

By Senator Williams

4-536-98

1 A bill to be entitled
2 An act relating to the Florida Retirement
3 System; amending s. 121.091, F.S.; providing
4 for benefit computation using dual normal
5 retirement ages for service in the Senior
6 Management Service Class and Elected State and
7 County Officers' Class; providing for
8 nullification of a joint annuitant designation
9 if there is a dissolution of marriage;
10 providing for purchase of additional service
11 credit using a deceased member's accumulated
12 leave under certain circumstances; specifying
13 that a member's spouse at the time of death is
14 the member's beneficiary under certain
15 circumstances; amending s. 121.122, F.S.;
16 allowing members with renewed membership in the
17 Senior Management Service Class to purchase
18 additional retirement credit for certain
19 postretirement service; providing an effective
20 date.

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

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24 Section 1. Subsection (2) and paragraph (d) of
25 subsection (6) of section 121.091, Florida Statutes, as
26 amended by section 2 of chapter 97-154, Laws of Florida, and
27 section 8 of chapter 97-180, Laws of Florida, are amended,
28 present paragraphs (f) and (g) of subsection (7) of that
29 section are redesignated as paragraphs (g) and (h),
30 respectively, and a new paragraph (f) is added to that
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1 subsection, and subsection (8) of that section is amended, to
2 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)(a) or
6 begun participation in the Deferred Retirement Option Program
7 as provided in subsection (13), and a proper application has
8 been filed in the manner prescribed by the division.

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

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

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

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

1 joint annuitant" form and shall notify the former joint
2 annuitant in writing of such change. Effective the first day
3 of the next month following receipt by the division of a
4 completed change of joint annuitant form, the division shall
5 adjust the member's monthly benefit by the application of
6 actuarial tables and calculations developed to ensure that the
7 benefit paid is the actuarial equivalent of the present value
8 of the member's current benefit. The consent of a retired
9 member's first designated joint annuitant to any such change
10 shall not be required. However, if the member dies before the
11 effective date of the request for change of joint annuitant,
12 the requested change shall be void, and survivor benefits, if
13 any, shall be paid as if no request had been made.

14 2. If there is a dissolution of marriage of a retired
15 member and a joint annuitant, such member may elect to nullify
16 the joint-annuitant designation of the former spouse, unless
17 there is an existing Qualified Domestic Relations Order
18 preventing such action. The member shall file with the
19 division a written, notarized nullification that shall be
20 effective on the first day of the next month following receipt
21 by the division. Benefits shall be paid as if the former
22 spouse predeceased the member. A member who makes such an
23 election may not reverse the nullification but may designate a
24 new joint annuitant in accordance with subparagraph 1.

25 (7) DEATH BENEFITS.--

26 (f) Notwithstanding any other provisions in this
27 chapter and upon application to the administrator, the
28 surviving spouse or other eligible joint annuitant of a member
29 whose employment is terminated by death before such member
30 satisfies the service requirements for retirement eligibility
31 shall be permitted to purchase the additional service credit

1 necessary to vest and qualify for retirement benefits by using
2 such deceased member's accumulated hours of annual, sick, and
3 compensatory leave. Such spouse or joint annuitant may
4 purchase additional creditable service only for the months
5 needed to qualify for retirement benefits on an hour-for-hour
6 basis, if such deceased member's accumulated leave is
7 sufficient to cover the additional months required. For each
8 month of service credit needed before the final month, credit
9 for the total number of work hours in that month must be
10 purchased using the equivalent number of the deceased member's
11 accumulated leave hours by paying the contribution rate in
12 effect at the time of purchase for the deceased member's class
13 of membership multiplied by such member's monthly salary at
14 the time of death. Service credit required for the final month
15 in which the deceased member would have become vested shall be
16 awarded upon the purchase of one hour of credit. Such service
17 shall be added to the creditable service of the member and
18 shall be used in the calculation of any benefits that are
19 payable to the surviving spouse or eligible joint annuitant.
20 The average final compensation shall include only the lump sum
21 payment for any creditable accumulated annual leave not used
22 for such purchase.

23 (8) DESIGNATION OF BENEFICIARIES.--Each member may, on
24 a form provided for that purpose, signed and filed with the
25 division, designate a choice of one or more persons, named
26 sequentially or jointly, as his or her beneficiary who shall
27 receive the benefits, if any, which may be payable in the
28 event of the member's death pursuant to the provisions of this
29 chapter. If no beneficiary is named in the manner provided
30 above, or if no beneficiary designated by the member survives
31 the member, the beneficiary shall be the spouse of the

1 deceased, if living. If the member's spouse is not alive at
2 his or her death, the beneficiary shall be the living children
3 of the member. If no children survive, the beneficiary shall
4 be the member's father or mother, if living; otherwise, the
5 beneficiary shall be the member's estate. The beneficiary
6 most recently designated by a member on a form or letter filed
7 with the division shall be the beneficiary entitled to any
8 benefits payable at the time of the member's death, except
9 benefits shall be paid as provided in paragraph (7)(d) when
10 death occurs in the line of duty. Notwithstanding any other
11 provisions in this subsection, for a member who dies before
12 his or her effective date or retirement on or after January 1,
13 1999, the spouse at the time of death is the member's
14 beneficiary unless the member designates a different
15 beneficiary.

16 Section 2. Subsection (3) of section 121.122, Florida
17 Statutes, is amended to read:

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

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

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

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

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

23 Section 3. This act shall take effect July 1, 1998.

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26 SENATE SUMMARY

27 Provides for retirement benefit computation using dual
28 normal retirement ages if a member has served in various
29 retirement class categories. Provides for nullification
30 of a joint annuitant designation if there is a
31 dissolution of marriage. Authorizes a joint annuitant to
purchase additional service credit using a deceased
member's accumulated leave. Provides for the designation
of a beneficiary. Authorizes renewed Senior Management
Service Class members to purchase additional retirement
credit.