

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.; revising  
10          and adding definitions; amending ss. 121.052,  
11          121.055, and 121.071, F.S.; modifying the  
12          statutory limit on the number of nonelective  
13          full-time positions that may be designated by a  
14          local agency employer for inclusion in the  
15          Senior Management Service Class; providing that  
16          judges of compensation claims under the  
17          Worker's Compensation Law shall be compulsory  
18          members of the Senior Management Service Class  
19          and may elect to participate in the Senior  
20          Management Service Optional Annuity Program in  
21          lieu thereof; changing contribution rates for  
22          specified classes and subclasses of the system  
23          and for the retiree health insurance subsidy;  
24          amending s. 121.091, F.S.; providing for  
25          benefit computations using dual retirement ages  
26          for service in the Senior Management Service  
27          Class and the Elected Officer's Class;  
28          providing for nullification of a joint  
29          annuitant designation in the event of  
30          dissolution of marriage; providing for purchase  
31          of additional service credit using a deceased

1 member's accumulated leave, out-of-state  
2 service, or in-state service under certain  
3 circumstances; specifying that a member's  
4 spouse at the time of death shall be the  
5 member's beneficiary under certain  
6 circumstances; providing a directive to statute  
7 editors; amending s. 121.1122, F.S.; deleting  
8 reference to nonsectarian schools and colleges;  
9 amending s. 121.121, F.S.; providing for  
10 eligibility to purchase retirement credit for  
11 certain leaves of absence; amending s. 121.122,  
12 F.S.; allowing members with renewed membership  
13 in the Senior Management Service Class to  
14 purchase additional retirement credit for  
15 certain postretirement service; amending s.  
16 121.30, F.S.; conforming to the Internal  
17 Revenue Code; creating s. 121.133, F.S.;  
18 providing intent; requiring the Comptroller to  
19 cancel any benefit warrant issued from the  
20 Florida Retirement System Trust Fund, or from  
21 certain other pension trust funds, if such  
22 warrants are not presented within a specified  
23 timeframe; providing that such funds shall be  
24 transferred and recredited to specified trust  
25 funds; providing for issuance of replacement  
26 warrants; amending s. 121.40, F.S.; changing  
27 contribution rates for the supplemental  
28 retirement plan for the Institute of Food and  
29 Agricultural Sciences at the University of  
30 Florida; repealing ss. 121.0505 and 121.0516,  
31 F.S.; relating to duplicative contribution

1 rates; directing the Division of Statutory  
2 Revision to make described adjustments to the  
3 statutes with respect to contribution rates;  
4 providing a finding of important state  
5 interest; providing effective dates.  
6

7 Be It Enacted by the Legislature of the State of Florida:  
8

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

12 112.363 Retiree health insurance subsidy.--

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

14 (d) Beginning January 1, 1999, each eligible retiree  
15 or, if the retiree is deceased, his or her beneficiary who is  
16 receiving a monthly benefit from such retiree's account and  
17 who is a spouse, or a person who meets the definition of joint  
18 annuitant in s. 121.021(28), shall receive a monthly retiree  
19 health insurance subsidy payment equal to the number of years  
20 of creditable service, as defined in s. 121.021(17), completed  
21 at the time of retirement multiplied by \$5; however, no  
22 eligible retiree or such beneficiary may receive a subsidy  
23 payment of more than \$150 or less than \$50. If there are  
24 multiple beneficiaries, the total payment must not be greater  
25 than the payment to which the retiree was entitled.

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 0.94 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, beginning  
7 with the month the division receives certification of coverage  
8 for health insurance for the eligible retiree or beneficiary.  
9 If the division receives such certification at any time during  
10 the 6 months after retirement benefits commence, the retiree  
11 health insurance subsidy shall be paid retroactive to the  
12 effective retirement date. If, however, the division receives  
13 such certification 7 or more months after commencement of  
14 benefits, the retroactive retiree health insurance subsidy  
15 payment will cover a maximum of 6 months. Such subsidy  
16 payments shall not be subject to assignment, execution, or  
17 attachment or to any legal process whatsoever.

18 Section 2. Paragraph (b) of subsection (2) of section  
19 121.011, Florida Statutes, is amended to read:

20 121.011 Florida Retirement System.--

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

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

1           Section 3. Effective July 1, 1998, subsections (22),  
2 (24), (28), (29), and (30) of section 121.021, Florida  
3 Statutes, are amended, and subsections (45) through (54) are  
4 added to said section, to read:

5           121.021 Definitions.--The following words and phrases  
6 as used in this chapter have the respective meanings set forth  
7 unless a different meaning is plainly required by the context:

8           (22) "Compensation" means the monthly salary paid a  
9 member by his or her employer for work performed arising from  
10 that employment, ~~including~~

11           (a) Compensation shall include:

12           1. Overtime payments paid from a salary fund, ~~except~~  
13 ~~that+~~

14           2. Accumulated annual leave payments.

15           3. Payments in addition to the employee's base rate of  
16 pay if all the following apply:

17           a. The payments are paid according to a formal written  
18 policy that applies to all eligible employees equally;

19           b. The policy provides that payments shall commence no  
20 later than the 11th year of employment;

21           c. The payments are paid for as long as the employee  
22 continues his or her employment; and

23           d. The payments are paid at least annually.

24           4. Amounts withheld for tax sheltered annuities or  
25 deferred compensation programs, or any other type of salary  
26 reduction plan authorized under the Internal Revenue Code.

27           5. Payments made in lieu of a permanent increase in  
28 the base rate of pay, whether made annually or in 12 or 26  
29 equal payments within a 12-month period, when the member's  
30 base pay is at the maximum of his or her pay range. When a  
31 portion of a member's annual increase raises his or her pay

1 range and the excess is paid as a lump sum payment, such lump  
2 sum payment shall be compensation for retirement purposes.

3 (b)~~(a)~~ Under no circumstances shall compensation  
4 include:

5 1. Fees paid professional persons for special or  
6 particular services or include salary payments made from a  
7 faculty practice plan operated by rule of the Board of Regents  
8 for eligible clinical faculty at the University of Florida and  
9 the University of South Florida; or-

10 2. Any bonuses or other payments prohibited from  
11 inclusion in the member's average final compensation and  
12 defined in subsection (47).

13 (c)~~(b)~~ For all purposes under this chapter, the  
14 member's compensation or gross compensation contributed as  
15 employee-elective salary reductions or deferrals to any salary  
16 reduction, deferred compensation, or tax-sheltered annuity  
17 program authorized under the Internal Revenue Code shall be  
18 deemed to be the compensation or gross compensation which the  
19 member would receive if he or she were not participating in  
20 such program and shall be treated as compensation for  
21 retirement purposes under this chapter. Any public funds  
22 otherwise paid by an employer into an employee's salary  
23 reduction, deferred compensation, or tax-sheltered annuity  
24 program on or after July 1, 1990 (the date as of which all  
25 employers were notified in writing by the division to cease  
26 making contributions to the System Trust Fund based on such  
27 amounts), shall be considered a fringe benefit and shall not  
28 be treated as compensation for retirement purposes under this  
29 chapter. However, if an employer was notified in writing by  
30 the division to cease making such contributions as of a  
31

1 different date, that employer shall be subject to the  
2 requirements of said written notice.

3        (d)~~(c)~~ For any person who first becomes a member on or  
4 after July 1, 1996, compensation for any plan year shall not  
5 include any amounts in excess of the s. 401(a)(17), Internal  
6 Revenue Code limitation (as amended by the Omnibus Budget  
7 Reconciliation Act of 1993), which limitation of \$150,000  
8 effective July 1, 1996, shall be adjusted as required by  
9 federal law for qualified government plans and shall be  
10 further adjusted for changes in the cost of living in the  
11 manner provided by s. 401(a)(17)(B), Internal Revenue Code.  
12 For any person who first became a member prior to July 1,  
13 1996, compensation for all plan years beginning on or after  
14 July 1, 1990, shall not include any amounts in excess of the  
15 compensation limitation (originally \$200,000) established by  
16 s. 401(a)(17), Internal Revenue Code prior to the Omnibus  
17 Budget Reconciliation Act of 1993, which limitation shall be  
18 adjusted for changes in the cost of living since 1989, in the  
19 manner provided by s. 401(a)(17) of the Internal Revenue Code  
20 of 1991. This limitation, which has been part of the Florida  
21 Retirement System since plan years beginning on or after July  
22 1, 1990, shall be adjusted as required by federal law for  
23 qualified government plans.

24        (24) "Average final compensation" means the average of  
25 the 5 highest fiscal years of compensation for creditable  
26 service prior to retirement, termination, or death. For  
27 in-line-of-duty disability benefits, if less than 5 years of  
28 creditable service have been completed, the term "average  
29 final compensation" means the average annual compensation of  
30 the total number of years of creditable service. Each year  
31

1 used in the calculation of average final compensation shall  
2 commence on July 1.

3 (a) The average final compensation shall include:  
4 1. Accumulated annual leave payments, not to exceed  
5 500 hours; and  
6 2. All payments defined as compensation in subsection  
7 (22).

8 (b) The average final compensation shall not include:  
9 1. Compensation paid to professional persons for  
10 special or particular services;  
11 2. Payments for accumulated sick leave made due to  
12 retirement or termination;  
13 3. Payments for accumulated annual leave in excess of  
14 500 hours;  
15 4. Bonuses as defined in subsection (47);  
16 5. Third party payments made on and after July 1,  
17 1990; or  
18 6. Fringe benefits (for example, automobile allowances

19 or housing allowances).~~The payment for accumulated sick~~  
20 ~~leave, accumulated annual leave in excess of 500 hours, and~~  
21 ~~bonuses, whether paid as salary or otherwise, shall not be~~  
22 ~~used in the calculation of the average final compensation.~~

23 (28) "Joint annuitant" or "~~dependent beneficiary~~"  
24 means any person designated by the member to receive a  
25 retirement benefit upon the member's death who is ~~either~~:  
26 (a) The spouse of the member;  
27 (b) The member's natural or adopted child who is under  
28 age 25, or is physically or mentally disabled and incapable of  
29 self-support, regardless of age; or any person other than the  
30 spouse for whom the member is the legal guardian, provided  
31 that such person is under age 25 and is financially dependent



1 for no less than one-half of his or her support from the  
2 member at retirement or at the time of death of such member,  
3 whichever occurs first; or

4 (c) A parent or grandparent, or a person age 25 or  
5 older for whom the member is the legal guardian, provided that  
6 such parent, grandparent, or other person is financially  
7 dependent for no less than one-half of his or her support from  
8 the member at retirement or at time of the death of such  
9 member, whichever occurs first.

10 (29) "Normal retirement date" means the first day of  
11 any month following the date a member attains one of the  
12 following statuses:

13 (a) If a Regular Class member, the member:

14 1. Completes 10 or more years of creditable service  
15 and attains age 62; or

16 2. ~~(b)~~ Completes 30 years of creditable service,  
17 regardless of age, which may include a maximum of 4 years of  
18 military service credit ~~as, so~~ long as such credit is not  
19 claimed under any other system, ~~regardless of age.~~

20 (b) ~~(c)~~ If a Special Risk Class member, the member:

21 1. Completes 10 or more years of creditable service in  
22 the Special Risk Class and attains age 55;

23 2. Completes 25 years of creditable service in the  
24 Special Risk Class, regardless of age; or

25 3. Completes 25 years of creditable service and  
26 attains age 52, which service may include a maximum of 4 years  
27 of military service credit as long as such credit is not  
28 claimed under any other system and the remaining years are in  
29 the Special Risk Class, ~~and attains age 52; or~~

30 (c) ~~(d)~~ If a Senior Management Service Class member,  
31 the member:

1           1. Completes 7 years of creditable service in the  
2 Senior Management Service Class and attains age 62; or

3           2. Completes 30 years of any creditable service,  
4 regardless of age, which may include a maximum of 4 years of  
5 military service credit as long as such credit is not claimed  
6 under any other system; or, ~~regardless of age.~~

7           (d) If an Elected State County Officers' Class member,  
8 the member:

9           1. Completes 8 years of creditable service in the  
10 Elected State and County Officers' Class and attains age 62;  
11 or

12           2. Completes 30 years of any creditable service,  
13 regardless of age, which may include a maximum of 4 years of  
14 military service credit as long as such credit is not claimed  
15 under any other system.

16  
17 "Normal retirement age" is attained on the "normal retirement  
18 date."

19           (30) "Early retirement date" means the first day of  
20 the month following the date a member becomes vested ~~completes~~  
21 ~~10 years of creditable service~~ and elects to receive  
22 retirement benefits in accordance with this chapter. Such  
23 benefits shall be based on average monthly compensation and  
24 creditable service as of the member's early retirement date,  
25 and the benefit so computed shall be reduced by five-twelfths  
26 of 1 percent for each complete month by which the early  
27 retirement date precedes his or her normal retirement date as  
28 provided in s. 121.091(3).

29           (45) "Vested" or "vesting" means the guarantee that a  
30 member is eligible to receive a future retirement benefit upon  
31 completion of the required years of creditable service for the

1 employee's class of membership even though the member may have  
2 terminated covered employment before reaching normal or early  
3 retirement date. Being vested does not entitle a member to a  
4 disability benefit based on a disability caused by an injury  
5 or disease that occurs after termination of covered  
6 employment.

7 (46) "Beneficiary" means the joint annuitant or any  
8 other person, organization, estate, or trust fund designated  
9 by the member to receive a retirement benefit, if any, which  
10 may be payable upon the member's death.

11 (47) "Bonus" means a payment made in addition to an  
12 employee's regular or overtime salary. A bonus is usually  
13 nonrecurring, does not increase the employee's base rate of  
14 pay, and includes no commitment for payment in a subsequent  
15 year. Such payments are not considered compensation. Effective  
16 July 1, 1989, employers may not report such payments to the  
17 division as salary, and may not make retirement contributions  
18 on such payments.

19 (a) A payment is a bonus if any of the following  
20 circumstances apply:

21 1. The payment is not made according to a formal  
22 written policy that applies to all eligible employees equally.

23 2. The payment commences later than the 11th year of  
24 employment.

25 3. The payment is not based on permanent eligibility.

26 4. The payment is made less frequently than annually.

27 (b) Bonuses shall include, but not be limited to, the  
28 following:

29 1. Exit bonus or severance pay.

30 2. Longevity payments in conformance with the  
31 provisions of paragraph (a).

1           3. Salary increases granted pursuant to an employee's  
2 agreement to retire, including increases paid over several  
3 months or years prior to retirement.

4           4. Payments for accumulated overtime or compensatory  
5 time, reserve time, or holiday time worked, if not made within  
6 11 months of the month in which the work was performed.

7           5. Quality Instruction Incentives Program (QUIIP)  
8 Payments.

9           6. Lump sum payments in recognition of employees'  
10 accomplishments.

11           (48) "Accumulated annual leave payment" means any  
12 payment, made either during an employee's employment or at  
13 termination or retirement, for leave accrued during such  
14 employee's career, which leave was intended for, but never  
15 utilized by the employee for, his or her personal use. General  
16 leave, which may be used for both sickness and vacation, is  
17 considered accumulated annual leave. When leave is initially  
18 accrued separately as annual leave or sick leave and is later  
19 combined into a consolidated leave account, only the payment  
20 for that portion of the account which represents annual leave  
21 shall be considered as compensation. If any single lump-sum  
22 annual leave payment, made at anytime during a member's  
23 employment, exceeds 500 hours, only a maximum of 500 hours of  
24 such annual leave payment shall be considered as compensation.

25           (49) "Accumulated sick leave payment" means leave  
26 accrued during an employee's career which was intended for use  
27 in the event of sickness, injury, or other health problems of  
28 a member or his or her family. General leave which may be used  
29 for both sickness and vacation is not considered sick leave.  
30 When leave is initially accrued separately as annual leave or  
31 sick leave and is later combined into a consolidated leave

1 account, the payment for that portion of the account which  
2 represents sick leave shall not be considered compensation.

3 (50) "Independent contractor" means an individual who  
4 is not subject to the control and direction of the employer  
5 for whom work is being performed, with respect not only to  
6 what shall be done but to how it shall be done. If the  
7 employer has the right to exert such control, an  
8 employee-employer relationship exists, and, for purposes of  
9 this chapter, the person is an employee and not an independent  
10 contractor. The division shall adopt rules providing criteria  
11 for determining whether an individual is an employee or an  
12 independent contractor.

13 (51) "Previous service" means the number of years,  
14 complete months, and any fractional part of a month, as  
15 recognized and credited by an employer and approved by the  
16 administrator, of service under one of the retirement systems  
17 established by this chapter, chapter 122, former chapter 123,  
18 chapter 238, or chapter 321, on which the required  
19 contributions were paid at the member's termination of  
20 employment, and for which the member has received no refund of  
21 contributions.

22 (52) "Regularly established position" is defined as  
23 follows:

24 (a) In a state agency, the term means a position which  
25 is authorized and established pursuant to law and is  
26 compensated from a salaries appropriation pursuant to s.  
27 216.011(1)(x)1. and 2., or an established position which is  
28 authorized pursuant to s. 216.262(1)(a) and (b) and is  
29 compensated from a salaries account as provided by rule.

30 (b) In a local agency (district school board, county  
31 agency, community college, city, or special district), the

1 term means a regularly established position which will be in  
2 existence for a period beyond 6 consecutive months, except as  
3 provided by rule.

4 (53) "Temporary position" is defined as follows:

5 (a) In a state agency, the term means an employment  
6 position which is compensated from an other personal services  
7 (OPS) account, as provided for in s. 216.011(1)(x).

8 (b) In a local agency, the term means an employment  
9 position which will exist for less than 6 consecutive months,  
10 or other employment position as determined by rule of the  
11 division, regardless of whether it will exist for 6  
12 consecutive months or longer.

13 (54) "Work year" means the period of time an employee  
14 is required to work to receive a full year of retirement  
15 credit, as provided by rule.

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

18 121.052 Membership class of elected ~~state and county~~  
19 officers.--

20 (7) CONTRIBUTIONS.--

21 (a) The following table states the required retirement  
22 contribution rates for members of the Elected ~~State and County~~  
23 Officers' Class and their employers in terms of a percentage  
24 of the member's gross compensation. A change in a contribution  
25 rate is effective with the first salary paid on or after the  
26 beginning date of the change. Contributions shall be made or  
27 deducted as may be appropriate for each pay period and are in  
28 addition to the contributions required for social security and  
29 the Retiree Health Insurance Subsidy Trust Fund.

30  
31

1	Dates of Contribution	Members	Employers
2	Rate Changes		
3			
4	July 1, 1972, through September 30, 1977		
5	Legislators	8%	8%
6	All Other Members	8%	8%
7			
8	October 1, 1977, through September 30, 1978		
9	Legislators	8%	8%
10	All Other Members	4%	12%
11			
12	October 1, 1978, through September 30, 1979		
13	Legislators	8%	10.57%
14	All Other Members	4%	16.78%
15			
16	October 1, 1979, through September 30, 1981		
17	Legislators	8%	10.57%
18	Governor, Lt. Governor, Cabinet		
19	Officers	4%	16.78%
20	All Other Members	0%	20.78%
21			
22	July 1, 1981, through June 30, 1984		
23	County Elected Officers	0%	19.30%
24			
25	July 1, 1984, through September 30, 1984		
26	County Elected Officers	0%	20.25%
27			
28	October 1, 1981, through September 30, 1984		
29	Legislators	0%	19.30%
30	Governor, Lt. Governor, Cabinet		
31	Officers	0%	21.03%

1	State Attorneys, Public Defenders	0%	20.95%
2	Justices, Judges	0%	22.55%
3			
4	October 1, 1984, through September 30, 1986		
5	Legislators	0%	10.98%
6	Governor, Lt. Governor, Cabinet		
7	Officers	0%	10.98%
8	State Attorneys, Public Defenders	0%	10.98%
9	Justices, Judges	0%	21.79%
10	County Elected Officers	0%	16.97%
11			
12	October 1, 1986, through December 31, 1988		
13	Legislators	0%	11.50%
14	Governor, Lt. Governor, Cabinet		
15	Officers	0%	11.50%
16	State Attorneys, Public Defenders	0%	11.50%
17	Justices, Judges	0%	20.94%
18	County Elected Officers	0%	17.19%
19			
20	January 1, 1989, through December 31, 1989		
21	Legislators	0%	13.70%
22	Governor, Lt. Governor, Cabinet		
23	Officers	0%	13.70%
24	State Attorneys, Public Defenders	0%	13.70%
25	Justices, Judges	0%	22.58%
26	County Elected Officers	0%	18.44%
27			
28	January 1, 1990, through December 31, 1990		
29	Legislators	0%	15.91%
30	Governor, Lt. Governor, Cabinet		
31	Officers	0%	15.91%



1	State Attorneys, Public Defenders	0%	15.91%
2	Justices, Judges	0%	24.22%
3	County Elected Officers	0%	19.71%
4			
5	January 1, 1991, through December 31, 1991		
6	Legislators	0%	17.73%
7	Governor, Lt. Governor, Cabinet		
8	Officers	0%	17.73%
9	State Attorneys, Public Defenders	0%	17.73%
10	Justices, Judges	0%	26.63%
11	County Elected Officers	0%	23.32%
12			
13	January 1, 1992, through December 31, 1992		
14	Legislators	0%	19.94%
15	Governor, Lt. Governor, Cabinet		
16	Officers	0%	19.94%
17	State Attorneys, Public Defenders	0%	19.94%
18	Justices, Judges	0%	28.27%
19	County Elected Officers	0%	24.59%
20			
21	January 1, 1993, through December 31, 1993		
22	Legislators	0%	22.14%
23	Governor, Lt. Governor, Cabinet		
24	Officers	0%	22.14%
25	State Attorneys, Public Defenders	0%	22.14%
26	Justices, Judges	0%	29.91%
27	County Elected Officers	0%	25.84%
28			
29	January 1, 1994, through December 31, 1994		
30	Legislators	0%	22.65%
31	Governor, Lt. Governor, Cabinet		

1	Officers	0%	22.65%
2	State Attorneys, Public Defenders	0%	22.65%
3	Justices, Judges	0%	30.52%
4	County Elected Officers	0%	26.07%
5			
6	January 1, 1995, through December 31, 1995		
7	Legislators	0%	22.80%
8	Governor, Lt. Governor, Cabinet		
9	Officers	0%	22.80%
10	State Attorneys, Public Defenders	0%	22.80%
11	Justices, Judges	0%	30.21%
12	County Elected Officers	0%	27.48%
13			
14	January 1, 1996, through June 30, 1996		
15	Legislators	0%	22.90%
16	Governor, Lt. Governor, Cabinet		
17	Officers	0%	22.90%
18	State Attorneys, Public Defenders	0%	22.90%
19	Justices, Judges	0%	30.15%
20	County Elected Officers	0%	27.54%
21			
22	<del>Effective</del> <u>July 1, 1996, through June 30, 1998</u>		
23	Legislators	0%	23.07%
24	Governor, Lt. Governor, Cabinet		
25	Officers	0%	23.07%
26	State Attorneys, Public Defenders	0%	23.07%
27	Justices, Judges	0%	29.55%
28	County Elected Officers	0%	27.33%
29			
30	<u>Effective July 1, 1998</u>		
31	<u>Legislators</u>	<u>0%</u>	<u>22.33%</u>

1	<u>Governor, Lt. Governor, Cabinet Officers</u>	<u>0%</u>	<u>22.33%</u>
2	<u>State Attorneys, Public Defenders</u>	<u>0%</u>	<u>22.33%</u>
3	<u>Justices, Judges</u>	<u>0%</u>	<u>27.21%</u>
4	<u>County elected officers</u>	<u>0%</u>	<u>26.99%</u>

5  
6 (c) The following table states the required employer  
7 contribution on behalf of each member of the Elected ~~State and~~  
8 ~~County~~ Officers' Class in terms of a percentage of the  
9 member's gross compensation. Such contribution constitutes the  
10 entire health insurance subsidy contribution with respect to  
11 the member. A change in the contribution rate is effective  
12 with the first salary paid on or after the beginning date of  
13 the change. The retiree health insurance subsidy contribution  
14 rate is as follows:

16	Dates of Contribution	Contribution
17	Rate Changes	Rate
19	October 1, 1987, through December 31, 1988	0.24%
20	January 1, 1989, through December 31, 1993	0.48%
21	January 1, 1994, through December 31, 1994	0.56%
22	<del>Effective</del> <u>January 1, 1995, through June 30,</u>	
23	<u>1998</u>	0.66%
24	<u>Effective July 1, 1998</u>	<u>0.80%</u>

25  
26 Such contributions shall be deposited by the administrator in  
27 the Retiree Health Insurance Subsidy Trust Fund.

28 Section 5. Subsection (1) and paragraphs (a) and (c)  
29 of subsection (3) of section 121.055, Florida Statutes, are  
30 amended to read:

31

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

6           (1)(a) Participation in the Senior Management Service  
7 Class shall be limited to and compulsory for any member of the  
8 Florida Retirement System who holds a position in the Senior  
9 Management Service of the State of Florida, established by  
10 part III of chapter 110, unless such member elects, within the  
11 time specified herein, to participate in the Senior Management  
12 Service Optional Annuity Program as established in subsection  
13 (6).

14           (b)1. Except as provided in subparagraph 2., effective  
15 January 1, 1990, participation in the Senior Management  
16 Service Class shall be compulsory for the president of each  
17 community college, the manager of each participating city or  
18 county, and all appointed district school superintendents.  
19 Effective January 1, 1994, additional positions may be  
20 designated for inclusion in the Senior Management Service  
21 Class of the Florida Retirement System, provided that:

22           a. Positions to be included in the class shall be  
23 designated by the local agency employer. Notice of intent to  
24 designate positions for inclusion in the class shall be  
25 published once a week for 2 consecutive weeks in a newspaper  
26 of general circulation published in the county or counties  
27 affected, as provided in chapter 50.

28           b. One nonelective full-time position may be  
29 designated for each local agency employer reporting to the  
30 Division of Retirement; for local agencies with 100 ~~200~~ or  
31 more regularly established positions, additional nonelective

1 full-time positions may be designated, not to exceed 1 ~~0.5~~  
2 percent of the regularly established positions within the  
3 agency.

4 c. Each position added to the class must be a  
5 managerial or policymaking position filled by an employee who  
6 is not subject to continuing contract and serves at the  
7 pleasure of the local agency employer without civil service  
8 protection, and who:

9 (I) Heads an organizational unit; or

10 (II) Has responsibility to effect or recommend  
11 personnel, budget, expenditure, or policy decisions in his or  
12 her areas of responsibility.

13 2. In lieu of participation in the Senior Management  
14 Service Class, members of the Senior Management Service Class  
15 pursuant to the provisions of subparagraph 1. may withdraw  
16 from the Florida Retirement System altogether and participate  
17 in a lifetime monthly annuity program which may be provided by  
18 the employing agency. The cost to the employer for such  
19 annuity shall equal the normal cost portion of the  
20 contributions required in the Senior Management Service Class.  
21 The employer providing such annuity shall contribute an  
22 additional amount to the Florida Retirement System Trust Fund  
23 equal to the unfunded actuarial accrued liability portion of  
24 the Senior Management Service Class contribution rate. The  
25 decision to participate in such local government annuity shall  
26 be irrevocable for as long as the employee holds a position  
27 eligible for the annuity. Any service creditable under the  
28 Senior Management Service Class shall be retained after the  
29 member withdraws from the Florida Retirement System; however,  
30 additional service credit in the Senior Management Service  
31 Class shall not be earned after such withdrawal. Such members

1 shall not be eligible to participate in the Senior Management  
2 Service Optional Annuity Program.

3 (c)1. Effective January 1, 1990, participation in the  
4 Senior Management Service Class shall be compulsory for up to  
5 75 nonelective positions at the level of committee staff  
6 director or higher or equivalent managerial or policymaking  
7 positions within the House of Representatives, as selected by  
8 the Speaker of the House of Representatives, up to 50  
9 nonelective positions at the level of committee staff director  
10 or higher or equivalent managerial or policymaking positions  
11 within the Senate, as selected by the President of the Senate,  
12 all staff directors of Joint Committees of the Legislature,  
13 the Auditor General and up to 9 managerial or policymaking  
14 positions within his or her office as selected by the Auditor  
15 General, and the executive director of the Commission on  
16 Ethics.

17 2. Participation in this class shall be compulsory,  
18 except as provided in subparagraph 3., for any legislative  
19 employee who holds a position designated for coverage in the  
20 Senior Management Service Class, and such participation shall  
21 continue until the employee terminates employment in a covered  
22 position.

23 3. In lieu of participation in the Senior Management  
24 Service Class, in the discretion of the Joint Legislative  
25 Management Committee, such members may participate in the  
26 Senior Management Service Optional Annuity Program as  
27 established in subsection (6).

28 (d) Effective January 1, 1991, participation in the  
29 Senior Management Service Class shall be compulsory for any  
30 member of the Florida Retirement System in a position that has  
31 been designated eligible for inclusion in the Executive

1 Service of the State University System or who holds a position  
2 as president of a state university, unless such member elects,  
3 pursuant to s. 121.35, to participate in the optional  
4 retirement program.

5 (e) Effective January 1, 1991, participation in the  
6 Senior Management Service Class shall be compulsory for the  
7 number of senior managers who have policymaking authority with  
8 the State Board of Administration, as determined by the  
9 Governor, Treasurer, and Comptroller acting as the State Board  
10 of Administration, unless such member elects to participate in  
11 the Senior Management Service Optional Annuity Program as  
12 established in subsection (6) in lieu of participation in the  
13 Senior Management Service Class. Such election shall be made  
14 in writing and filed with the division and the personnel  
15 officer of the State Board of Administration within 90 days  
16 after becoming eligible for membership in the Senior  
17 Management Service Class.

18 (f) Effective July 1, 1997:

19 1. Any elected state officer eligible for membership  
20 in the Elected State and County Officers' Class under s.  
21 121.052(2)(a), (b), or (c) who elects membership in the Senior  
22 Management Service Class under s. 121.052(3)(c) may, within 6  
23 months after assuming office or within 6 months after this act  
24 becomes a law for serving elected state officers, elect to  
25 participate in the Senior Management Service Optional Annuity  
26 Program, as provided in subsection (6), in lieu of membership  
27 in the Senior Management Service Class.

28 2. Any elected county officer eligible for membership  
29 in the Elected State and County Officers' Class under s.  
30 121.052(2)(d) who elects membership in the Senior Management  
31 Service Class under s. 121.052(3)(c) may, within 6 months

1 after assuming office, or within 6 months after this act  
 2 becomes a law for serving elected county officers, elect to  
 3 participate in a lifetime monthly annuity program, as provided  
 4 in subparagraph (b)2., in lieu of membership in the Senior  
 5 Management Service Class.

6 (g) Effective July 1, 1996, participation in the  
 7 Senior Management Service Class shall be compulsory for any  
 8 member of the Florida Retirement System employed with the  
 9 Department of Military Affairs in the positions of the  
 10 Adjutant General, Assistant Adjutant General-Army, Assistant  
 11 Adjutant General-Air, State Quartermaster, Director of  
 12 Military Personnel, Director of Administration, and additional  
 13 directors as designated by the agency head, not to exceed a  
 14 total of 10 positions. In lieu of participation in the Senior  
 15 Management Service Class, such members may participate in the  
 16 Senior Management Service Optional Annuity Program as  
 17 established in subsection (6).

18 (h)1. Except as provided in subparagraph 3., effective  
 19 January 1, 1994, participation in the Senior Management  
 20 Service Class shall be compulsory for the State Courts  
 21 Administrator and the Deputy State Courts Administrators, the  
 22 Clerk of the Supreme Court, the Marshal of the Supreme Court,  
 23 the Executive Director of the Justice Administrative  
 24 Commission, the Capital Collateral Representative, the clerks  
 25 of the district courts of appeals, the marshals of the  
 26 district courts of appeals, and the trial court administrator  
 27 in each judicial circuit. Effective January 1, 1994,  
 28 additional positions in the offices of the state attorney and  
 29 public defender in each judicial circuit may be designated for  
 30 inclusion in the Senior Management Service Class of the  
 31 Florida Retirement System, provided that:



1           a. Positions to be included in the class shall be  
2 designated by the state attorney or public defender, as  
3 appropriate. Notice of intent to designate positions for  
4 inclusion in the class shall be published once a week for 2  
5 consecutive weeks in a newspaper of general circulation  
6 published in the county or counties affected, as provided in  
7 chapter 50.

8           b. One nonelective full-time position may be  
9 designated for each state attorney and public defender  
10 reporting to the Division of Retirement; for agencies with 200  
11 or more regularly established positions under the state  
12 attorney or public defender, additional nonelective full-time  
13 positions may be designated, not to exceed 0.5 percent of the  
14 regularly established positions within the agency.

15           c. Each position added to the class must be a  
16 managerial or policymaking position filled by an employee who  
17 serves at the pleasure of the state attorney or public  
18 defender without civil service protection, and who:

19           (I) Heads an organizational unit; or

20           (II) Has responsibility to effect or recommend  
21 personnel, budget, expenditure, or policy decisions in his or  
22 her areas of responsibility.

23           2. Participation in this class shall be compulsory,  
24 except as provided in subparagraph 3., for any judicial  
25 employee who holds a position designated for coverage in the  
26 Senior Management Service Class and such participation shall  
27 continue until the employee terminates employment in a covered  
28 position.

29           3. In lieu of participation in the Senior Management  
30 Service Class, such members may participate in the Senior  
31

1 Management Service Optional Annuity Program as established in  
2 subsection (6).

3 (i) Effective July 1, 1998, participation in the  
4 Senior Management Service Class shall be compulsory for any  
5 member of the Florida Retirement System employed as a judge of  
6 compensation claims with the Office of the Judges of  
7 Compensation Claims within the Department of Labor and  
8 Employment Security. In lieu of participation in the Senior  
9 Management Service Class, such members may participate in the  
10 Senior Management Service Optional Annuity Program as  
11 established in subsection (6).

12 (j)~~(i)~~ Employment Except as may otherwise be provided,  
13 any member of the Senior Management Service Class may purchase  
14 additional retirement credit in such class for creditable  
15 service within the purview of the Senior Management Service  
16 Class retroactive to February 1, 1987, and may upgrade  
17 retirement credit for such service, to the extent of 2 percent  
18 of the member's average monthly compensation as specified in  
19 paragraph (4)(d) for such service. Contributions for upgrading  
20 the additional Senior Management Service credit pursuant to  
21 this paragraph shall be equal to the difference in the  
22 contributions paid and the Senior Management Service Class  
23 contribution rate as a percentage of gross salary in effect  
24 for the period being claimed, plus interest thereon at the  
25 rate of 6.5 percent a year, compounded annually until the date  
26 of payment. This service credit may be purchased by the  
27 employer on behalf of the member.

28 (3)(a) The following table states the required  
29 retirement contribution rates for members of the Senior  
30 Management Service Class and their employers in terms of a  
31 percentage of the member's gross compensation. A change in

1 the contribution rate is effective with the first salary paid  
 2 on or after the beginning date of the change. Contributions  
 3 shall be made for each pay period and are in addition to the  
 4 contributions required for social security and the Retiree  
 5 Health Insurance Subsidy Trust Fund.

6  
 7 Dates of Contribution

8 Rate Changes	Members	Employers
9		
10 February 1, 1987, through		
11 December 31, 1988	0%	13.88%
12 January 1, 1989, through		
13 December 31, 1989	0%	14.95%
14 January 1, 1990, through		
15 December 31, 1990	0%	16.04%
16 January 1, 1991, through		
17 December 31, 1991	0%	18.39%
18 January 1, 1992, through		
19 December 31, 1992	0%	19.48%
20 January 1, 1993, through		
21 December 31, 1993	0%	20.55%
22 January 1, 1994, through		
23 December 31, 1994	0%	23.07%
24 January 1, 1995, through		
25 December 31, 1995	0%	23.88%
26 January 1, 1996, through		
27 June 30, 1996	0%	24.14%
28 <del>Effective July 1, 1996, through June 30,</del>		
29 <u>1998</u>	0%	21.58%
30 <u>Effective July 1, 1998</u>	<u>0%</u>	<u>23.10%</u>

31

1  
 2 (c) The following table states the required employer  
 3 contribution on behalf of each member of the Senior Management  
 4 Service Class in terms of a percentage of the member's gross  
 5 compensation. Such contribution constitutes the entire health  
 6 insurance subsidy contribution with respect to the member. A  
 7 change in the contribution rate is effective with the first  
 8 salary paid on or after the beginning date of the change. The  
 9 retiree health insurance subsidy contribution rate is as  
 10 follows:

Dates of Contribution	Contribution
Rate Changes	Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
<del>Effective</del> <u>January 1, 1995, through June 30,</u> <u>1998</u>	0.66%
<u>Effective July 1, 1998</u>	<u>0.94%</u>

21  
 22 Such contributions shall be deposited by the administrator in  
 23 the Retiree Health Insurance Subsidy Trust Fund.

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

26 121.071 Contributions.--Contributions to the system  
 27 shall be made as follows:

28 (1) The following tables state the required retirement  
 29 contribution rates for members of the Regular Class, Special  
 30 Risk Class, or Special Risk Administrative Support Class and  
 31 their employers in terms of a percentage of the member's gross

1 compensation. A change in a contribution rate is effective  
 2 with the first salary paid on or after the beginning date of  
 3 the change. Contributions shall be made or deducted as may be  
 4 appropriate for each pay period and are in addition to the  
 5 contributions required for social security and the Retiree  
 6 Health Insurance Subsidy Trust Fund.

7 (a) Retirement contributions for regular members are  
 8 as follows:

9  
 10 Dates of Contribution

11 Rate Changes	12 Members	13 Employers
14 December 1, 1970, through December 15 31, 1974, for state agencies, state 16 universities, community colleges, 17 and district school boards	4%	4%
18 December 1, 1970, through September 19 30, 1975, for all other local 20 government agencies	4%	4%
21 22 January 1, 1975, through September 23 30, 1978, for state agencies and 24 state universities	0%	9%
25 26 January 1, 1975, through July 31, 27 1978, for community colleges and 28 district school boards	0%	9%
29 30 31		

1			
2	October 1, 1975, through September		
3	30, 1978, for all other local		
4	government agencies	0%	9%
5			
6	August 1, 1978, through September 30,		
7	1981, for community colleges and		
8	district school boards	0%	9.1%
9			
10	October 1, 1978, through September		
11	30, 1981, for all other agencies	0%	9.1%
12			
13	October 1, 1981, through		
14	September 30, 1984	0%	10.93%
15	October 1, 1984, through		
16	September 30, 1986	0%	12.24%
17	October 1, 1986, through		
18	December 31, 1988	0%	13.14%
19	January 1, 1989, through		
20	December 31, 1989	0%	13.90%
21	January 1, 1990, through		
22	December 31, 1990	0%	14.66%
23	January 1, 1991, through		
24	December 31, 1991	0%	15.72%
25	January 1, 1992, through		
26	December 31, 1992	0%	16.51%
27	January 1, 1993, through		
28	December 31, 1993	0%	17.27%
29	January 1, 1994, through		
30	December 31, 1994	0%	17.10%
31	January 1, 1995, through		

1	December 31, 1995	0%	16.91%
2	January 1, 1996, through		
3	June 30, 1996	0%	17.00%
4	<del>Effective July 1, 1996, through June 30,</del>		
5	<u>1998</u>	0%	16.77%
6	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>15.51%</u>
7			
8	(b) Retirement contributions for special risk members		
9	are as follows:		
10			
11	Dates of Contribution		
12	Rate Changes	Members	Employers
13			
14	December 1, 1970, through		
15	September 30, 1974	6%	6%
16			
17	October 1, 1974, through December 31,		
18	1974, for state agencies, state		
19	universities, community colleges,		
20	and district school boards	8%	8%
21			
22	October 1, 1974, through September		
23	30, 1975, for all other local		
24	government agencies	8%	8%
25			
26	January 1, 1975, through September		
27	30, 1978, for state agencies, state		
28	universities, community colleges,		
29	and district school boards	0%	13%
30			
31			

1			
2	October 1, 1975, through September		
3	30, 1978, for other local		
4	government agencies	0%	13%
5			
6	October 1, 1978, through		
7	September 30, 1981	0%	13.95%
8	October 1, 1981, through		
9	September 30, 1984	0%	13.91%
10	October 1, 1984, through		
11	September 30, 1986	0%	14.67%
12	October 1, 1986, through		
13	December 31, 1988	0%	15.11%
14	January 1, 1989, through		
15	December 31, 1989	0%	17.50%
16	January 1, 1990, through		
17	December 31, 1990	0%	19.90%
18	January 1, 1991, through		
19	December 31, 1991	0%	25.52%
20	January 1, 1992, through		
21	December 31, 1992	0%	26.35%
22	January 1, 1993, through		
23	December 31, 1993	0%	27.14%
24	January 1, 1994, through		
25	December 31, 1994	0%	27.03%
26	January 1, 1995, through		
27	December 31, 1995	0%	26.83%
28	January 1, 1996, through		
29	June 30, 1996	0%	26.84%
30	<del>Effective</del> <u>July 1, 1996, through June 30,</u>		
31	<u>1998</u>	0%	26.44%



1	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>24.38%</u>
2			
3	(c) Retirement contributions for special risk		
4	administrative support members are as follows:		
5			
6	Dates of Contribution		
7	Rate Changes	Members	Employers
8			
9	July 1, 1982, through		
10	September 30, 1984	0%	11.14%
11	October 1, 1984, through		
12	September 30, 1986	0%	13.09%
13	October 1, 1986, through		
14	December 31, 1988	0%	15.44%
15	January 1, 1989, through		
16	December 31, 1989	0%	14.76%
17	January 1, 1990, through		
18	December 31, 1990	0%	14.09%
19	January 1, 1991, through		
20	December 31, 1991	0%	20.16%
21	January 1, 1992, through		
22	December 31, 1992	0%	19.51%
23	January 1, 1993, through		
24	December 31, 1993	0%	18.83%
25	January 1, 1994, through		
26	December 31, 1994	0%	18.59%
27	January 1, 1995, through		
28	December 31, 1995	0%	17.81%
29	January 1, 1996, through		
30	June 30, 1996	0%	17.80%
31	<del>Effective</del> <u>July 1, 1996, through June 30,</u>		

1	<u>1998</u>	0%	17.20%
2	<u>Effective July 1, 1998</u>	<u>0%</u>	<u>14.64%</u>

3

4           (4) The following table states the required employer

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

6 Special Risk Class, or Special Risk Administrative Support

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

8 compensation. Such contribution constitutes the entire health

9 insurance subsidy contribution with respect to the member. A

10 change in the contribution rate is effective with the first

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

12 retiree health insurance subsidy contribution rate is as

13 follows:

15	Dates of Contribution		Contribution
16	Rate Changes		Rate
17			
18	October 1, 1987, through December 31, 1988		0.24%
19	January 1, 1989, through December 31, 1993		0.48%
20	January 1, 1994, through December 31, 1994		0.56%
21	<del>Effective</del> <u>January 1, 1995, through June 30,</u>		
22	<u>1998</u>		0.66%
23	<u>Effective July 1, 1998</u>		<u>0.94%</u>

24

25 Such contributions shall be deposited by the administrator in

26 the Retiree Health Insurance Subsidy Trust Fund.

27           Section 7. Subsections (2) and (3), paragraph (d) of

28 subsection (6), paragraph (a) of subsection (7), and

29 subsection (8) of section 121.091, Florida Statutes, are

30 amended, paragraphs (f) and (g) of subsection (7) of said

31 section are redesignated as paragraphs (g) and (h),

1 respectively, and a new paragraph (f) is added to said  
2 subsection, to read:

3           121.091 Benefits payable under the system.--No  
4 benefits shall be paid under this section unless the member  
5 has terminated employment as provided in s. 121.021(39) and a  
6 proper application has been filed in the manner prescribed by  
7 the division.

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

19           (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND  
20 DISABILITY RETIREMENT BENEFITS.--

21           (d) A member who elects the option in subparagraph  
22 (a)3. or subparagraph (a)4. shall, on a form provided for that  
23 purpose, designate a joint annuitant to receive the benefits  
24 which continue to be payable upon the death of the member.  
25 After benefits have commenced under the option in subparagraph  
26 (a)3. or subparagraph (a)4., the following shall apply:

27           1. A retired member may change his or her designation  
28 of a joint annuitant only twice. If such a retired member  
29 desires to change his or her designation of a joint annuitant,  
30 he or she shall file with the division a notarized "change of  
31 joint annuitant" form and shall notify the former joint

1 annuitant in writing of such change. Upon receipt of a  
 2 completed change of joint annuitant form, the division shall  
 3 adjust the member's monthly benefit by the application of  
 4 actuarial tables and calculations developed to ensure that the  
 5 benefit paid is the actuarial equivalent of the present value  
 6 of the member's current benefit. The consent of a retired  
 7 member's first designated joint annuitant to any such change  
 8 shall not be required.

9 2. In the event of the dissolution of marriage of a  
 10 retired member and a joint annuitant, such member may make an  
 11 election to nullify the joint annuitant designation of the  
 12 former spouse, unless there is an existing qualified domestic  
 13 relations order preventing such action. The member shall file  
 14 with the division a written, notarized nullification which  
 15 shall be effective on the first day of the next month  
 16 following receipt by the division. Benefits shall be paid as  
 17 if the former spouse predeceased the member. A member who  
 18 makes such an election may not reverse the nullification but  
 19 may designate a new joint annuitant in accordance with  
 20 subparagraph 1.

21 (7) DEATH BENEFITS.--

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

27 (f) Notwithstanding any other provisions in this  
 28 chapter to the contrary and upon application to the  
 29 administrator, an eligible joint annuitant, of a member whose  
 30 employment is terminated by death within 1 year of such member  
 31 satisfying the service requirements for vesting and retirement

1 eligibility, shall be permitted to purchase only the  
2 additional service credit necessary to vest and qualify for  
3 retirement benefits by one of the following methods:

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

22 2. Such eligible joint annuitant may purchase  
23 additional months of creditable service, up to a maximum of 1  
24 year, for any periods of out-of-state service as provided in  
25 s. 121.1115, or in-state service as provided in s. 121.1122,  
26 that the deceased member would have been eligible to purchase  
27 prior to his or her death.

28  
29 Service purchased under this paragraph shall be added to the  
30 creditable service of the member and used to vest for  
31 retirement eligibility, and shall be used in the calculation

1 of any benefits which may be payable to the eligible joint  
2 annuitant. Any benefits paid in accordance with this  
3 paragraph shall only be made prospectively.

4 (8) DESIGNATION OF BENEFICIARIES.--Each member may, on  
5 a form provided for that purpose, signed and filed with the  
6 division, designate a choice of one or more persons, named  
7 sequentially or jointly, as his or her beneficiary who shall  
8 receive the benefits, if any, which may be payable in the  
9 event of the member's death pursuant to the provisions of this  
10 chapter. If no beneficiary is named in the manner provided  
11 above, or if no beneficiary designated by the member survives  
12 the member, the beneficiary shall be the spouse of the  
13 deceased, if living. If the member's spouse is not alive at  
14 his or her death, the beneficiary shall be the living children  
15 of the member. If no children survive, the beneficiary shall  
16 be the member's father or mother, if living; otherwise, the  
17 beneficiary shall be the member's estate. The beneficiary  
18 most recently designated by a member on a form or letter filed  
19 with the division shall be the beneficiary entitled to any  
20 benefits payable at the time of the member's death, except  
21 benefits shall be paid as provided in paragraph (7)(d) when  
22 death occurs in the line of duty. Notwithstanding any other  
23 provisions in this subsection to the contrary, for a member  
24 who dies prior to his or her effective date of retirement on  
25 or after January 1, 1999, the spouse at the time of death  
26 shall be the member's beneficiary unless such member  
27 designates a different beneficiary as provided herein  
28 subsequent to the member's most recent marriage.

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

31

1           121.1122 Purchase of retirement credit for in-state  
2 public service and in-state service in accredited nonpublic,  
3 ~~nonsectarian~~ schools and colleges, including charter  
4 schools.--Effective January 1, 1998, a member of the Florida  
5 Retirement System may purchase creditable service for periods  
6 of certain public or nonpublic, ~~nonsectarian~~ employment  
7 performed in this state, as provided in this section.

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

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

13           (b) Periods of employment in charter schools or in any  
14 nonpublic, ~~nonsectarian~~ school or college in this state that  
15 is accredited by the Southern Association of Colleges and  
16 Schools.

17  
18 Credit for 1 year of such service may be purchased for each  
19 year of creditable service a member completes under the  
20 Florida Retirement System.

21           Section 9. Section 121.121, Florida Statutes, is  
22 amended to read:

23           121.121 ~~Future service to include~~ Authorized leaves of  
24 absence.--

25           (1) A member may purchase creditable service for  
26 ~~Future service of any member as defined in s. 121.021(21)~~  
27 ~~shall also include~~ up to 2 work years of ~~creditable service~~  
28 ~~for~~ authorized leaves of absence if:

29           (a)~~(1)~~ The member has completed a minimum of 10 years  
30 of creditable service, excluding periods of leave of absence;

31

1           **(b)**~~(2)~~ The leave of absence is authorized in writing  
2 by the employer of the member and approved by the  
3 administrator;

4           **(c)**~~(3)~~ The member returns to active employment  
5 performing service with a Florida Retirement System employer  
6 in a regularly established position immediately upon  
7 termination of the leave of absence and remains on the  
8 employer's payroll for 1 calendar month, except that a member  
9 who retires on disability while on a medical leave of absence  
10 shall not be required to return to employment; and

11           **(d)**~~(4)~~ The member makes the required contributions for  
12 service credit during the leave of absence, which shall be 8  
13 percent until January 1, 1975, and 9 percent thereafter of his  
14 or her rate of monthly compensation in effect immediately  
15 prior to the commencement of such leave for each month of such  
16 period, plus 4 percent interest until July 1, 1975, and 6.5  
17 percent interest thereafter on such contributions, compounded  
18 annually each June 30 from the due date of the contribution to  
19 date of payment. Effective July 1, 1980, any leave of absence  
20 purchased pursuant to this section shall be at the  
21 contribution rates specified in s. 121.071 in effect at the  
22 time the leave is granted for the class of membership from  
23 which the leave of absence was granted; however, any member  
24 who purchased leave-of-absence credit prior to July 1, 1980,  
25 for a leave of absence from a position in a class other than  
26 the regular membership class, may pay the appropriate  
27 additional contributions plus compound interest thereon and  
28 receive creditable service for such leave of absence in the  
29 membership class from which the member was granted the leave  
30 of absence.

31



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

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

14           121.122 Renewed membership in system.--Except as  
15 provided in s. 121.053, effective July 1, 1991, any retiree of  
16 a state-administered retirement system who is employed in a  
17 regularly established position with a covered employer shall  
18 be enrolled as a compulsory member of the Regular Class of the  
19 Florida Retirement System or, effective July 1, 1997, any  
20 retiree of a state-administered retirement system who is  
21 employed in a position included in the Senior Management  
22 Service Class shall be enrolled as a compulsory member of the  
23 Senior Management Service Class of the Florida Retirement  
24 System as provided in s. 121.055, and shall be entitled to  
25 receive an additional retirement benefit, subject to the  
26 following conditions:

27           (3) Such member shall be entitled to purchase  
28 additional retirement credit in the Regular Class or the  
29 Senior Management Service Class, as applicable,for any  
30 postretirement service performed in a regularly established  
31 position as follows:

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

8           (b) For Senior Management Service Class prior to June  
9 1, 1997, as provided in s. 121.055(1)(h).

10  
11 The contribution for postretirement service between July 1,  
12 1985, and July 1, 1991, for which the reemployed retiree  
13 contribution was paid, shall be the difference between such  
14 contribution and the total applicable contribution for the  
15 period being claimed, plus interest. The employer of such  
16 member may pay the applicable employer contribution in lieu of  
17 the member.

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

20           121.30 Statements of purpose and intent and other  
21 provisions required for qualification under the Internal  
22 Revenue Code of the United States.--Any other provisions in  
23 this chapter to the contrary notwithstanding, it is  
24 specifically provided that:

25           (5) No benefit payable hereunder for any limitation  
26 year shall exceed the maximum amount, including cost-of-living  
27 adjustments, allowable by law for qualified pension plans  
28 under applicable provisions of the Internal Revenue Code of  
29 the United States. In the event of any participation of a  
30 Florida Retirement System member in any other plan that is  
31 maintained by the participating employer, benefits that accrue

1 under the Florida Retirement System shall be considered  
2 primary for any aggregate limitation applicable under s. 415  
3 of the Internal Revenue Code.

4 Section 12. Section 121.133, Florida Statutes, is  
5 created to read:

6 121.133 Cancellation of uncashed  
7 warrants.--Notwithstanding the provisions of s. 17.26 or s.  
8 717.123 to the contrary, effective July 1, 1998, if any state  
9 warrant issued by the Comptroller for the payment of  
10 retirement benefits from the Florida Retirement System Trust  
11 Fund, or any other pension trust fund administered by the  
12 division, is not presented for payment within 1 year after the  
13 last day of the month in which it was originally issued, the  
14 Comptroller shall cancel the benefit warrant and credit the  
15 amount of the warrant to the Florida Retirement System Trust  
16 Fund or other pension trust fund administered by the division,  
17 as appropriate. The Division of Retirement may provide for  
18 issuance of a replacement warrant when deemed appropriate.

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

21 121.40 Cooperative extension personnel at the  
22 Institute of Food and Agricultural Sciences; supplemental  
23 retirement benefits.--

24 (12) CONTRIBUTIONS.--

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

31

1 Dates of Contribution	Percentage
2 Rate Changes	Due
4 July 1, 1985, through December 31, 1988	6.68%
5 January 1, 1989, through December 31, 1993	6.35%
6 January 1, 1994, through December 31, 1994	6.69%
7 January 1, 1995, through June 30, 1996	6.82%
8 <del>Effective</del> July 1, 1996, through June 30, 9 <u>1998</u>	5.64%
10 <u>Effective July 1, 1998</u>	<u>7.17%</u>

11  
12 Section 14. Sections 121.0505 and 121.0516, Florida  
13 Statutes, are repealed.

14 Section 15. (1) The changes to the retirement  
15 contribution rates for the Florida Retirement System included  
16 in this act are the result of the 1997 Actuarial Valuation of  
17 the Florida Retirement System as recommended by the consulting  
18 actuaries. These changes shall remain in effect until such  
19 rates are further amended, or until such rates are adjusted as  
20 provided in subsection (2).

21 (2) The rate adjustments set forth in this act are in  
22 addition to all other changes to such contribution rates which  
23 are separately enacted into law and applicable on July 1,  
24 1998. With respect to such other changes, the Division of  
25 Statutory Revision of the Joint Legislative Management  
26 Committee is directed to edit the statutes as necessary to  
27 adjust the contribution rate percentages listed under ss.  
28 121.052(7)(a), 121.055(3)(a), and 121.071(1), Florida  
29 Statutes, as appropriate. Pursuant to s. 11.242(5)(i),  
30 Florida Statutes, the provisions of this section shall be

31

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

3       Section 16. 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 17. In editing manuscript for the next edition  
16 of the official Florida Statutes, the Statutory Revision  
17 Division of the Joint Legislative Management Committee, or its  
18 successor, shall change "Elected State and County Officers'  
19 Class" to "Elected Officers' Class" wherever the same appears  
20 in chapter 121.

21       Section 18. Except as otherwise provided herein, this  
22 act shall take effect upon becoming a law.  
23  
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