

1
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; changing
16 contribution rates for specified classes and
17 subclasses of the system and for the retiree
18 health insurance subsidy; amending s. 121.091,
19 F.S.; providing for benefit computations using
20 dual retirement ages for service in the Senior
21 Management Service Class and the Elected
22 Officer's Class; providing for nullification of
23 a joint annuitant designation in the event of
24 dissolution of marriage; providing for purchase
25 of additional service credit using a deceased
26 member's accumulated leave, out-of-state
27 service, or in-state service under certain
28 circumstances; specifying that a member's
29 spouse at the time of death shall be the
30 member's beneficiary under certain
31 circumstances; providing a directive to statute

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

1 Trustees of the State Board of Administration,
2 the President of the Senate, and the Speaker of
3 the House of Representatives on the Florida
4 Retirement System; providing effective dates.
5

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

8 Section 1. Subsection (9) of section 112.363, Florida
9 Statutes, is amended, paragraph (d) is added to subsection (3)
10 and paragraph (e) is added to subsection (8) of said section,
11 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.

31

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.

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ENROLLED

1998 Legislature

CS/CS/HB 3491, Third Engrossed

		Members	Employers
1	Dates of Contribution		
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%

ENROLLED

1998 Legislature

CS/CS/HB 3491, Third Engrossed

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%

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1998 Legislature

CS/CS/HB 3491, Third Engrossed

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		

ENROLLED

1998 Legislature

CS/CS/HB 3491, Third Engrossed

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	Effective <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
18		
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	Effective <u>January 1, 1995, through June 30,</u>	
23	<u>1998</u>	0.66%
24	<u>Effective July 1, 1998</u>	<u>0.94%</u>

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

28 Section 5. Paragraph (b) of subsection (1) and
 29 paragraphs (a) and (c) of subsection (3) of section 121.055,
 30 Florida Statutes, are 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)

7 (b)1. Except as provided in subparagraph 2., effective
8 January 1, 1990, participation in the Senior Management
9 Service Class shall be compulsory for the president of each
10 community college, the manager of each participating city or
11 county, and all appointed district school superintendents.
12 Effective January 1, 1994, additional positions may be
13 designated for inclusion in the Senior Management Service
14 Class of the Florida Retirement System, provided that:

15 a. Positions to be included in the class shall be
16 designated by the local agency employer. Notice of intent to
17 designate positions for inclusion in the class shall be
18 published once a week for 2 consecutive weeks in a newspaper
19 of general circulation published in the county or counties
20 affected, as provided in chapter 50.

21 b. One nonelective full-time position may be
22 designated for each local agency employer reporting to the
23 Division of Retirement; for local agencies with 100 ~~200~~ or
24 more regularly established positions, additional nonelective
25 full-time positions may be designated, not to exceed 1 ~~0.5~~
26 percent of the regularly established positions within the
27 agency.

28 c. Each position added to the class must be a
29 managerial or policymaking position filled by an employee who
30 is not subject to continuing contract and serves at the
31

1 pleasure of the local agency employer without civil service
2 protection, and who:

3 (I) Heads an organizational unit; or

4 (II) Has responsibility to effect or recommend
5 personnel, budget, expenditure, or policy decisions in his or
6 her areas of responsibility.

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

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 Effective July 1, 1996, through June 30,		
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:

11	12 Dates of Contribution	13 Contribution
14	15 Rate Changes	16 Rate
17	18 October 1, 1987, through December 31, 1988	19 0.24%
20	21 January 1, 1989, through December 31, 1993	22 0.48%
23	24 January 1, 1994, through December 31, 1994	25 0.56%
26	27 Effective January 1, 1995, <u>through June 30,</u>	
28	29 <u>1998</u>	30 0.66%
31	32 <u>Effective July 1, 1998</u>	33 <u>0.94%</u>

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

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

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

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

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:

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

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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		

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1	December 31, 1995	0%	16.91%
2	January 1, 1996, through		
3	June 30, 1996	0%	17.00%
4	Effective July 1, 1996, through June 30,		
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			

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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	Effective <u>July 1, 1996, through June 30,</u>		
31	<u>1998</u>	0%	26.44%

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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	Effective <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
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 Effective <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. Subsection (2), paragraph (d) of subsection

28 (6), paragraph (a) of subsection (7), and subsection (8) of

29 section 121.091, Florida Statutes, are amended, paragraphs (f)

30 and (g) of subsection (7) of said section are redesignated as

1 paragraphs (g) and (h), respectively, and a new paragraph (f)
2 is added to said 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 Effective 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. The Executive Director of the State Board
22 of Administration and the Director of the Division of
23 Retirement shall undertake a comprehensive review of the
24 assumptions and contribution rate structure underpinning the
25 operation of the Florida Retirement System. By March 1, 1999,
26 the State Board of Administration and the division shall
27 submit to the Board of Trustees of the State Board of
28 Administration, the President of the Senate, and the Speaker
29 of the House of Representatives a report which shall contain
30 the following elements:

31

1 (1) The method of development of actuarial assumptions
2 and their application.

3 (2) The relevance of present assumptions in light of
4 patterns of recruitment, retention, and retirement.

5 (3) The investment and economic market in which the
6 Florida Retirement System, and similarly constituted systems,
7 operate.

8 (4) Prospective conditions in economic forecasts
9 within a reasonable degree of estimation which may affect
10 investment performance, workforce, and salary trends.

11
12 The State Board of Administration and the Division of
13 Retirement may, at their discretion, utilize the services of
14 the Office of Economic and Demographic Research and may also
15 convene a working group of affected principals for use in the
16 development of the study proposed in this section. The
17 President of the Senate and the Speaker of the House of
18 Representatives may each appoint two legislative members to
19 the working group.

20 Section 19. Except as otherwise provided herein, this
21 act shall take effect upon becoming a law.
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