

By Representative Boyd

1                                   A bill to be entitled  
2           An act relating to the Florida Retirement  
3           System; amending s. 112.363, F.S.; increasing  
4           the retiree health insurance subsidy payment  
5           and the contribution rate; providing for  
6           retroactive payments under certain  
7           circumstances; amending s. 121.011, F.S.;  
8           clarifying benefits payable under existing  
9           systems; amending ss. 121.052, 121.055, and  
10          121.071, F.S.; changing contribution rates for  
11          specified classes and subclasses of the system  
12          and for the retiree health insurance subsidy;  
13          amending s. 121.091, F.S.; providing for  
14          benefit computations using dual retirement ages  
15          for service in the Senior Management Service  
16          Class and the Elected State and County  
17          Officer's Class; providing for nullification of  
18          a joint annuitant designation in the event of  
19          dissolution of marriage; providing for purchase  
20          of additional service credit using a deceased  
21          member's accumulated leave, out-of-state  
22          service, or in-state service under certain  
23          circumstances; specifying that a member's  
24          spouse at the time of death shall be the  
25          member's beneficiary under certain  
26          circumstances; amending s. 121.122, F.S.;  
27          allowing members with renewed membership in the  
28          Senior Management Service Class to purchase  
29          additional retirement credit for certain  
30          postretirement service; amending s. 121.40,  
31          F.S.; changing contribution rates for the

1 supplemental retirement plan for the Institute  
2 of Food and Agricultural Sciences at the  
3 University of Florida; repealing ss. 121.0505  
4 and 121.0516, F.S.; relating to duplicative  
5 contribution rates; directing the Division of  
6 Statutory Revision to make described  
7 adjustments to the statutes with respect to  
8 contribution rates; providing a finding of  
9 important state interest; providing an  
10 effective date.

11  
12 Be It Enacted by the Legislature of the State of Florida:

13  
14 Section 1. Paragraph (d) is added to subsection (3),  
15 paragraph (e) is added to subsection (8), and subsection (9)  
16 of section 112.363, Florida Statutes, is amended, to read:

17 112.363 Retiree health insurance subsidy.--

18 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

19 (d) Beginning January 1, 1999, each eligible retiree  
20 or a beneficiary who is a spouse or financial dependent shall  
21 receive a monthly retiree health insurance subsidy payment  
22 equal to the number of years of creditable service, as defined  
23 in s. 121.021(17), completed at the time of retirement  
24 multiplied by \$4; however, no retiree may receive a subsidy  
25 payment of more than \$120 or less than \$40.

26 (8) CONTRIBUTIONS.--For purposes of funding the  
27 insurance subsidy provided by this section:

28 (e) Beginning July 1, 1998, the employer of each  
29 member of a state-administered retirement plan shall  
30 contribute 0.80 percent of gross compensation each pay period.  
31

1 Such contributions shall be submitted to the Division of  
2 Retirement and deposited in the Retiree Health Insurance  
3 Subsidy Trust Fund.

4 (9) BENEFITS.--Subsidy payments shall be payable under  
5 the retiree health insurance subsidy program only to  
6 participants in the program or their beneficiaries. If the  
7 division receives certification of coverage for health  
8 insurance for the retiree or beneficiary within 6 months after  
9 retirement benefits commence, the Retiree Health Insurance  
10 Subsidy shall be paid retroactive to the effective retirement  
11 date. However, if the division receives the certification of  
12 insurance coverage 6 or more months after retirement benefits  
13 commence, the member will be eligible to receive retroactive  
14 payments for a maximum of 6 months only.Such subsidy payments  
15 shall not be subject to assignment, execution, or attachment  
16 or to any legal process whatsoever.

17 Section 2. Paragraph (b) of subsection (2) of section  
18 121.011, Florida Statutes, is amended to read:

19 121.011 Florida Retirement System.--

20 (2) CONSOLIDATION OF EXISTING SYSTEMS AND LAWS.--

21 (b) The chapters or retirement system laws named in  
22 paragraph (a) are hereby consolidated as separate instruments  
23 appended to the "Florida Retirement System Act" established by  
24 this chapter, and the administration of said chapters or  
25 retirement systems shall be consolidated with the  
26 administration of the Florida Retirement System established by  
27 this chapter and the Florida Retirement System shall assume  
28 all liabilities related to the payment of benefits to members  
29 and their beneficiaries.

30 Section 3. Paragraphs (a) and (c) of subsection (7) of  
31 section 121.052, Florida Statutes, are amended to read:

1           121.052 Membership class of elected state and county  
2 officers.--  
3           (7) CONTRIBUTIONS.--  
4           (a) The following table states the required retirement  
5 contribution rates for members of the Elected State and County  
6 Officers' Class and their employers in terms of a percentage  
7 of the member's gross compensation. A change in a contribution  
8 rate is effective with the first salary paid on or after the  
9 beginning date of the change. Contributions shall be made or  
10 deducted as may be appropriate for each pay period and are in  
11 addition to the contributions required for social security and  
12 the Retiree Health Insurance Subsidy Trust Fund.

13  
14 Dates of Contribution

15     Rate Changes	Members	Employers
16		
17     July 1, 1972, through September 30, 1977		
18         Legislators	8%	8%
19         All Other Members	8%	8%
20		
21     October 1, 1977, through September 30, 1978		
22         Legislators	8%	8%
23         All Other Members	4%	12%
24		
25     October 1, 1978, through September 30, 1979		
26         Legislators	8%	10.57%
27         All Other Members	4%	16.78%
28		
29     October 1, 1979, through September 30, 1981		
30         Legislators	8%	10.57%
31         Governor, Lt. Governor, Cabinet		

1	Officers	4%	16.78%
2	All Other Members	0%	20.78%
3			
4	July 1, 1981, through June 30, 1984		
5	County Elected Officers	0%	19.30%
6			
7	July 1, 1984, through September 30, 1984		
8	County Elected Officers	0%	20.25%
9			
10	October 1, 1981, through September 30, 1984		
11	Legislators	0%	19.30%
12	Governor, Lt. Governor, Cabinet		
13	Officers	0%	21.03%
14	State Attorneys, Public Defenders	0%	20.95%
15	Justices, Judges	0%	22.55%
16			
17	October 1, 1984, through September 30, 1986		
18	Legislators	0%	10.98%
19	Governor, Lt. Governor, Cabinet		
20	Officers	0%	10.98%
21	State Attorneys, Public Defenders	0%	10.98%
22	Justices, Judges	0%	21.79%
23	County Elected Officers	0%	16.97%
24			
25	October 1, 1986, through December 31, 1988		
26	Legislators	0%	11.50%
27	Governor, Lt. Governor, Cabinet		
28	Officers	0%	11.50%
29	State Attorneys, Public Defenders	0%	11.50%
30	Justices, Judges	0%	20.94%
31	County Elected Officers	0%	17.19%

1			
2	January 1, 1989, through December 31, 1989		
3	Legislators	0%	13.70%
4	Governor, Lt. Governor, Cabinet		
5	Officers	0%	13.70%
6	State Attorneys, Public Defenders	0%	13.70%
7	Justices, Judges	0%	22.58%
8	County Elected Officers	0%	18.44%
9			
10	January 1, 1990, through December 31, 1990		
11	Legislators	0%	15.91%
12	Governor, Lt. Governor, Cabinet		
13	Officers	0%	15.91%
14	State Attorneys, Public Defenders	0%	15.91%
15	Justices, Judges	0%	24.22%
16	County Elected Officers	0%	19.71%
17			
18	January 1, 1991, through December 31, 1991		
19	Legislators	0%	17.73%
20	Governor, Lt. Governor, Cabinet		
21	Officers	0%	17.73%
22	State Attorneys, Public Defenders	0%	17.73%
23	Justices, Judges	0%	26.63%
24	County Elected Officers	0%	23.32%
25			
26	January 1, 1992, through December 31, 1992		
27	Legislators	0%	19.94%
28	Governor, Lt. Governor, Cabinet		
29	Officers	0%	19.94%
30	State Attorneys, Public Defenders	0%	19.94%
31	Justices, Judges	0%	28.27%

1	County Elected Officers	0%	24.59%
2			
3	January 1, 1993, through December 31, 1993		
4	Legislators	0%	22.14%
5	Governor, Lt. Governor, Cabinet		
6	Officers	0%	22.14%
7	State Attorneys, Public Defenders	0%	22.14%
8	Justices, Judges	0%	29.91%
9	County Elected Officers	0%	25.84%
10			
11	January 1, 1994, through December 31, 1994		
12	Legislators	0%	22.65%
13	Governor, Lt. Governor, Cabinet		
14	Officers	0%	22.65%
15	State Attorneys, Public Defenders	0%	22.65%
16	Justices, Judges	0%	30.52%
17	County Elected Officers	0%	26.07%
18			
19	January 1, 1995, through December 31, 1995		
20	Legislators	0%	22.80%
21	Governor, Lt. Governor, Cabinet		
22	Officers	0%	22.80%
23	State Attorneys, Public Defenders	0%	22.80%
24	Justices, Judges	0%	30.21%
25	County Elected Officers	0%	27.48%
26			
27	January 1, 1996, through June 30, 1996		
28	Legislators	0%	22.90%
29	Governor, Lt. Governor, Cabinet		
30	Officers	0%	22.90%
31	State Attorneys, Public Defenders	0%	22.90%

1	Justices, Judges	0%	30.15%
2	County Elected Officers	0%	27.54%
3			
4	<del>Effective</del> <u>July 1, 1996 through June 30, 1998</u>		
5	Legislators	0%	23.07%
6	Governor, Lt. Governor, Cabinet		
7	Officers	0%	23.07%
8	State Attorneys, Public Defenders	0%	23.07%
9	Justices, Judges	0%	29.55%
10	County Elected Officers	0%	27.33%
11			
12	<u>Effective July 1, 1998</u>		
13	<u>Legislators</u>	<u>0%</u>	<u>22.33%</u>
14	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>22.33%</u>
15	<u>State Attorneys, Public Defenders</u>	<u>0%</u>	<u>22.33%</u>
16	<u>Justices, Judges</u>	<u>0%</u>	<u>27.21%</u>
17	<u>County elected officers</u>	<u>0%</u>	<u>26.99%</u>

18

19 (c) The following table states the required employer  
 20 contribution on behalf of each member of the Elected State and  
 21 County Officers' Class in terms of a percentage of the  
 22 member's gross compensation. Such contribution constitutes the  
 23 entire health insurance subsidy contribution with respect to  
 24 the member. A change in the contribution rate is effective  
 25 with the first salary paid on or after the beginning date of  
 26 the change. The retiree health insurance subsidy contribution  
 27 rate is as follows:

28	29 Dates of Contribution	30 Rate Changes	31 Contribution Rate
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1	October 1, 1987, through December 31, 1988	0.24%
2	January 1, 1989, through December 31, 1993	0.48%
3	January 1, 1994, through December 31, 1994	0.56%
4	<del>Effective</del> January 1, 1995 <u>through June 30,</u>	
5	<u>1998</u>	0.66%
6	<u>Effective July 1, 1998</u>	<u>0.80%</u>

7  
8 Such contributions shall be deposited by the administrator in  
9 the Retiree Health Insurance Subsidy Trust Fund.

10 Section 4. Paragraphs (a) and (c) of subsection (3) of  
11 section 121.055, Florida Statutes, are amended to read:

12 121.055 Senior Management Service Class.--There is  
13 hereby established a separate class of membership within the  
14 Florida Retirement System to be known as the "Senior  
15 Management Service Class," which shall become effective  
16 February 1, 1987.

17 (3)(a) The following table states the required  
18 retirement contribution rates for members of the Senior  
19 Management Service Class and their employers in terms of a  
20 percentage of the member's gross compensation. A change in  
21 the contribution rate is effective with the first salary paid  
22 on or after the beginning date of the change. Contributions  
23 shall be made for each pay period and are in addition to the  
24 contributions required for social security and the Retiree  
25 Health Insurance Subsidy Trust Fund.

26  
27 Dates of Contribution

28	Rate Changes	Members	Employers
29			
30	February 1, 1987, through		
31	December 31, 1988	0%	13.88%

1	January 1, 1989, through		
2	December 31, 1989	0%	14.95%
3	January 1, 1990, through		
4	December 31, 1990	0%	16.04%
5	January 1, 1991, through		
6	December 31, 1991	0%	18.39%
7	January 1, 1992, through		
8	December 31, 1992	0%	19.48%
9	January 1, 1993, through		
10	December 31, 1993	0%	20.55%
11	January 1, 1994, through		
12	December 31, 1994	0%	23.07%
13	January 1, 1995, through		
14	December 31, 1995	0%	23.88%
15	January 1, 1996, through		
16	June 30, 1996	0%	24.14%
17	<del>Effective</del> July 1, 1996 <u>through June 30,</u>		
18	<u>1998</u>	0%	21.58%
19	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>23.10%</u>

20

21 (c) The following table states the required employer  
22 contribution on behalf of each member of the Senior Management  
23 Service Class in terms of a percentage of the member's gross  
24 compensation. Such contribution constitutes the entire health  
25 insurance subsidy contribution with respect to the member. A  
26 change in the contribution rate is effective with the first  
27 salary paid on or after the beginning date of the change. The  
28 retiree health insurance subsidy contribution rate is as  
29 follows:

30  
31

1	Dates of Contribution	Contribution
2	Rate Changes	Rate
3		
4	October 1, 1987, through December 31, 1988	0.24%
5	January 1, 1989, through December 31, 1993	0.48%
6	January 1, 1994, through December 31, 1994	0.56%
7	<del>Effective</del> January 1, 1995 <u>through June 30,</u>	
8	<u>1998</u>	0.66%
9	<u>Effective July 1, 1998</u>	<u>0.80%</u>
10		
11	Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.	
12		
13	Section 5. Subsections (1) and (4) of section 121.071, Florida Statutes, are amended to read:	
14		
15	121.071 Contributions.--Contributions to the system	
16	shall be made as follows:	
17	(1) The following tables state the required retirement contribution rates for members of the Regular Class, Special Risk Class, or Special Risk Administrative Support Class and their employers in terms of a percentage of the member's gross compensation. A change in a contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made or deducted as may be appropriate for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.	
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	(a) Retirement contributions for regular members are as follows:	
28		
29		
30	Dates of Contribution	
31	Rate Changes	Members Employers

1			
2	December 1, 1970, through December		
3	31, 1974, for state agencies, state		
4	universities, community colleges,		
5	and district school boards	4%	4%
6			
7	December 1, 1970, through September		
8	30, 1975, for all other local		
9	government agencies	4%	4%
10			
11	January 1, 1975, through September		
12	30, 1978, for state agencies and		
13	state universities	0%	9%
14			
15	January 1, 1975, through July 31,		
16	1978, for community colleges and		
17	district school boards	0%	9%
18			
19	October 1, 1975, through September		
20	30, 1978, for all other local		
21	government agencies	0%	9%
22			
23	August 1, 1978, through September 30,		
24	1981, for community colleges and		
25	district school boards	0%	9.1%
26			
27	October 1, 1978, through September		
28	30, 1981, for all other agencies	0%	9.1%
29			
30	October 1, 1981, through		
31	September 30, 1984	0%	10.93%

1	October 1, 1984, through		
2	September 30, 1986	0%	12.24%
3	October 1, 1986, through		
4	December 31, 1988	0%	13.14%
5	January 1, 1989, through		
6	December 31, 1989	0%	13.90%
7	January 1, 1990, through		
8	December 31, 1990	0%	14.66%
9	January 1, 1991, through		
10	December 31, 1991	0%	15.72%
11	January 1, 1992, through		
12	December 31, 1992	0%	16.51%
13	January 1, 1993, through		
14	December 31, 1993	0%	17.27%
15	January 1, 1994, through		
16	December 31, 1994	0%	17.10%
17	January 1, 1995, through		
18	December 31, 1995	0%	16.91%
19	January 1, 1996, through		
20	June 30, 1996	0%	17.00%
21	<del>Effective</del> July 1, 1996 <u>through June 30,</u>		
22	<u>1998</u>	0%	16.77%
23	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>15.51%</u>

24  
 25 (b) Retirement contributions for special risk members  
 26 are as follows:

27	28 Dates of Contribution	29 Rate Changes	Members	Employers
30				
31	December 1, 1970, through			

1	September 30, 1974	6%	6%
2			
3	October 1, 1974, through December 31,		
4	1974, for state agencies, state		
5	universities, community colleges,		
6	and district school boards	8%	8%
7			
8	October 1, 1974, through September		
9	30, 1975, for all other local		
10	government agencies	8%	8%
11			
12	January 1, 1975, through September		
13	30, 1978, for state agencies, state		
14	universities, community colleges,		
15	and district school boards	0%	13%
16			
17	October 1, 1975, through September		
18	30, 1978, for other local		
19	government agencies	0%	13%
20			
21	October 1, 1978, through		
22	September 30, 1981	0%	13.95%
23	October 1, 1981, through		
24	September 30, 1984	0%	13.91%
25	October 1, 1984, through		
26	September 30, 1986	0%	14.67%
27	October 1, 1986, through		
28	December 31, 1988	0%	15.11%
29	January 1, 1989, through		
30	December 31, 1989	0%	17.50%
31	January 1, 1990, through		

1	December 31, 1990	0%	19.90%
2	January 1, 1991, through		
3	December 31, 1991	0%	25.52%
4	January 1, 1992, through		
5	December 31, 1992	0%	26.35%
6	January 1, 1993, through		
7	December 31, 1993	0%	27.14%
8	January 1, 1994, through		
9	December 31, 1994	0%	27.03%
10	January 1, 1995, through		
11	December 31, 1995	0%	26.83%
12	January 1, 1996, through		
13	June 30, 1996	0%	26.84%
14	<del>Effective July 1, 1996 through June 30,</del>		
15	<u>1998</u>	0%	26.44%
16	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>24.38%</u>
17			
18	(c) Retirement contributions for special risk		
19	administrative support members are as follows:		
20			
21	Dates of Contribution		
22	Rate Changes	Members	Employers
23			
24	July 1, 1982, through		
25	September 30, 1984	0%	11.14%
26	October 1, 1984, through		
27	September 30, 1986	0%	13.09%
28	October 1, 1986, through		
29	December 31, 1988	0%	15.44%
30	January 1, 1989, through		
31	December 31, 1989	0%	14.76%

1	January 1, 1990, through		
2	December 31, 1990	0%	14.09%
3	January 1, 1991, through		
4	December 31, 1991	0%	20.16%
5	January 1, 1992, through		
6	December 31, 1992	0%	19.51%
7	January 1, 1993, through		
8	December 31, 1993	0%	18.83%
9	January 1, 1994, through		
10	December 31, 1994	0%	18.59%
11	January 1, 1995, through		
12	December 31, 1995	0%	17.81%
13	January 1, 1996, through		
14	June 30, 1996	0%	17.80%
15	<del>Effective</del> July 1, 1996 <u>through June 30,</u>		
16	<u>1998</u>	0%	17.20%
17	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>14.64%</u>

18

19 (4) The following table states the required employer

20 contribution on behalf of each member of the Regular Class,

21 Special Risk Class, or Special Risk Administrative Support

22 Class in terms of a percentage of the member's gross

23 compensation. Such contribution constitutes the entire health

24 insurance subsidy contribution with respect to the member. A

25 change in the contribution rate is effective with the first

26 salary paid on or after the beginning date of the change. The

27 retiree health insurance subsidy contribution rate is as

28 follows:

30	Dates of Contribution	Contribution
31	Rate Changes	Rate



1		
2	October 1, 1987, through December 31, 1988	0.24%
3	January 1, 1989, through December 31, 1993	0.48%
4	January 1, 1994, through December 31, 1994	0.56%
5	<del>Effective</del> January 1, 1995 <u>through June 30.</u>	
6	<u>1998</u>	0.66%
7	<u>Effective July 1, 1998</u>	<u>0.80%</u>
8		

9 Such contributions shall be deposited by the administrator in  
10 the Retiree Health Insurance Subsidy Trust Fund.

11 Section 6. Subsection (2), paragraph (d) of subsection  
12 (6), paragraph (a) of subsection (7), and subsection (8) of  
13 section 121.091, Florida Statutes, are amended, paragraphs (f)  
14 and (g) of subsection (7) of said section are redesignated as  
15 paragraphs (g) and (h), respectively, and a new paragraph (f)  
16 is added to said subsection, to read:

17 121.091 Benefits payable under the system.--No  
18 benefits shall be paid under this section unless the member  
19 has terminated employment as provided in s. 121.021(39) and a  
20 proper application has been filed in the manner prescribed by  
21 the division.

22 (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT  
23 AGES.--In the event a member accumulates retirement benefits  
24 to commence at different normal retirement ages by virtue of  
25 having performed duties for an employer which would entitle  
26 him or her to benefits as both a ~~regular member and special~~  
27 ~~risk~~ member of the Special Risk Class and a member of either  
28 the Regular Class, Senior Management Service Class, or Elected  
29 State and County Officers' Class, the amount of benefits  
30 payable shall be computed separately with respect to each such  
31

1 age and the sum of such computed amounts shall be paid as  
2 provided in this section.

3 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND  
4 DISABILITY RETIREMENT BENEFITS.--

5 (d) A member who elects the option in subparagraph  
6 (a)3. or subparagraph (a)4. shall, on a form provided for that  
7 purpose, designate a joint annuitant to receive the benefits  
8 which continue to be payable upon the death of the member.  
9 After benefits have commenced under the option in subparagraph  
10 (a)3. or subparagraph (a)4., the following shall apply:

11 1. A retired member may change his or her designation  
12 of a joint annuitant only twice. If such a retired member  
13 desires to change his or her designation of a joint annuitant,  
14 he or she shall file with the division a notarized "change of  
15 joint annuitant" form and shall notify the former joint  
16 annuitant in writing of such change. Upon receipt of a  
17 completed change of joint annuitant form, the division shall  
18 adjust the member's monthly benefit by the application of  
19 actuarial tables and calculations developed to ensure that the  
20 benefit paid is the actuarial equivalent of the present value  
21 of the member's current benefit. The consent of a retired  
22 member's first designated joint annuitant to any such change  
23 shall not be required.

24 2. In the event of the dissolution of marriage of a  
25 retired member and a joint annuitant, such member may make an  
26 election to nullify the joint annuitant designation of the  
27 former spouse, unless there is an existing qualified domestic  
28 relations order preventing such action. The member shall file  
29 with the division a written, notarized nullification which  
30 shall be effective on the first day of the next month  
31 following receipt by the division. Benefits shall be paid as

1 if the former spouse predeceased the member. A member who  
2 makes such an election may not reverse the nullification but  
3 may designate a new joint annuitant in accordance with  
4 subparagraph 1.

5 (7) DEATH BENEFITS.--

6 (a) If the employment of a member is terminated by  
7 reason of his or her death prior to the completion of 10 years  
8 of creditable service, except as provided in paragraph (f),  
9 there shall be payable to his or her designated beneficiary  
10 the member's accumulated contributions.

11 (f) Notwithstanding any other provisions in this  
12 chapter to the contrary and upon application to the  
13 administrator, the surviving spouse, or other eligible joint  
14 annuitant of a member, whose employment is terminated by death  
15 within 1 year of such member satisfying the service  
16 requirements for vesting and retirement eligibility shall be  
17 permitted to purchase only the additional service credit  
18 necessary to vest and qualify for retirement benefits by one  
19 of the following methods:

20 1. Such spouse or joint annuitant may use the deceased  
21 member's accumulated hours of annual, sick, and compensatory  
22 leave to purchase additional creditable service, on an hour by  
23 hour basis, provided that such deceased member's accumulated  
24 leave is sufficient to cover the additional months required.  
25 For each month of service credit needed prior to the final  
26 month, credit for the total number of work hours in that month  
27 must be purchased, using an equal number of the deceased  
28 member's accumulated leave hours. Service credit required for  
29 the final month in which the deceased member would have become  
30 vested shall be awarded upon the purchase of 1 hour of credit.  
31 The spouse or joint annuitant shall pay the contribution rate

1 in effect at the time of purchase of the deceased member's  
2 class of membership, multiplied by such member's monthly  
3 salary at the time of death. The accumulated leave payment  
4 used in the average final compensation shall not include that  
5 portion of the payment that represents any leave hours used in  
6 the purchase of such creditable service.

7 2. Such spouse or joint annuitant may purchase  
8 additional months of creditable service, up to a maximum of 1  
9 year, for any periods of out-of-state service as provided in  
10 s. 121.1115, or in-state service as provided in s. 121.1122,  
11 that the deceased member would have been eligible to purchase  
12 prior to his or her death.

13  
14 Service purchased under this paragraph shall be added to the  
15 creditable service of the member and used to vest for  
16 retirement eligibility, and shall be used in the calculation  
17 of any benefits which may be payable to the surviving spouse  
18 or eligible joint annuitant. Any benefits paid in accordance  
19 with this paragraph shall only be made prospectively.

20 (8) DESIGNATION OF BENEFICIARIES.--Each member may, on  
21 a form provided for that purpose, signed and filed with the  
22 division, designate a choice of one or more persons, named  
23 sequentially or jointly, as his or her beneficiary who shall  
24 receive the benefits, if any, which may be payable in the  
25 event of the member's death pursuant to the provisions of this  
26 chapter. If no beneficiary is named in the manner provided  
27 above, or if no beneficiary designated by the member survives  
28 the member, the beneficiary shall be the spouse of the  
29 deceased, if living. If the member's spouse is not alive at  
30 his or her death, the beneficiary shall be the living children  
31 of the member. If no children survive, the beneficiary shall

1 be the member's father or mother, if living; otherwise, the  
2 beneficiary shall be the member's estate. The beneficiary  
3 most recently designated by a member on a form or letter filed  
4 with the division shall be the beneficiary entitled to any  
5 benefits payable at the time of the member's death, except  
6 benefits shall be paid as provided in paragraph (7)(d) when  
7 death occurs in the line of duty. Notwithstanding any other  
8 provisions in this subsection to the contrary, for a member  
9 who dies prior to his or her effective date of retirement on  
10 or after January 1, 1999, the spouse at the time of death  
11 shall be the member's beneficiary unless such member  
12 designates a different beneficiary as provided herein  
13 subsequent to the member's most recent marriage.

14 Section 7. Subsection (3) of section 121.122, Florida  
15 Statutes, is amended to read:

16 121.122 Renewed membership in system.--Except as  
17 provided in s. 121.053, effective July 1, 1991, any retiree of  
18 a state-administered retirement system who is employed in a  
19 regularly established position with a covered employer shall  
20 be enrolled as a compulsory member of the Regular Class of the  
21 Florida Retirement System or, effective July 1, 1997, any  
22 retiree of a state-administered retirement system who is  
23 employed in a position included in the Senior Management  
24 Service Class shall be enrolled as a compulsory member of the  
25 Senior Management Service Class of the Florida Retirement  
26 System as provided in s. 121.055, and shall be entitled to  
27 receive an additional retirement benefit, subject to the  
28 following conditions:

29 (3) Such member shall be entitled to purchase  
30 additional retirement credit in the Regular Class or the  
31 Senior Management Service Class, as applicable, for any

1 postretirement service performed in a regularly established  
2 position as follows:

3       (a) For regular class service prior to July 1, 1991,  
4 by paying the Regular Class applicable employee and employer  
5 contributions for the period being claimed, plus 4 percent  
6 interest compounded annually from first year of service  
7 claimed until July 1, 1975, and 6.5 percent interest  
8 compounded thereafter, until full payment is made to the  
9 Florida Retirement System Trust Fund; or

10       (b) For Senior Management Service Class prior to June  
11 1, 1997, as provided in s. 121.055(1)(h).

12

13 The contribution for postretirement service between July 1,  
14 1985, and July 1, 1991, for which the reemployed retiree  
15 contribution was paid, shall be the difference between such  
16 contribution and the total applicable contribution for the  
17 period being claimed, plus interest. The employer of such  
18 member may pay the applicable employer contribution in lieu of  
19 the member.

20       Section 8. Paragraph (b) of subsection (12) of section  
21 121.40, Florida Statutes, is amended to read:

22       121.40 Cooperative extension personnel at the  
23 Institute of Food and Agricultural Sciences; supplemental  
24 retirement benefits.--

25       (12) CONTRIBUTIONS.--

26       (b) The monthly contributions required to be paid  
27 pursuant to paragraph (a) on the gross monthly salaries, from  
28 all sources with respect to such employment, paid to those  
29 employees of the institute who hold both state and federal  
30 appointments and who participate in the federal Civil Service  
31 Retirement System shall be as follows:

Dates of Contribution	Percentage
Rate Changes	Due
July 1, 1985, through December 31, 1988	6.68%
January 1, 1989, through December 31, 1993	6.35%
January 1, 1994, through December 31, 1994	6.69%
January 1, 1995, through June 30, 1996	6.82%
<del>Effective</del> July 1, 1996 <u>through June 30, 1998</u>	5.64%
<u>Effective July 1, 1998</u>	<u>7.17%</u>

Section 9. Sections 121.0505 and 121.0516, Florida Statutes, are repealed.

Section 10. (1) The changes to the retirement contribution rates for the Florida Retirement System included in this act are the result of the 1997 Actuarial Valuation of the Florida Retirement System as recommended by the consulting actuaries. These changes shall remain in effect until such rates are further amended, or until such rates are adjusted as provided in subsection (2).

(2) The rate adjustments set forth in this act are in addition to all other changes to such contribution rates which are separately enacted into law and applicable on July 1, 1998. With respect to such other changes, the Division of Statutory Revision of the Joint Legislative Management Committee is directed to edit the statutes as necessary to adjust the contribution rate percentages listed under ss. 121.052(7)(a), 121.055(3)(a), and 121.071(1), Florida Statutes, as appropriate. Pursuant to s. 11.242(5)(i), Florida Statutes, the provisions of this section shall be

1 omitted from publication in the Florida Statutes or any  
2 revision or supplement thereof.

3       Section 11. The Legislature finds that a proper and  
4 legitimate state purpose is served when employees and retirees  
5 of the state and its political subdivisions, and the  
6 dependents, survivors, and beneficiaries of such employees and  
7 retirees, are extended the basic protections afforded by  
8 governmental retirement systems that provide fair and adequate  
9 benefits and are managed, administered, and funded in an  
10 actuarially sound manner, as required by s. 14, Art. X of the  
11 State Constitution and part VII of chapter 112, Florida  
12 Statutes. Therefore, the Legislature hereby determines and  
13 declares that the provisions of this act fulfill an important  
14 state interest.

15       Section 12. This act shall take effect upon becoming a  
16 law.



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HOUSE SUMMARY

Revises various provisions in the Florida Retirement System to:

1. Increase the retiree health insurance subsidy payment and the contribution rate and to provide for retroactive payments under described circumstances.
2. Provide clarifying language with respect to benefits payable under existing systems.
3. Revise contribution rates for described classes and subclasses of the system and for the retiree health insurance subsidy.
4. Provide for benefit computation using dual normal retirement ages for service in the Senior Management Service Class and the Elected State and County Officer's Class.
5. Provide for nullification of a joint annuitant designation in the event of dissolution of marriage and to provide for purchase of additional service credit using a deceased member's accumulated leave, out-of-state service, or in-state service under described circumstances.
6. Specify that a member's spouse at the time of death shall be the member's beneficiary under described circumstances.
7. Permit members with renewed membership in the Senior Management Service Class to purchase additional retirement credit for described postretirement service.
8. Revise the contribution rates for the supplemental retirement plan for the Institute of Food and Agricultural Sciences at the University of Florida.
9. Repeal language which contains duplicative contribution rates.

See bill for details.