physician who has written an order for low-THC  
 51 marijuana for the purpose of monitoring the patient's use of  
 52 such marijuana or for the purpose of determining, before issuing  
 53 an order for low-THC marijuana, whether another physician has  
 54 ordered the patient's use of low-THC marijuana. The physician  
 55 may access the confidential and exempt information only for the  
 56 patient for whom he or she has ordered or is determining whether  
 57 to order the use of low-THC marijuana pursuant to s. 456.60.

58 (d) An employee of the department for the purposes of

Page 2 of 5

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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59 maintaining the registry and periodic reporting or disclosure of  
60 information that has been redacted to exclude personal  
61 identifying information.

62 (e) The department's relevant health care regulatory boards  
63 responsible for the licensure, regulation, or discipline of a  
64 physician if he or she is involved in a specific investigation  
65 of a violation of s. 456.60. If a health care regulatory board's  
66 investigation reveals potential criminal activity, the board may  
67 provide any relevant information to the appropriate law  
68 enforcement agency.

69 (f) A person engaged in bona fide research if the person  
70 agrees:

71 1. To submit a research plan to the department which  
72 specifies the exact nature of the information requested and the  
73 intended use of the information;

74 2. To maintain the confidentiality of the records or  
75 information if personal identifying information is made  
76 available to the researcher;

77 3. To destroy any confidential records or information  
78 obtained after the research is concluded; and

79 4. Not to contact, directly or indirectly, for any purpose,  
80 a patient or physician whose information is in the registry.

81 (4) All information released from the registry under  
82 subsection (3) remains confidential and exempt, and a person who  
83 receives access to such information must maintain the  
84 confidential status of the information received.

85 (5) A person who willfully and knowingly violates this  
86 section commits a felony of the third degree, punishable as  
87 provided in s. 775.082, s. 775.083, or s. 775.084.

4-02537B-14 20141700\_\_

88 (6) This section is subject to the Open Government Sunset  
89 Review Act in accordance with s. 119.15 and shall stand repealed  
90 on October 2, 2019, unless reviewed and saved from repeal  
91 through reenactment by the Legislature.

92 Section 2. The Legislature finds that it is a public  
93 necessity that identifying information of patients and  
94 physicians held by the Department of Health in the compassionate  
95 use registry established under s. 456.60, Florida Statutes, be  
96 made confidential and exempt from s. 119.07(1), Florida  
97 Statutes, and s. 24(a), Article I of the State Constitution.  
98 Specifically, the Legislature finds that it is a public  
99 necessity to make confidential and exempt from public records  
100 requirements the names, addresses, telephone numbers, and  
101 government-issued identification numbers of patients and  
102 physicians and any other information on or pertaining to a  
103 physician's order for low-THC marijuana written pursuant to s.  
104 456.60, Florida Statutes, which are held in the registry. The  
105 choice made by a physician and his or her patient to use low-THC  
106 marijuana to treat that patient's medical condition or symptoms  
107 is a personal and private matter between those two parties. The  
108 availability of such information to the public could make the  
109 public aware of both the patient's use of low-THC marijuana and  
110 the patient's diseases or other medical conditions for which the  
111 patient is using low-THC marijuana. The knowledge of the  
112 patient's use of low-THC marijuana, the knowledge that the  
113 physician ordered the use of low-THC marijuana, and the  
114 knowledge of the patient's medical condition could be used to  
115 embarrass, humiliate, harass, or discriminate against the  
116 patient and the physician. This information could be used as a

4-02537B-14

20141700\_\_

117 discriminatory tool by an employer who disapproves of the  
118 patient's use of low-THC marijuana or of the physician's  
119 ordering such use. However, despite the potential hazards of  
120 collecting such information, maintaining the compassionate use  
121 registry established under s. 456.60, Florida Statutes, is  
122 necessary to prevent the diversion and nonmedical use of any  
123 low-THC marijuana as well as to aid and improve research done on  
124 the efficacy of low-THC marijuana. Thus, the Legislature finds  
125 that it is a public necessity to make confidential and exempt  
126 from public records requirements the identifying information of  
127 patients and physicians held by the Department of Health in the  
128 compassionate use registry established under s. 456.60, Florida  
129 Statutes.

130 Section 3. This act shall take effect on the same date that  
131 SB 1030, or similar legislation establishing an electronic  
132 system to record a physician's orders for, and a patient's use  
133 of, low-THC marijuana takes effect, if such legislation is  
134 adopted in the same legislative session or an extension thereof  
135 and becomes a law.





## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Health Policy, *Chair*  
Appropriations  
Appropriations Subcommittee on Education  
Appropriations Subcommittee on Health  
and Human Services  
Commerce and Tourism  
Communications, Energy, and Public Utilities  
Governmental Oversight and Accountability

### SELECT COMMITTEE:

Select Committee on Patient Protection  
and Affordable Care Act

### SENATOR AARON BEAN

4th District

April 3, 2014

Senator Jeremy Ring  
Chairman, Committee on Government Oversight and Accountability  
405 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Chairman Ring:

This letter is to request that *SB 1700 relating to an act of Public Records/Personal Identifying Information/ Compassionate Use Registry* be placed on the agenda of the next possible committee meeting if received.

Thank you for your consideration of this request.

Respectfully,

A handwritten signature in blue ink that reads "Aaron Bean".

Aaron Bean  
State Senator, 4<sup>th</sup> District

Cc: Joe McVaney, Staff Director  
Bethany Jones, Committee Administrative Assistant

#### REPLY TO:

- 1919 Atlantic Boulevard, Jacksonville, Florida 32207 (904) 346-5039 FAX: (888) 263-1578
- 302 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5004 FAX: (850) 410-4805

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**DON GAETZ**  
President of the Senate

**GARRETT RICHTER**  
President Pro Tempore

# CourtSmart Tag Report

Room: KN 412

Case:

Type:

Caption: Senate Governmental Oversight and Accountability Committee

Judge:

Started: 4/10/2014 9:06:04 AM

Ends: 4/10/2014 10:54:20 AM

Length: 01:48:17

9:06:06 AM Meeting to Order - Roll Call  
9:06:45 AM Tab 2 - CS/SB 1320 by Senator Richter—Public Records/Office of Financial Regulation  
9:06:46 AM Michael Nachev, aide to Sen. Richter, presents the bill  
9:07:13 AM Late-filed Strike All Barcode 756996  
9:07:32 AM Roll Call  
9:07:50 AM CS/CS/SB 1320 reported favorably  
9:08:02 AM Tab 3 - SB 762 by Senator Detert—Family Care Councils  
9:08:15 AM Aide presents SB 762 for Senator Detert  
9:08:45 AM Amendment Barcode 188984 by Senator Bean  
9:09:05 AM Roll Call  
9:09:21 AM CS/SB 762 reported favorably  
9:09:29 AM Tab 4 - SB 1234 by Senator Bullard—Florida Law Enforcement Officers' Hall of Fame  
9:09:36 AM Tyrell Hall, aide to Senator Bullard, presents the bill  
9:09:58 AM Roll Call  
9:10:13 AM SB 1234 reported favorably  
9:10:27 AM Tab 5 - SB 1700 by Senator Bean—Public Records/Personal Identifying Information/Compassionate Use Registry  
9:10:32 AM Roll Call  
9:10:52 AM SB 1700 reported favorably  
9:11:00 AM Senator Benacquisto moves to change her vote on SB 1700  
9:11:14 AM Tab 1 - SB 1114 by Community Affairs—Florida Retirement System  
9:11:27 AM Senator Simpson presents the bill  
9:13:34 AM Move to take up the PCS barcode 776102  
9:14:06 AM Amendment Barcode 636584-Withdrawn  
9:14:20 AM Amendment Barcode 255982 by Senator Simmons  
9:14:35 AM Sen. Simmons explains the amendment  
9:16:28 AM Late-filed Amendment to the Amendment Barcode 904516 by Senator Montford  
9:16:35 AM Sen. Montford explains the amendment to the amendment  
9:18:34 AM Amendment to the Amendment 904516- Withdrawn  
9:18:56 AM Senator Ring  
9:19:20 AM Senator Simmons  
9:19:59 AM Senator Bradley  
9:20:35 AM Amendment barcode 255982- Withdrawn  
9:20:50 AM Amendment Barcode 927262 by Senator Ring  
9:21:01 AM Senator Ring explains the amendment  
9:22:09 AM Late-filed handwritten amendment introduced  
9:22:15 AM Late-filed amendment Barcode 597574 by Senator Ring- Withdrawn  
9:22:58 AM Senator Montford  
9:24:33 AM Senator Ring  
9:26:34 AM Senator Montford  
9:27:06 AM Senator Ring  
9:28:15 AM Handwritten Amendment to Amendment 927262 by Senator Ring  
9:28:50 AM Amendment barcode 593622 by Sen. Ring- Withdrawn  
9:30:32 AM Vivian Garner, United School Employees of Pasco, Hudson, FL  
9:34:31 AM Carol Horton, retired teacher, Lake Worth, FL  
9:35:45 AM Monica Capabiano, School Counselor, Teachers of Pasco County  
9:38:35 AM Leticia Adams, Florida Chamber of Commerce, Tallahassee, FL  
9:40:29 AM Senator Montford  
9:40:43 AM Ms. Adams responds  
9:41:14 AM Senator Montford  
9:41:46 AM Senator Ring  
9:41:52 AM Mike Fewless, Captain, Orange County Sheriff's Office, Orlando, FL

9:43:04 AM Senator Ring  
9:43:46 AM Captain Fewless responds  
9:44:11 AM Senator Ring  
9:44:40 AM Captain Fewless  
9:45:08 AM Senator Ring  
9:45:43 AM Captain Fewless  
9:46:10 AM Chair Ring  
9:46:35 AM Captain Fewless  
9:47:14 AM Chair Ring  
9:47:40 AM Captain Fewless  
9:48:25 AM Senator Montford  
9:49:12 AM Senator Simmons  
9:50:04 AM Captain Fewless  
9:50:46 AM Senator Simmons  
9:51:19 AM Captain Fewless  
9:51:55 AM Senator Simmons  
9:52:04 AM Captain Fewless  
9:52:12 AM Senator Simmons  
9:55:27 AM Ash Williams, Executive Director, IRA, Tallahassee, FL  
9:58:21 AM Senator Simmons  
9:58:48 AM Mr. Williams  
10:00:39 AM Senator Ring  
10:01:19 AM Mr. Williams  
10:02:07 AM Senator Bradley  
10:02:29 AM Senator Simmons  
10:02:35 AM Ron Poppell, State Board of Administration  
10:03:15 AM Senator Simmons  
10:03:25 AM Mr. Poppell  
10:03:35 AM Senator Simmons  
10:03:43 AM Mr. Poppell  
10:04:01 AM Senator Simmons  
10:04:10 AM Mr. Poppell  
10:04:17 AM Senator Simmons  
10:04:50 AM Mr. Poppell  
10:06:29 AM Senator Ring  
10:07:37 AM Senator Simmons  
10:08:10 AM Mr. Poppell  
10:08:25 AM Senator Simmons  
10:09:05 AM Mr. Poppell  
10:09:27 AM Senator Simmons  
10:10:13 AM Senator Ring  
10:10:19 AM Mr. Poppell  
10:12:55 AM Senator Montford  
10:13:07 AM Mr. Poppell  
10:13:18 AM Senator Montford  
10:13:24 AM Senator Simpson  
10:14:32 AM Senator Montford  
10:14:51 AM Senator Simpson  
10:14:56 AM Senator Ring  
10:15:06 AM Mr. Poppell  
10:15:59 AM Senator Montford  
10:16:05 AM Senator Ring  
10:16:20 AM Senator Montford  
10:16:39 AM Mr. Poppell  
10:16:51 AM Senator Benacquisto  
10:17:55 AM Captain Fewless  
10:18:48 AM Senator Hays moves for a time-certain vote at 10:55 a.m.  
10:19:00 AM Mr. Poppell  
10:20:10 AM Senator Montford  
10:20:48 AM Mr. Poppell  
10:21:23 AM Senator Montford  
10:21:48 AM Senator Simmons

10:22:07 AM Mr. Poppell  
10:22:14 AM Senator Simmons  
10:23:31 AM Mr. Poppell  
10:24:12 AM Senator Simmons  
10:24:34 AM Mr. Poppell  
10:24:53 AM Senator Simmons  
10:25:54 AM Mr. Poppell  
10:26:29 AM Senator Bradley  
10:27:08 AM Captain Fewless  
10:27:20 AM Joe McVaney, committee staff director  
10:27:38 AM Captain Fewless  
10:27:51 AM Mr. McVaney  
10:28:08 AM Senator Bradley  
10:28:59 AM Rich Templin, Legislative & Political Director, Florida AFL-CIO, Tallahassee, FL  
10:37:37 AM Lynda Russell, Florida Education Association, Tallahassee, FL  
10:42:01 AM Senator Bradley  
10:42:32 AM Ms. Russell  
10:43:11 AM Senator Bradley  
10:43:18 AM Ms. Russell  
10:43:50 AM Jeanette D. Wynn, President, AFSCME, Tallahassee, FL  
10:45:08 AM Jim Tolley, President of Florida Prof Firefighters  
10:47:34 AM Amy Datz, Retiree, Tallahassee, FL  
10:49:57 AM Ron Silver, Teamsters  
10:50:22 AM Senator Simpson closes on bill  
10:52:26 AM PCS adopted as CS for SB 1114  
10:53:25 AM Roll Call  
10:53:45 AM CS/SB 1114 reported favorably  
10:53:54 AM Sen. Smith makes a motion  
10:54:07 AM Senator Hays makes a motion  
10:54:09 AM Meeting Adjourned