

By the Committee on Governmental Operations and
Representatives Boyd, Crady, Stafford, Turnbull, Bloom, Lynn
and Smith

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 s. 121.021, F.S.; redefining
10 the term "joint annuitant" and defining the
11 term "beneficiary"; amending ss. 121.052,
12 121.055, and 121.071, F.S.; changing
13 contribution rates for specified classes and
14 subclasses of the system and for the retiree
15 health insurance subsidy; amending s. 121.091,
16 F.S.; providing for benefit computations using
17 dual retirement ages for service in the Senior
18 Management Service Class and the Elected State
19 and County Officer's Class; providing for
20 nullification of a joint annuitant designation
21 in the event of dissolution of marriage;
22 providing for purchase of additional service
23 credit using a deceased member's accumulated
24 leave, out-of-state service, or in-state
25 service under certain circumstances; specifying
26 that a member's spouse at the time of death
27 shall be the member's beneficiary under certain
28 circumstances; amending s. 121.1122, F.S.;
29 deleting reference to nonsectarian schools and
30 colleges; amending s. 121.121, F.S.; providing
31 for eligibility to purchase retirement credit

1 for certain leaves of absence; amending s.
2 121.122, F.S.; allowing members with renewed
3 membership in the Senior Management Service
4 Class to purchase additional retirement credit
5 for certain postretirement service; amending s.
6 121.30, F.S.; conforming to the Internal
7 Revenue Code; creating s. 121.133, F.S.;
8 providing intent; requiring the Comptroller to
9 cancel any benefit warrant issued from the
10 Florida Retirement System Trust Fund, or from
11 certain other pension trust funds, if such
12 warrants are not presented within a specified
13 timeframe; providing that such funds shall be
14 transferred and recredited to specified trust
15 funds; providing for issuance of replacement
16 warrants; amending s. 121.40, F.S.; changing
17 contribution rates for the supplemental
18 retirement plan for the Institute of Food and
19 Agricultural Sciences at the University of
20 Florida; repealing ss. 121.0505 and 121.0516,
21 F.S.; relating to duplicative contribution
22 rates; directing the Division of Statutory
23 Revision to make described adjustments to the
24 statutes with respect to contribution rates;
25 providing a finding of important state
26 interest; providing effective dates.

27
28 Be It Enacted by the Legislature of the State of Florida:
29
30
31

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

4 112.363 Retiree health insurance subsidy.--

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

6 (d) Beginning January 1, 1999, each eligible retiree
7 or, if the retiree is deceased, his or her beneficiary who is
8 receiving a monthly benefit from such retiree's account and
9 who is a spouse, or a person who meets the definition of joint
10 annuitant in s. 121.021(28), shall receive a monthly retiree
11 health insurance subsidy payment equal to the number of years
12 of creditable service, as defined in s. 121.021(17), completed
13 at the time of retirement multiplied by \$4; however, no
14 eligible retiree or such beneficiary may receive a subsidy
15 payment of more than \$120 or less than \$40. If there are
16 multiple beneficiaries, the total payment must not be greater
17 than the payment to which the retiree was entitled.

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

20 (e) Beginning July 1, 1998, the employer of each
21 member of a state-administered retirement plan shall
22 contribute 0.80 percent of gross compensation each pay period.
23

24 Such contributions shall be submitted to the Division of
25 Retirement and deposited in the Retiree Health Insurance
26 Subsidy Trust Fund.

27 (9) BENEFITS.--Subsidy payments shall be payable under
28 the retiree health insurance subsidy program only to
29 participants in the program or their beneficiaries. If the
30 division receives certification of coverage for health
31 insurance for the eligible retiree or beneficiary within 6

1 months after retirement benefits commence, the Retiree Health
2 Insurance Subsidy shall be paid retroactive to the effective
3 retirement date. However, if the division receives the
4 certification of insurance coverage 6 or more months after
5 retirement benefits commence, the eligible retiree or
6 beneficiary will be eligible to receive retroactive payments
7 for a maximum of 6 months only.Such subsidy payments shall
8 not be subject to assignment, execution, or attachment or to
9 any legal process whatsoever.

10 Section 2. Paragraph (b) of subsection (2) of section
11 121.011, Florida Statutes, is amended to read:

12 121.011 Florida Retirement System.--

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

14 (b) The chapters or retirement system laws named in
15 paragraph (a) are hereby consolidated as separate instruments
16 appended to the "Florida Retirement System Act" established by
17 this chapter, and the administration of said chapters or
18 retirement systems shall be consolidated with the
19 administration of the Florida Retirement System established by
20 this chapter and the Florida Retirement System shall assume
21 all liabilities related to the payment of benefits to members
22 and their beneficiaries.

23 Section 3. Effective July 1, 1998, subsection (28) of
24 section 121.021, Florida Statutes, is amended, and subsection
25 (45) is added to said section, to read:

26 121.021 Definitions.--The following words and phrases
27 as used in this chapter have the respective meanings set forth
28 unless a different meaning is plainly required by the context:

29 (28) "Joint annuitant" ~~or "dependent beneficiary"~~
30 means any person designated by the member to receive a
31 retirement benefit upon the member's death who is ~~either:~~

1 (a) The spouse of the member;
2 (b) The member's natural or adopted child who is under
3 age 25, or is physically or mentally disabled and incapable of
4 self-support, regardless of age; or any person other than the
5 spouse for whom the member is the legal guardian, provided
6 that such person is under age 25 and is financially dependent
7 for no less than one-half of his or her support from the
8 member at retirement or at the time of death of such member,
9 whichever occurs first; or

10 (c) A parent or grandparent, or a person age 25 or
11 older for whom the member is the legal guardian, provided that
12 such parent, grandparent, or other person is financially
13 dependent for no less than one-half of his or her support from
14 the member at retirement or at time of the death of such
15 member, whichever occurs first.

16 (45) "Beneficiary" means the joint annuitant or any
17 other person, organization, estate, or trust fund designated
18 by the member to receive a retirement benefit, if any, which
19 may be payable upon the member's death.

20 Section 4. Paragraphs (a) and (c) of subsection (7) of
21 section 121.052, Florida Statutes, are amended to read:

22 121.052 Membership class of elected state and county
23 officers.--

24 (7) CONTRIBUTIONS.--

25 (a) The following table states the required retirement
26 contribution rates for members of the Elected State and County
27 Officers' Class and their employers in terms of a percentage
28 of the member's gross compensation. A change in a contribution
29 rate is effective with the first salary paid on or after the
30 beginning date of the change. Contributions shall be made or
31 deducted as may be appropriate for each pay period and are in

| | | | |
|----|--|---------|-----------|
| 1 | addition to the contributions required for social security and | | |
| 2 | the Retiree Health Insurance Subsidy Trust Fund. | | |
| 3 | | | |
| 4 | Dates of Contribution | | |
| 5 | Rate Changes | Members | Employers |
| 6 | | | |
| 7 | July 1, 1972, through September 30, 1977 | | |
| 8 | Legislators | 8% | 8% |
| 9 | All Other Members | 8% | 8% |
| 10 | | | |
| 11 | October 1, 1977, through September 30, 1978 | | |
| 12 | Legislators | 8% | 8% |
| 13 | All Other Members | 4% | 12% |
| 14 | | | |
| 15 | October 1, 1978, through September 30, 1979 | | |
| 16 | Legislators | 8% | 10.57% |
| 17 | All Other Members | 4% | 16.78% |
| 18 | | | |
| 19 | October 1, 1979, through September 30, 1981 | | |
| 20 | Legislators | 8% | 10.57% |
| 21 | Governor, Lt. Governor, Cabinet | | |
| 22 | Officers | 4% | 16.78% |
| 23 | All Other Members | 0% | 20.78% |
| 24 | | | |
| 25 | July 1, 1981, through June 30, 1984 | | |
| 26 | County Elected Officers | 0% | 19.30% |
| 27 | | | |
| 28 | July 1, 1984, through September 30, 1984 | | |
| 29 | County Elected Officers | 0% | 20.25% |
| 30 | | | |
| 31 | October 1, 1981, through September 30, 1984 | | |

| | | | |
|----|---|----|--------|
| 1 | Legislators | 0% | 19.30% |
| 2 | Governor, Lt. Governor, Cabinet | | |
| 3 | Officers | 0% | 21.03% |
| 4 | State Attorneys, Public Defenders | 0% | 20.95% |
| 5 | Justices, Judges | 0% | 22.55% |
| 6 | | | |
| 7 | October 1, 1984, through September 30, 1986 | | |
| 8 | Legislators | 0% | 10.98% |
| 9 | Governor, Lt. Governor, Cabinet | | |
| 10 | Officers | 0% | 10.98% |
| 11 | State Attorneys, Public Defenders | 0% | 10.98% |
| 12 | Justices, Judges | 0% | 21.79% |
| 13 | County Elected Officers | 0% | 16.97% |
| 14 | | | |
| 15 | October 1, 1986, through December 31, 1988 | | |
| 16 | Legislators | 0% | 11.50% |
| 17 | Governor, Lt. Governor, Cabinet | | |
| 18 | Officers | 0% | 11.50% |
| 19 | State Attorneys, Public Defenders | 0% | 11.50% |
| 20 | Justices, Judges | 0% | 20.94% |
| 21 | County Elected Officers | 0% | 17.19% |
| 22 | | | |
| 23 | January 1, 1989, through December 31, 1989 | | |
| 24 | Legislators | 0% | 13.70% |
| 25 | Governor, Lt. Governor, Cabinet | | |
| 26 | Officers | 0% | 13.70% |
| 27 | State Attorneys, Public Defenders | 0% | 13.70% |
| 28 | Justices, Judges | 0% | 22.58% |
| 29 | County Elected Officers | 0% | 18.44% |
| 30 | | | |
| 31 | January 1, 1990, through December 31, 1990 | | |

| | | | |
|----|--|----|--------|
| 1 | Legislators | 0% | 15.91% |
| 2 | Governor, Lt. Governor, Cabinet | | |
| 3 | Officers | 0% | 15.91% |
| 4 | State Attorneys, Public Defenders | 0% | 15.91% |
| 5 | Justices, Judges | 0% | 24.22% |
| 6 | County Elected Officers | 0% | 19.71% |
| 7 | | | |
| 8 | January 1, 1991, through December 31, 1991 | | |
| 9 | Legislators | 0% | 17.73% |
| 10 | Governor, Lt. Governor, Cabinet | | |
| 11 | Officers | 0% | 17.73% |
| 12 | State Attorneys, Public Defenders | 0% | 17.73% |
| 13 | Justices, Judges | 0% | 26.63% |
| 14 | County Elected Officers | 0% | 23.32% |
| 15 | | | |
| 16 | January 1, 1992, through December 31, 1992 | | |
| 17 | Legislators | 0% | 19.94% |
| 18 | Governor, Lt. Governor, Cabinet | | |
| 19 | Officers | 0% | 19.94% |
| 20 | State Attorneys, Public Defenders | 0% | 19.94% |
| 21 | Justices, Judges | 0% | 28.27% |
| 22 | County Elected Officers | 0% | 24.59% |
| 23 | | | |
| 24 | January 1, 1993, through December 31, 1993 | | |
| 25 | Legislators | 0% | 22.14% |
| 26 | Governor, Lt. Governor, Cabinet | | |
| 27 | Officers | 0% | 22.14% |
| 28 | State Attorneys, Public Defenders | 0% | 22.14% |
| 29 | Justices, Judges | 0% | 29.91% |
| 30 | County Elected Officers | 0% | 25.84% |
| 31 | | | |

| | | | |
|----|---|----|--------|
| 1 | January 1, 1994, through December 31, 1994 | | |
| 2 | Legislators | 0% | 22.65% |
| 3 | Governor, Lt. Governor, Cabinet | | |
| 4 | Officers | 0% | 22.65% |
| 5 | State Attorneys, Public Defenders | 0% | 22.65% |
| 6 | Justices, Judges | 0% | 30.52% |
| 7 | County Elected Officers | 0% | 26.07% |
| 8 | | | |
| 9 | January 1, 1995, through December 31, 1995 | | |
| 10 | Legislators | 0% | 22.80% |
| 11 | Governor, Lt. Governor, Cabinet | | |
| 12 | Officers | 0% | 22.80% |
| 13 | State Attorneys, Public Defenders | 0% | 22.80% |
| 14 | Justices, Judges | 0% | 30.21% |
| 15 | County Elected Officers | 0% | 27.48% |
| 16 | | | |
| 17 | January 1, 1996, through June 30, 1996 | | |
| 18 | Legislators | 0% | 22.90% |
| 19 | Governor, Lt. Governor, Cabinet | | |
| 20 | Officers | 0% | 22.90% |
| 21 | State Attorneys, Public Defenders | 0% | 22.90% |
| 22 | Justices, Judges | 0% | 30.15% |
| 23 | County Elected Officers | 0% | 27.54% |
| 24 | | | |
| 25 | Effective <u>July 1, 1996, through June 30, 1998</u> | | |
| 26 | Legislators | 0% | 23.07% |
| 27 | Governor, Lt. Governor, Cabinet | | |
| 28 | Officers | 0% | 23.07% |
| 29 | State Attorneys, Public Defenders | 0% | 23.07% |
| 30 | Justices, Judges | 0% | 29.55% |
| 31 | County Elected Officers | 0% | 27.33% |

| | | | |
|---|---|-----------|---------------|
| 1 | | | |
| 2 | <u>Effective July 1, 1998</u> | | |
| 3 | <u>Legislators</u> | <u>0%</u> | <u>22.33%</u> |
| 4 | <u>Governor, Lt. Governor, Cabinet Officers</u> | <u>0%</u> | <u>22.33%</u> |
| 5 | <u>State Attorneys, Public Defenders</u> | <u>0%</u> | <u>22.33%</u> |
| 6 | <u>Justices, Judges</u> | <u>0%</u> | <u>27.21%</u> |
| 7 | <u>County elected officers</u> | <u>0%</u> | <u>26.99%</u> |
| 8 | | | |

9 (c) The following table states the required employer
10 contribution on behalf of each member of the Elected State and
11 County Officers' Class in terms of a percentage of the
12 member's gross compensation. Such contribution constitutes the
13 entire health insurance subsidy contribution with respect to
14 the member. A change in the contribution rate is effective
15 with the first salary paid on or after the beginning date of
16 the change. The retiree health insurance subsidy contribution
17 rate is as follows:

| | | | |
|----|---|--|--------------|
| 18 | | | |
| 19 | Dates of Contribution | | Contribution |
| 20 | Rate Changes | | Rate |
| 21 | | | |
| 22 | October 1, 1987, through December 31, 1988 | | 0.24% |
| 23 | January 1, 1989, through December 31, 1993 | | 0.48% |
| 24 | January 1, 1994, through December 31, 1994 | | 0.56% |
| 25 | Effective <u>January 1, 1995, through June 30,</u> | | |
| 26 | <u>1998</u> | | 0.66% |
| 27 | <u>Effective July 1, 1998</u> | | <u>0.80%</u> |
| 28 | | | |

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

31

1 Section 5. Paragraphs (a) and (c) of subsection (3) of
2 section 121.055, Florida Statutes, are amended to read:

3 121.055 Senior Management Service Class.--There is
4 hereby established a separate class of membership within the
5 Florida Retirement System to be known as the "Senior
6 Management Service Class," which shall become effective
7 February 1, 1987.

8 (3)(a) The following table states the required
9 retirement contribution rates for members of the Senior
10 Management Service Class and their employers in terms of a
11 percentage of the member's gross compensation. A change in
12 the contribution rate is effective with the first salary paid
13 on or after the beginning date of the change. Contributions
14 shall be made for each pay period and are in addition to the
15 contributions required for social security and the Retiree
16 Health Insurance Subsidy Trust Fund.

17
18 Dates of Contribution

| 19 Rate Changes | Members | Employers |
|------------------------------------|---------|-----------|
| 20 21 February 1, 1987, through | | |
| 22 December 31, 1988 | 0% | 13.88% |
| 23 January 1, 1989, through | | |
| 24 December 31, 1989 | 0% | 14.95% |
| 25 January 1, 1990, through | | |
| 26 December 31, 1990 | 0% | 16.04% |
| 27 January 1, 1991, through | | |
| 28 December 31, 1991 | 0% | 18.39% |
| 29 January 1, 1992, through | | |
| 30 December 31, 1992 | 0% | 19.48% |
| 31 January 1, 1993, through | | |

| | | | |
|----|--|-----------|---------------|
| 1 | December 31, 1993 | 0% | 20.55% |
| 2 | January 1, 1994, through | | |
| 3 | December 31, 1994 | 0% | 23.07% |
| 4 | January 1, 1995, through | | |
| 5 | December 31, 1995 | 0% | 23.88% |
| 6 | January 1, 1996, through | | |
| 7 | June 30, 1996 | 0% | 24.14% |
| 8 | Effective <u>July 1, 1996, through June 30,</u> | | |
| 9 | <u>1998</u> | 0% | 21.58% |
| 10 | <u>Effective July 1, 1998</u> | <u>0%</u> | <u>23.10%</u> |

11

12 (c) The following table states the required employer
 13 contribution on behalf of each member of the Senior Management
 14 Service Class in terms of a percentage of the member's gross
 15 compensation. Such contribution constitutes the entire health
 16 insurance subsidy contribution with respect to the member. A
 17 change in the contribution rate is effective with the first
 18 salary paid on or after the beginning date of the change. The
 19 retiree health insurance subsidy contribution rate is as
 20 follows:

21

| 22 | Dates of Contribution | Contribution |
|----|---|--------------|
| 23 | Rate Changes | Rate |
| 24 | | |
| 25 | October 1, 1987, through December 31, 1988 | 0.24% |
| 26 | January 1, 1989, through December 31, 1993 | 0.48% |
| 27 | January 1, 1994, through December 31, 1994 | 0.56% |
| 28 | Effective <u>January 1, 1995, through June 30,</u> | |
| 29 | <u>1998</u> | 0.66% |
| 30 | <u>Effective July 1, 1998</u> | <u>0.80%</u> |

31

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

3 Section 6. Subsections (1) and (4) of section 121.071,
4 Florida Statutes, are amended to read:

5 121.071 Contributions.--Contributions to the system
6 shall be made as follows:

7 (1) The following tables state the required retirement
8 contribution rates for members of the Regular Class, Special
9 Risk Class, or Special Risk Administrative Support Class and
10 their employers in terms of a percentage of the member's gross
11 compensation. A change in a contribution rate is effective
12 with the first salary paid on or after the beginning date of
13 the change. Contributions shall be made or deducted as may be
14 appropriate for each pay period and are in addition to the
15 contributions required for social security and the Retiree
16 Health Insurance Subsidy Trust Fund.

17 (a) Retirement contributions for regular members are
18 as follows:

| 19 | 20 | 21 | 22 |
|----|-------------------------------------|--------------|-------------------|
| | Dates of Contribution | Rate Changes | Members Employers |
| 23 | December 1, 1970, through December | | |
| 24 | 31, 1974, for state agencies, state | | |
| 25 | universities, community colleges, | | |
| 26 | and district school boards | 4% | 4% |
| 27 | | | |
| 28 | December 1, 1970, through September | | |
| 29 | 30, 1975, for all other local | | |
| 30 | government agencies | 4% | 4% |
| 31 | | | |

| | | | |
|----|---------------------------------------|----|--------|
| 1 | | | |
| 2 | January 1, 1975, through September | | |
| 3 | 30, 1978, for state agencies and | | |
| 4 | state universities | 0% | 9% |
| 5 | | | |
| 6 | January 1, 1975, through July 31, | | |
| 7 | 1978, for community colleges and | | |
| 8 | district school boards | 0% | 9% |
| 9 | | | |
| 10 | October 1, 1975, through September | | |
| 11 | 30, 1978, for all other local | | |
| 12 | government agencies | 0% | 9% |
| 13 | | | |
| 14 | August 1, 1978, through September 30, | | |
| 15 | 1981, for community colleges and | | |
| 16 | district school boards | 0% | 9.1% |
| 17 | | | |
| 18 | October 1, 1978, through September | | |
| 19 | 30, 1981, for all other agencies | 0% | 9.1% |
| 20 | | | |
| 21 | October 1, 1981, through | | |
| 22 | September 30, 1984 | 0% | 10.93% |
| 23 | October 1, 1984, through | | |
| 24 | September 30, 1986 | 0% | 12.24% |
| 25 | October 1, 1986, through | | |
| 26 | December 31, 1988 | 0% | 13.14% |
| 27 | January 1, 1989, through | | |
| 28 | December 31, 1989 | 0% | 13.90% |
| 29 | January 1, 1990, through | | |
| 30 | December 31, 1990 | 0% | 14.66% |
| 31 | January 1, 1991, through | | |

| | | | |
|----|-------------------------------------|----|--------|
| 1 | | | |
| 2 | October 1, 1974, through September | | |
| 3 | 30, 1975, for all other local | | |
| 4 | government agencies | 8% | 8% |
| 5 | | | |
| 6 | January 1, 1975, through September | | |
| 7 | 30, 1978, for state agencies, state | | |
| 8 | universities, community colleges, | | |
| 9 | and district school boards | 0% | 13% |
| 10 | | | |
| 11 | October 1, 1975, through September | | |
| 12 | 30, 1978, for other local | | |
| 13 | government agencies | 0% | 13% |
| 14 | | | |
| 15 | October 1, 1978, through | | |
| 16 | September 30, 1981 | 0% | 13.95% |
| 17 | October 1, 1981, through | | |
| 18 | September 30, 1984 | 0% | 13.91% |
| 19 | October 1, 1984, through | | |
| 20 | September 30, 1986 | 0% | 14.67% |
| 21 | October 1, 1986, through | | |
| 22 | December 31, 1988 | 0% | 15.11% |
| 23 | January 1, 1989, through | | |
| 24 | December 31, 1989 | 0% | 17.50% |
| 25 | January 1, 1990, through | | |
| 26 | December 31, 1990 | 0% | 19.90% |
| 27 | January 1, 1991, through | | |
| 28 | December 31, 1991 | 0% | 25.52% |
| 29 | January 1, 1992, through | | |
| 30 | December 31, 1992 | 0% | 26.35% |
| 31 | January 1, 1993, through | | |

| | | | |
|----|--|-----------|---------------|
| 1 | December 31, 1993 | 0% | 27.14% |
| 2 | January 1, 1994, through | | |
| 3 | December 31, 1994 | 0% | 27.03% |
| 4 | January 1, 1995, through | | |
| 5 | December 31, 1995 | 0% | 26.83% |
| 6 | January 1, 1996, through | | |
| 7 | June 30, 1996 | 0% | 26.84% |
| 8 | Effective July 1, 1996, <u>through June 30,</u> | | |
| 9 | <u>1998</u> | 0% | 26.44% |
| 10 | <u>Effective July 1, 1998</u> | <u>0%</u> | <u>24.38%</u> |
| 11 | | | |
| 12 | (c) Retirement contributions for special risk | | |
| 13 | administrative support members are as follows: | | |
| 14 | | | |
| 15 | Dates of Contribution | | |
| 16 | Rate Changes | Members | Employers |
| 17 | | | |
| 18 | July 1, 1982, through | | |
| 19 | September 30, 1984 | 0% | 11.14% |
| 20 | October 1, 1984, through | | |
| 21 | September 30, 1986 | 0% | 13.09% |
| 22 | October 1, 1986, through | | |
| 23 | December 31, 1988 | 0% | 15.44% |
| 24 | January 1, 1989, through | | |
| 25 | December 31, 1989 | 0% | 14.76% |
| 26 | January 1, 1990, through | | |
| 27 | December 31, 1990 | 0% | 14.09% |
| 28 | January 1, 1991, through | | |
| 29 | December 31, 1991 | 0% | 20.16% |
| 30 | January 1, 1992, through | | |
| 31 | December 31, 1992 | 0% | 19.51% |

| | | | |
|----|--|-----------|---------------|
| 1 | January 1, 1993, through | | |
| 2 | December 31, 1993 | 0% | 18.83% |
| 3 | January 1, 1994, through | | |
| 4 | December 31, 1994 | 0% | 18.59% |
| 5 | January 1, 1995, through | | |
| 6 | December 31, 1995 | 0% | 17.81% |
| 7 | January 1, 1996, through | | |
| 8 | June 30, 1996 | 0% | 17.80% |
| 9 | Effective <u>July 1, 1996, through June 30,</u> | | |
| 10 | <u>1998</u> | 0% | 17.20% |
| 11 | <u>Effective July 1, 1998</u> | <u>0%</u> | <u>14.64%</u> |

12

13 (4) The following table states the required employer
 14 contribution on behalf of each member of the Regular Class,
 15 Special Risk Class, or Special Risk Administrative Support
 16 Class in terms of a percentage of the member's gross
 17 compensation. Such contribution constitutes the entire health
 18 insurance subsidy contribution with respect to the member. A
 19 change in the contribution rate is effective with the first
 20 salary paid on or after the beginning date of the change. The
 21 retiree health insurance subsidy contribution rate is as
 22 follows:

| 24 | Dates of Contribution | Contribution |
|----|---|--------------|
| 25 | Rate Changes | Rate |
| 27 | October 1, 1987, through December 31, 1988 | 0.24% |
| 28 | January 1, 1989, through December 31, 1993 | 0.48% |
| 29 | January 1, 1994, through December 31, 1994 | 0.56% |
| 30 | Effective <u>January 1, 1995, through June 30,</u> | |
| 31 | <u>1998</u> | 0.66% |

1 Effective July 1, 1998 0.80%

2

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

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

11 121.091 Benefits payable under the system.--No
12 benefits shall be paid under this section unless the member
13 has terminated employment as provided in s. 121.021(39) and a
14 proper application has been filed in the manner prescribed by
15 the division.

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

27 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND
28 DISABILITY RETIREMENT BENEFITS.--

29 (d) A member who elects the option in subparagraph
30 (a)3. or subparagraph (a)4. shall, on a form provided for that
31 purpose, designate a joint annuitant to receive the benefits

1 which continue to be payable upon the death of the member.
2 After benefits have commenced under the option in subparagraph
3 (a)3. or subparagraph (a)4., the following shall apply:
4 1. A retired member may change his or her designation
5 of a joint annuitant only twice. If such a retired member
6 desires to change his or her designation of a joint annuitant,
7 he or she shall file with the division a notarized "change of
8 joint annuitant" form and shall notify the former joint
9 annuitant in writing of such change. Upon receipt of a
10 completed change of joint annuitant form, the division shall
11 adjust the member's monthly benefit by the application of
12 actuarial tables and calculations developed to ensure that the
13 benefit paid is the actuarial equivalent of the present value
14 of the member's current benefit. The consent of a retired
15 member's first designated joint annuitant to any such change
16 shall not be required.
17 2. In the event of the dissolution of marriage of a
18 retired member and a joint annuitant, such member may make an
19 election to nullify the joint annuitant designation of the
20 former spouse, unless there is an existing qualified domestic
21 relations order preventing such action. The member shall file
22 with the division a written, notarized nullification which
23 shall be effective on the first day of the next month
24 following receipt by the division. Benefits shall be paid as
25 if the former spouse predeceased the member. A member who
26 makes such an election may not reverse the nullification but
27 may designate a new joint annuitant in accordance with
28 subparagraph 1.
29 (7) DEATH BENEFITS.--
30 (a) If the employment of a member is terminated by
31 reason of his or her death prior to the completion of 10 years

1 of creditable service, except as provided in paragraph (f),
2 there shall be payable to his or her designated beneficiary
3 the member's accumulated contributions.

4 (f) Notwithstanding any other provisions in this
5 chapter to the contrary and upon application to the
6 administrator, an eligible joint annuitant, of a member whose
7 employment is terminated by death within 1 year of such member
8 satisfying the service requirements for vesting and retirement
9 eligibility, shall be permitted to purchase only the
10 additional service credit necessary to vest and qualify for
11 retirement benefits by one of the following methods:

12 1. Such eligible joint annuitant may use the deceased
13 member's accumulated hours of annual, sick, and compensatory
14 leave to purchase additional creditable service, on an hour by
15 hour basis, provided that such deceased member's accumulated
16 leave is sufficient to cover the additional months required.
17 For each month of service credit needed prior to the final
18 month, credit for the total number of work hours in that month
19 must be purchased, using an equal number of the deceased
20 member's accumulated leave hours. Service credit required for
21 the final month in which the deceased member would have become
22 vested shall be awarded upon the purchase of 1 hour of credit.
23 Such eligible joint annuitant shall pay the contribution rate
24 in effect at the time of purchase of the deceased member's
25 class of membership, multiplied by such member's monthly
26 salary at the time of death. The accumulated leave payment
27 used in the average final compensation shall not include that
28 portion of the payment that represents any leave hours used in
29 the purchase of such creditable service.

30 2. Such eligible joint annuitant may purchase
31 additional months of creditable service, up to a maximum of 1

1 year, for any periods of out-of-state service as provided in
2 s. 121.1115, or in-state service as provided in s. 121.1122,
3 that the deceased member would have been eligible to purchase
4 prior to his or her death.

5
6 Service purchased under this paragraph shall be added to the
7 creditable service of the member and used to vest for
8 retirement eligibility, and shall be used in the calculation
9 of any benefits which may be payable to the eligible joint
10 annuitant. Any benefits paid in accordance with this
11 paragraph shall only be made prospectively.

12 (8) DESIGNATION OF BENEFICIARIES.--Each member may, on
13 a form provided for that purpose, signed and filed with the
14 division, designate a choice of one or more persons, named
15 sequentially or jointly, as his or her beneficiary who shall
16 receive the benefits, if any, which may be payable in the
17 event of the member's death pursuant to the provisions of this
18 chapter. If no beneficiary is named in the manner provided
19 above, or if no beneficiary designated by the member survives
20 the member, the beneficiary shall be the spouse of the
21 deceased, if living. If the member's spouse is not alive at
22 his or her death, the beneficiary shall be the living children
23 of the member. If no children survive, the beneficiary shall
24 be the member's father or mother, if living; otherwise, the
25 beneficiary shall be the member's estate. The beneficiary
26 most recently designated by a member on a form or letter filed
27 with the division shall be the beneficiary entitled to any
28 benefits payable at the time of the member's death, except
29 benefits shall be paid as provided in paragraph (7)(d) when
30 death occurs in the line of duty. Notwithstanding any other
31 provisions in this subsection to the contrary, for a member

1 who dies prior to his or her effective date of retirement on
2 or after January 1, 1999, the spouse at the time of death
3 shall be the member's beneficiary unless such member
4 designates a different beneficiary as provided herein
5 subsequent to the member's most recent marriage.

6 Section 8. Subsection (1) of section 121.1122, Florida
7 Statutes, is amended to read:

8 121.1122 Purchase of retirement credit for in-state
9 public service and in-state service in accredited nonpublic,
10 ~~nonsectarian~~ schools and colleges, including charter
11 schools.--Effective January 1, 1998, a member of the Florida
12 Retirement System may purchase creditable service for periods
13 of certain public or nonpublic, ~~nonsectarian~~ employment
14 performed in this state, as provided in this section.

15 (1) PURCHASE OF RETIREMENT CREDIT AUTHORIZED.--Subject
16 to the provisions of subsections (2) and (3), a member of the
17 Florida Retirement System may purchase up to 5 years of
18 retirement credit for:

19 (a) Periods of public employment in this state; or

20 (b) Periods of employment in charter schools or in any
21 nonpublic, ~~nonsectarian~~ school or college in this state that
22 is accredited by the Southern Association of Colleges and
23 Schools.

24
25 Credit for 1 year of such service may be purchased for each
26 year of creditable service a member completes under the
27 Florida Retirement System.

28 Section 9. Section 121.121, Florida Statutes, is
29 amended to read:

30 121.121 ~~Future service to include~~ Authorized leaves of
31 absence.--

1 (1) A member may purchase creditable service for
2 ~~Future service of any member as defined in s. 121.021(21)~~
3 ~~shall also include~~ up to 2 work years of ~~creditable service~~
4 ~~for~~ authorized leaves of absence if:
5 (a)~~(1)~~ The member has completed a minimum of 10 years
6 of creditable service, excluding periods of leave of absence;
7 (b)~~(2)~~ The leave of absence is authorized in writing
8 by the employer of the member and approved by the
9 administrator;
10 (c)~~(3)~~ The member returns to active employment
11 performing service with a Florida Retirement System employer
12 in a regularly established position immediately upon
13 termination of the leave of absence and remains on the
14 employer's payroll for 1 calendar month, except that a member
15 who retires on disability while on a medical leave of absence
16 shall not be required to return to employment; and
17 (d)~~(4)~~ The member makes the required contributions for
18 service credit during the leave of absence, which shall be 8
19 percent until January 1, 1975, and 9 percent thereafter of his
20 or her rate of monthly compensation in effect immediately
21 prior to the commencement of such leave for each month of such
22 period, plus 4 percent interest until July 1, 1975, and 6.5
23 percent interest thereafter on such contributions, compounded
24 annually each June 30 from the due date of the contribution to
25 date of payment. Effective July 1, 1980, any leave of absence
26 purchased pursuant to this section shall be at the
27 contribution rates specified in s. 121.071 in effect at the
28 time the leave is granted for the class of membership from
29 which the leave of absence was granted; however, any member
30 who purchased leave-of-absence credit prior to July 1, 1980,
31 for a leave of absence from a position in a class other than

1 the regular membership class, may pay the appropriate
2 additional contributions plus compound interest thereon and
3 receive creditable service for such leave of absence in the
4 membership class from which the member was granted the leave
5 of absence.

6 (2) A member who is required to resign his or her
7 office as a subordinate officer, deputy sheriff, or policy
8 officer because he or she is a candidate for a public office
9 which is currently held by his or her superior officer who is
10 also a candidate for reelection to the same office, in
11 accordance with s. 99.012(5), shall, upon return to covered
12 employment, be eligible to purchase retirement credit for the
13 period between his or her date of resignation and the
14 beginning of the term of office for which he or she was a
15 candidate as a leave of absence without pay, as provided in
16 subsection (1).

17 Section 10. Subsection (3) of section 121.122, Florida
18 Statutes, is amended to read:

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

1 (3) Such member shall be entitled to purchase
2 additional retirement credit in the Regular Class or the
3 Senior Management Service Class, as applicable,for any
4 postretirement service performed in a regularly established
5 position as follows:

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

13 (b) For Senior Management Service Class prior to June
14 1, 1997, as provided in s. 121.055(1)(h).

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

23 Section 11. Subsection (5) of section 121.30, Florida
24 Statutes, is amended to read:

25 121.30 Statements of purpose and intent and other
26 provisions required for qualification under the Internal
27 Revenue Code of the United States.--Any other provisions in
28 this chapter to the contrary notwithstanding, it is
29 specifically provided that:

30 (5) No benefit payable hereunder for any limitation
31 year shall exceed the maximum amount, including cost-of-living

1 adjustments, allowable by law for qualified pension plans
2 under applicable provisions of the Internal Revenue Code of
3 the United States. In the event of any participation of a
4 Florida Retirement System member in any other plan that is
5 maintained by the participating employer, benefits that accrue
6 under the Florida Retirement System shall be considered
7 primary for any aggregate limitation applicable under s. 415
8 of the Internal Revenue Code.

9 Section 12. Section 121.133, Florida Statutes, is
10 created to read:

11 121.133 Cancellation of uncashed warrants.--In
12 compliance with relevant provisions of s. 401(a) of the
13 Internal Revenue Code as interpreted in s. 121.30(2), it is
14 the intent of the Legislature to ensure that pension trust
15 funds of the consolidated Florida Retirement System are not
16 used for any purpose other than providing benefits to plan
17 members and paying the expenses of administering the
18 consolidated Florida Retirement System. To that end,
19 notwithstanding the provisions of s. 17.26 or s. 717.123 to
20 the contrary, if any state warrant issued by the Comptroller
21 for the payment of retirement benefits from the Florida
22 Retirement System Trust Fund, or any other pension trust fund
23 administered by the division, is not presented for payment
24 within 1 year after the last day of the month in which it was
25 originally issued, the Comptroller shall cancel the benefit
26 warrant and credit the amount of the warrant to the Florida
27 Retirement System Trust Fund or other pension trust fund
28 administered by the division, as appropriate. The Division of
29 Retirement may provide for issuance of a replacement warrant
30 when deemed appropriate.

1 Section 13. Paragraph (b) of subsection (12) of
2 section 121.40, Florida Statutes, is amended to read:

3 121.40 Cooperative extension personnel at the
4 Institute of Food and Agricultural Sciences; supplemental
5 retirement benefits.--

6 (12) CONTRIBUTIONS.--

7 (b) The monthly contributions required to be paid
8 pursuant to paragraph (a) on the gross monthly salaries, from
9 all sources with respect to such employment, paid to those
10 employees of the institute who hold both state and federal
11 appointments and who participate in the federal Civil Service
12 Retirement System shall be as follows:

| 13 | 14 | 15 | 16 |
|----|--|----|--------------|
| | Dates of Contribution | | Percentage |
| | Rate Changes | | Due |
| 17 | July 1, 1985, through December 31, 1988 | | 6.68% |
| 18 | January 1, 1989, through December 31, 1993 | | 6.35% |
| 19 | January 1, 1994, through December 31, 1994 | | 6.69% |
| 20 | January 1, 1995, through June 30, 1996 | | 6.82% |
| 21 | Effective <u>July 1, 1996, through June 30,</u> | | |
| 22 | <u>1998</u> | | 5.64% |
| 23 | <u>Effective July 1, 1998</u> | | <u>7.17%</u> |

24
25 Section 14. Sections 121.0505 and 121.0516, Florida
26 Statutes, are repealed.

27 Section 15. (1) The changes to the retirement
28 contribution rates for the Florida Retirement System included
29 in this act are the result of the 1997 Actuarial Valuation of
30 the Florida Retirement System as recommended by the consulting
31 actuaries. These changes shall remain in effect until such

1 rates are further amended, or until such rates are adjusted as
2 provided in subsection (2).

3 (2) The rate adjustments set forth in this act are in
4 addition to all other changes to such contribution rates which
5 are separately enacted into law and applicable on July 1,
6 1998. With respect to such other changes, the Division of
7 Statutory Revision of the Joint Legislative Management
8 Committee is directed to edit the statutes as necessary to
9 adjust the contribution rate percentages listed under ss.
10 121.052(7)(a), 121.055(3)(a), and 121.071(1), Florida
11 Statutes, as appropriate. Pursuant to s. 11.242(5)(i),
12 Florida Statutes, the provisions of this section shall be
13 omitted from publication in the Florida Statutes or any
14 revision or supplement thereof.

15 Section 16. The Legislature finds that a proper and
16 legitimate state purpose is served when employees and retirees
17 of the state and its political subdivisions, and the
18 dependents, survivors, and beneficiaries of such employees and
19 retirees, are extended the basic protections afforded by
20 governmental retirement systems that provide fair and adequate
21 benefits and are managed, administered, and funded in an
22 actuarially sound manner, as required by s. 14, Art. X of the
23 State Constitution and part VII of chapter 112, Florida
24 Statutes. Therefore, the Legislature hereby determines and
25 declares that the provisions of this act fulfill an important
26 state interest.

27 Section 17. Except as otherwise provided herein, this
28 act shall take effect upon becoming a law.

29
30
31