

By the Committee on Governmental Reform and Oversight and
Senator Williams

302-648-98

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

1 supplemental retirement plan for the Institute
2 of Food and Agricultural Sciences at the
3 University of Florida; repealing ss. 121.0505,
4 121.0516, F.S., relating to contribution rates;
5 providing a directive to the reviser with
6 respect to compilation of amendments to
7 contribution rates; providing a finding of
8 important state interest; providing an
9 effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Paragraph (d) is added to subsection (3) of
14 section 112.363, Florida Statutes, paragraph (e) is added to
15 subsection (8) of that section, and subsection (9) of that
16 section is amended, to read:

17 112.363 Retiree health insurance subsidy.--

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

19 (d) Beginning January 1, 1999, each eligible retiree
20 or a beneficiary who is a spouse or financial dependent shall
21 receive a monthly retiree health insurance subsidy payment
22 equal to the number of years of creditable service, as defined
23 in s. 121.021, completed at the time of retirement multiplied
24 by \$4; however, a person may not receive a subsidy under this
25 paragraph of more than \$120 or less than \$40.

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

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

31

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

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

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

20 121.011 Florida Retirement System.--

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

22 (a) Any officer or employee who is elected, appointed,
23 or employed by the state or any subdivision thereof on or
24 after December 1, 1970, shall not be eligible for membership,
25 rights, or any privileges under chapters 122 (State and County
26 Officers and Employees' Retirement System) and 238 (retirement
27 system for school teachers) and those sections of chapter 321
28 pertaining to highway patrol pensions and pension trust fund.

29 (b) The chapters or retirement system laws named in
30 paragraph (a) are hereby consolidated as separate instruments
31 appended to the "Florida Retirement System Act" established by

1 this chapter, ~~and~~ the administration of such said chapters or
2 retirement systems shall be consolidated with the
3 administration of the Florida Retirement System established by
4 this chapter, and the Florida Retirement System shall assume
5 all liabilities related to the payment of benefits to members
6 and their beneficiaries.

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

9 121.052 Membership class of elected state and county
10 officers.--

11 (7) CONTRIBUTIONS.--

12 (a) The following table states the required retirement
13 contribution rates for members of the Elected State and County
14 Officers' Class and their employers in terms of a percentage
15 of the member's gross compensation. A change in a contribution
16 rate is effective with the first salary paid on or after the
17 beginning date of the change. Contributions shall be made or
18 deducted as may be appropriate for each pay period and are in
19 addition to the contributions required for social security and
20 the Retiree Health Insurance Subsidy Trust Fund.

21
22 Dates of Contribution

| 23 Rate Changes | Members | Employers |
|--|---------|-----------|
| 24 | | |
| 25 July 1, 1972, through September 30, 1977 | | |
| 26 Legislators | 8% | 8% |
| 27 All Other Members | 8% | 8% |
| 28 | | |
| 29 October 1, 1977, through September 30, 1978 | | |
| 30 Legislators | 8% | 8% |
| 31 All Other Members | 4% | 12% |

| | | | |
|----|---|----|--------|
| 1 | | | |
| 2 | October 1, 1978, through September 30, 1979 | | |
| 3 | Legislators | 8% | 10.57% |
| 4 | All Other Members | 4% | 16.78% |
| 5 | | | |
| 6 | October 1, 1979, through September 30, 1981 | | |
| 7 | Legislators | 8% | 10.57% |
| 8 | Governor, Lt. Governor, Cabinet | | |
| 9 | Officers | 4% | 16.78% |
| 10 | All Other Members | 0% | 20.78% |
| 11 | | | |
| 12 | July 1, 1981, through June 30, 1984 | | |
| 13 | County Elected Officers | 0% | 19.30% |
| 14 | | | |
| 15 | July 1, 1984, through September 30, 1984 | | |
| 16 | County Elected Officers | 0% | 20.25% |
| 17 | | | |
| 18 | October 1, 1981, through September 30, 1984 | | |
| 19 | Legislators | 0% | 19.30% |
| 20 | Governor, Lt. Governor, Cabinet | | |
| 21 | Officers | 0% | 21.03% |
| 22 | State Attorneys, Public Defenders | 0% | 20.95% |
| 23 | Justices, Judges | 0% | 22.55% |
| 24 | | | |
| 25 | October 1, 1984, through September 30, 1986 | | |
| 26 | Legislators | 0% | 10.98% |
| 27 | Governor, Lt. Governor, Cabinet | | |
| 28 | Officers | 0% | 10.98% |
| 29 | State Attorneys, Public Defenders | 0% | 10.98% |
| 30 | Justices, Judges | 0% | 21.79% |
| 31 | County Elected Officers | 0% | 16.97% |

| | | | |
|----|--|----|--------|
| 1 | | | |
| 2 | October 1, 1986, through December 31, 1988 | | |
| 3 | Legislators | 0% | 11.50% |
| 4 | Governor, Lt. Governor, Cabinet | | |
| 5 | Officers | 0% | 11.50% |
| 6 | State Attorneys, Public Defenders | 0% | 11.50% |
| 7 | Justices, Judges | 0% | 20.94% |
| 8 | County Elected Officers | 0% | 17.19% |
| 9 | | | |
| 10 | January 1, 1989, through December 31, 1989 | | |
| 11 | Legislators | 0% | 13.70% |
| 12 | Governor, Lt. Governor, Cabinet | | |
| 13 | Officers | 0% | 13.70% |
| 14 | State Attorneys, Public Defenders | 0% | 13.70% |
| 15 | Justices, Judges | 0% | 22.58% |
| 16 | County Elected Officers | 0% | 18.44% |
| 17 | | | |
| 18 | January 1, 1990, through December 31, 1990 | | |
| 19 | Legislators | 0% | 15.91% |
| 20 | Governor, Lt. Governor, Cabinet | | |
| 21 | Officers | 0% | 15.91% |
| 22 | State Attorneys, Public Defenders | 0% | 15.91% |
| 23 | Justices, Judges | 0% | 24.22% |
| 24 | County Elected Officers | 0% | 19.71% |
| 25 | | | |
| 26 | January 1, 1991, through December 31, 1991 | | |
| 27 | Legislators | 0% | 17.73% |
| 28 | Governor, Lt. Governor, Cabinet | | |
| 29 | Officers | 0% | 17.73% |
| 30 | State Attorneys, Public Defenders | 0% | 17.73% |
| 31 | Justices, Judges | 0% | 26.63% |

| | | | |
|----|--|----|--------|
| 1 | County Elected Officers | 0% | 23.32% |
| 2 | | | |
| 3 | January 1, 1992, through December 31, 1992 | | |
| 4 | Legislators | 0% | 19.94% |
| 5 | Governor, Lt. Governor, Cabinet | | |
| 6 | Officers | 0% | 19.94% |
| 7 | State Attorneys, Public Defenders | 0% | 19.94% |
| 8 | Justices, Judges | 0% | 28.27% |
| 9 | County Elected Officers | 0% | 24.59% |
| 10 | | | |
| 11 | January 1, 1993, through December 31, 1993 | | |
| 12 | Legislators | 0% | 22.14% |
| 13 | Governor, Lt. Governor, Cabinet | | |
| 14 | Officers | 0% | 22.14% |
| 15 | State Attorneys, Public Defenders | 0% | 22.14% |
| 16 | Justices, Judges | 0% | 29.91% |
| 17 | County Elected Officers | 0% | 25.84% |
| 18 | | | |
| 19 | January 1, 1994, through December 31, 1994 | | |
| 20 | Legislators | 0% | 22.65% |
| 21 | Governor, Lt. Governor, Cabinet | | |
| 22 | Officers | 0% | 22.65% |
| 23 | State Attorneys, Public Defenders | 0% | 22.65% |
| 24 | Justices, Judges | 0% | 30.52% |
| 25 | County Elected Officers | 0% | 26.07% |
| 26 | | | |
| 27 | January 1, 1995, through December 31, 1995 | | |
| 28 | Legislators | 0% | 22.80% |
| 29 | Governor, Lt. Governor, Cabinet | | |
| 30 | Officers | 0% | 22.80% |
| 31 | State Attorneys, Public Defenders | 0% | 22.80% |

| | | | |
|----|---|-----------|---------------|
| 1 | Justices, Judges | 0% | 30.21% |
| 2 | County Elected Officers | 0% | 27.48% |
| 3 | | | |
| 4 | January 1, 1996, through June 30, 1996 | | |
| 5 | Legislators | 0% | 22.90% |
| 6 | Governor, Lt. Governor, Cabinet | | |
| 7 | Officers | 0% | 22.90% |
| 8 | State Attorneys, Public Defenders | 0% | 22.90% |
| 9 | Justices, Judges | 0% | 30.15% |
| 10 | County Elected Officers | 0% | 27.54% |
| 11 | | | |
| 12 | Effective July 1, 1996, <u>through June 30, 1998</u> | | |
| 13 | Legislators | 0% | 23.07% |
| 14 | Governor, Lt. Governor, Cabinet | | |
| 15 | Officers | 0% | 23.07% |
| 16 | State Attorneys, Public Defenders | 0% | 23.07% |
| 17 | Justices, Judges | 0% | 29.55% |
| 18 | County Elected Officers | 0% | 27.33% |
| 19 | | | |
| 20 | <u>Effective July 1, 1998</u> | | |
| 21 | <u>Legislators</u> | <u>0%</u> | <u>22.33%</u> |
| 22 | <u>Governor, Lt. Governor, Cabinet</u> | | |
| 23 | <u>Officers</u> | <u>0%</u> | <u>22.33%</u> |
| 24 | <u>State Attorneys, Public Defenders</u> | <u>0%</u> | <u>22.33%</u> |
| 25 | <u>Justices, Judges</u> | <u>0%</u> | <u>27.21%</u> |
| 26 | <u>County Elected Officers</u> | <u>0%</u> | <u>26.99%</u> |

27

28 (c) The following table states the required employer

29 contribution on behalf of each member of the Elected State and

30 County Officers' Class in terms of a percentage of the

31 member's gross compensation. Such contribution constitutes the

1 entire health insurance subsidy contribution with respect to
2 the member. A change in the contribution rate is effective
3 with the first salary paid on or after the beginning date of
4 the change. The retiree health insurance subsidy contribution
5 rate is as follows:

| 6 | 7 Dates of Contribution | 8 Contribution |
|----|---|----------------|
| 9 | 10 Rate Changes | 11 Rate |
| 12 | October 1, 1987, through December 31, 1988 | 0.24% |
| 13 | January 1, 1989, through December 31, 1993 | 0.48% |
| 14 | January 1, 1994, through December 31, 1994 | 0.56% |
| 15 | Effective January 1, 1995, <u>through June 30,</u> | 0.66% |
| 16 | <u>1998</u> | |
| 17 | <u>Effective July 1, 1998</u> | <u>0.80%</u> |

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

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

22 121.055 Senior Management Service Class.--There is
23 hereby established a separate class of membership within the
24 Florida Retirement System to be known as the "Senior
25 Management Service Class," which shall become effective
26 February 1, 1987.

27 (3)(a) The following table states the required
28 retirement contribution rates for members of the Senior
29 Management Service Class and their employers in terms of a
30 percentage of the member's gross compensation. A change in
31 the contribution rate is effective with the first salary paid
on or after the beginning date of the change. Contributions

1 shall be made for each pay period and are in addition to the
2 contributions required for social security and the Retiree
3 Health Insurance Subsidy Trust Fund.

4
5 Dates of Contribution

| 6 Rate Changes | Members | Employers |
|--|-----------|---------------|
| 7 | | |
| 8 February 1, 1987, through | | |
| 9 December 31, 1988 | 0% | 13.88% |
| 10 January 1, 1989, through | | |
| 11 December 31, 1989 | 0% | 14.95% |
| 12 January 1, 1990, through | | |
| 13 December 31, 1990 | 0% | 16.04% |
| 14 January 1, 1991, through | | |
| 15 December 31, 1991 | 0% | 18.39% |
| 16 January 1, 1992, through | | |
| 17 December 31, 1992 | 0% | 19.48% |
| 18 January 1, 1993, through | | |
| 19 December 31, 1993 | 0% | 20.55% |
| 20 January 1, 1994, through | | |
| 21 December 31, 1994 | 0% | 23.07% |
| 22 January 1, 1995, through | | |
| 23 December 31, 1995 | 0% | 23.88% |
| 24 January 1, 1996, through | | |
| 25 June 30, 1996 | 0% | 24.14% |
| 26 Effective <u>July 1, 1996, through</u> | | |
| 27 <u>June 30, 1998</u> | 0% | 21.58% |
| 28 <u>Effective July 1, 1998</u> | <u>0%</u> | <u>23.10%</u> |

29
30 (c) The following table states the required employer
31 contribution on behalf of each member of the Senior Management

1 Service Class in terms of a percentage of the member's gross
2 compensation. Such contribution constitutes the entire health
3 insurance subsidy contribution with respect to the member. A
4 change in the contribution rate is effective with the first
5 salary paid on or after the beginning date of the change. The
6 retiree health insurance subsidy contribution rate is as
7 follows:

| 8 | 9 | 10 | 11 |
|----|--|----|--------------|
| | Dates of Contribution | | Contribution |
| | Rate Changes | | Rate |
| 12 | October 1, 1987, through December 31, 1988 | | 0.24% |
| 13 | January 1, 1989, through December 31, 1993 | | 0.48% |
| 14 | January 1, 1994, through December 31, 1994 | | 0.56% |
| 15 | Effective <u>January 1, 1995, through</u> | | |
| 16 | <u>June 30, 1998</u> | | 0.66% |
| 17 | <u>Effective July 1, 1998</u> | | <u>0.80%</u> |

18
19 Such contributions shall be deposited by the administrator in
20 the Retiree Health Insurance Subsidy Trust Fund.

21 Section 5. Subsections (1) and (4) of section 121.071,
22 Florida Statutes, are amended to read:

23 121.071 Contributions.--Contributions to the system
24 shall be made as follows:

25 (1) The following tables state the required retirement
26 contribution rates for members of the Regular Class, Special
27 Risk Class, or Special Risk Administrative Support Class and
28 their employers in terms of a percentage of the member's gross
29 compensation. A change in a contribution rate is effective
30 with the first salary paid on or after the beginning date of
31 the change. Contributions shall be made or deducted as may be

1 appropriate for each pay period and are in addition to the
2 contributions required for social security and the Retiree
3 Health Insurance Subsidy Trust Fund.

4 (a) Retirement contributions for regular members are
5 as follows:

| 6 | 7 Dates of Contribution | | |
|----|-------------------------------------|---------|-----------|
| 8 | Rate Changes | Members | Employers |
| 9 | | | |
| 10 | December 1, 1970, through December | | |
| 11 | 31, 1974, for state agencies, state | | |
| 12 | universities, community colleges, | | |
| 13 | and district school boards | 4% | 4% |
| 14 | | | |
| 15 | December 1, 1970, through September | | |
| 16 | 30, 1975, for all other local | | |
| 17 | government agencies | 4% | 4% |
| 18 | | | |
| 19 | January 1, 1975, through September | | |
| 20 | 30, 1978, for state agencies and | | |
| 21 | state universities | 0% | 9% |
| 22 | | | |
| 23 | January 1, 1975, through July 31, | | |
| 24 | 1978, for community colleges and | | |
| 25 | district school boards | 0% | 9% |
| 26 | | | |
| 27 | October 1, 1975, through September | | |
| 28 | 30, 1978, for all other local | | |
| 29 | government agencies | 0% | 9% |
| 30 | | | |
| 31 | | | |

| | | | |
|----|---|----|--------|
| 1 | | | |
| 2 | August 1, 1978, through September 30, | | |
| 3 | 1981, for community colleges and | | |
| 4 | district school boards | 0% | 9.1% |
| 5 | | | |
| 6 | October 1, 1978, through September | | |
| 7 | 30, 1981, for all other agencies | 0% | 9.1% |
| 8 | | | |
| 9 | October 1, 1981, through | | |
| 10 | September 30, 1984 | 0% | 10.93% |
| 11 | October 1, 1984, through | | |
| 12 | September 30, 1986 | 0% | 12.24% |
| 13 | October 1, 1986, through | | |
| 14 | December 31, 1988 | 0% | 13.14% |
| 15 | January 1, 1989, through | | |
| 16 | December 31, 1989 | 0% | 13.90% |
| 17 | January 1, 1990, through | | |
| 18 | December 31, 1990 | 0% | 14.66% |
| 19 | January 1, 1991, through | | |
| 20 | December 31, 1991 | 0% | 15.72% |
| 21 | January 1, 1992, through | | |
| 22 | December 31, 1992 | 0% | 16.51% |
| 23 | January 1, 1993, through | | |
| 24 | December 31, 1993 | 0% | 17.27% |
| 25 | January 1, 1994, through | | |
| 26 | December 31, 1994 | 0% | 17.10% |
| 27 | January 1, 1995, through | | |
| 28 | December 31, 1995 | 0% | 16.91% |
| 29 | January 1, 1996, through | | |
| 30 | June 30, 1996 | 0% | 17.00% |
| 31 | Effective <u>July 1, 1996, through</u> | | |

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

| | | | |
|----|---|-----------|---------------|
| 1 | September 30, 1981 | 0% | 13.95% |
| 2 | October 1, 1981, through | | |
| 3 | September 30, 1984 | 0% | 13.91% |
| 4 | October 1, 1984, through | | |
| 5 | September 30, 1986 | 0% | 14.67% |
| 6 | October 1, 1986, through | | |
| 7 | December 31, 1988 | 0% | 15.11% |
| 8 | January 1, 1989, through | | |
| 9 | December 31, 1989 | 0% | 17.50% |
| 10 | January 1, 1990, through | | |
| 11 | December 31, 1990 | 0% | 19.90% |
| 12 | January 1, 1991, through | | |
| 13 | December 31, 1991 | 0% | 25.52% |
| 14 | January 1, 1992, through | | |
| 15 | December 31, 1992 | 0% | 26.35% |
| 16 | January 1, 1993, through | | |
| 17 | December 31, 1993 | 0% | 27.14% |
| 18 | January 1, 1994, through | | |
| 19 | December 31, 1994 | 0% | 27.03% |
| 20 | January 1, 1995, through | | |
| 21 | December 31, 1995 | 0% | 26.83% |
| 22 | January 1, 1996, through | | |
| 23 | June 30, 1996 | 0% | 26.84% |
| 24 | Effective <u>July 1, 1996, through</u> | | |
| 25 | <u>June 30, 1998</u> | 0% | 26.44% |
| 26 | <u>Effective July 1, 1998</u> | <u>0%</u> | <u>24.38%</u> |

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28
29
30
31

(c) Retirement contributions for special risk
administrative support members are as follows:

| | Members | Employers |
|--|-----------|---------------|
| 1 Dates of Contribution | | |
| 2 Rate Changes | | |
| 3 | | |
| 4 July 1, 1982, through | | |
| 5 September 30, 1984 | 0% | 11.14% |
| 6 October 1, 1984, through | | |
| 7 September 30, 1986 | 0% | 13.09% |
| 8 October 1, 1986, through | | |
| 9 December 31, 1988 | 0% | 15.44% |
| 10 January 1, 1989, through | | |
| 11 December 31, 1989 | 0% | 14.76% |
| 12 January 1, 1990, through | | |
| 13 December 31, 1990 | 0% | 14.09% |
| 14 January 1, 1991, through | | |
| 15 December 31, 1991 | 0% | 20.16% |
| 16 January 1, 1992, through | | |
| 17 December 31, 1992 | 0% | 19.51% |
| 18 January 1, 1993, through | | |
| 19 December 31, 1993 | 0% | 18.83% |
| 20 January 1, 1994, through | | |
| 21 December 31, 1994 | 0% | 18.59% |
| 22 January 1, 1995, through | | |
| 23 December 31, 1995 | 0% | 17.81% |
| 24 January 1, 1996, through | | |
| 25 June 30, 1996 | 0% | 17.80% |
| 26 Effective <u>July 1, 1996, through</u> | | |
| 27 <u>June 30, 1998</u> | 0% | 17.20% |
| 28 <u>Effective July 1, 1998</u> | <u>0%</u> | <u>14.64%</u> |
| 29 | | |

30 (4) The following table states the required employer
31 contribution on behalf of each member of the Regular Class,

1 Special Risk Class, or Special Risk Administrative Support
2 Class in terms of a percentage of the member's gross
3 compensation. Such contribution constitutes the entire health
4 insurance subsidy contribution with respect to the member. A
5 change in the contribution rate is effective with the first
6 salary paid on or after the beginning date of the change. The
7 retiree health insurance subsidy contribution rate is as
8 follows:

| 9 | | |
|----|--|--------------|
| 10 | Dates of Contribution | Contribution |
| 11 | Rate Changes | Rate |
| 12 | | |
| 13 | October 1, 1987, through December 31, 1988 | 0.24% |
| 14 | January 1, 1989, through December 31, 1993 | 0.48% |
| 15 | January 1, 1994, through December 31, 1994 | 0.56% |
| 16 | Effective <u>January 1, 1995, through</u> | |
| 17 | <u>June 30, 1998</u> | 0.66% |
| 18 | <u>Effective July 1, 1998</u> | <u>0.80%</u> |

19

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

22 Section 6. Subsection (2), paragraph (d) of subsection
23 (6), and paragraph (a) of subsection (7) of section 121.091,
24 Florida Statutes, as amended by section 2 of chapter 97-154,
25 Laws of Florida, and section 8 of chapter 97-180, Laws of
26 Florida, are amended, present paragraphs (f) and (g) of
27 subsection (7) of that section are redesignated as paragraphs
28 (g) and (h), respectively, and a new paragraph (f) is added to
29 that subsection, and subsection (8) of that section is
30 amended, to read:

31

1 121.091 Benefits payable under the system.--No
2 benefits shall be paid under this section unless the member
3 has terminated employment as provided in s. 121.021(39)(a) or
4 begun participation in the Deferred Retirement Option Program
5 as provided in subsection (13), and a proper application has
6 been filed in the manner prescribed by the division.

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

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

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

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

1 of the next month following receipt by the division 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. However, if the member dies before the
9 effective date of the request for change of joint annuitant,
10 the requested change shall be void, and survivor benefits, if
11 any, shall be paid as if no request had been made.

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

23 (7) DEATH BENEFITS.--

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

29 (f) Notwithstanding any other provisions in this
30 chapter and upon application to the administrator, the
31 surviving spouse or other eligible joint annuitant of a member

1 whose employment is terminated by death within 1 year of such
2 member satisfying the service requirements for vesting and
3 retirement eligibility shall be permitted to purchase only the
4 additional service credit necessary to vest and qualify for
5 retirement benefits by one of the following methods:

6 1. Such spouse or joint annuitant may use the deceased
7 member's accumulated hours of annual, sick, and compensatory
8 leave to purchase additional creditable service on an
9 hour-for-hour basis, if such deceased member's accumulated
10 leave is sufficient to cover the additional months required.

11 For each month of service credit needed before the final
12 month, credit for the total number of work hours in that month
13 must be purchased using the equivalent number of the deceased
14 member's accumulated leave hours. Service credit required for
15 the final month in which the deceased member would have become
16 vested shall be awarded upon the purchase of one hour of
17 credit. The spouse or joint annuitant shall pay the
18 contribution rate in effect at the time of purchase for the
19 deceased member's class of membership, multiplied by such
20 member's monthly at the time of death. The accumulated leave
21 payment used in the average final compensation shall not
22 include that portion of the payment which represents any leave
23 hours used in the purchase of such creditable service.

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

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1 Service purchased under this paragraph shall be added to the
2 creditable service of the member and used to vest for
3 retirement eligibility and shall be used in the calculation of
4 any benefits that may be payable to the surviving spouse or
5 eligible joint annuitant. Any benefits paid in accordance
6 with this paragraph shall be made only prospectively.

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

31

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

3 121.122 Renewed membership in system.--Except as
4 provided in s. 121.053, effective July 1, 1991, any retiree of
5 a state-administered retirement system who is employed in a
6 regularly established position with a covered employer shall
7 be enrolled as a compulsory member of the Regular Class of the
8 Florida Retirement System or, effective July 1, 1997, any
9 retiree of a state-administered retirement system who is
10 employed in a position included in the Senior Management
11 Service Class shall be enrolled as a compulsory member of the
12 Senior Management Service Class of the Florida Retirement
13 System as provided in s. 121.055, and shall be entitled to
14 receive an additional retirement benefit, subject to the
15 following conditions:

16 (3) Such member shall be entitled to purchase
17 additional retirement credit in the Regular Class or the
18 Senior Management Service Class, as applicable,for any
19 postretirement service performed in a regularly established
20 position as follows:

21 (a) For Regular Class Service prior to July 1, 1991,
22 by paying the Regular Class applicable employee and employer
23 contributions for the period being claimed, plus 4 percent
24 interest compounded annually from first year of service
25 claimed until July 1, 1975, and 6.5 percent interest
26 compounded thereafter, until full payment is made to the
27 Florida Retirement System Trust Fund.

28 (b) For Senior Management Service Class service prior
29 to June 1997, as provided in s. 121.055(1)(h).
30
31

1 The contribution for postretirement service between July 1,
2 1985, and July 1, 1991, for which the reemployed retiree
3 contribution was paid, shall be the difference between such
4 contribution and the total applicable contribution for the
5 period being claimed, plus interest. The employer of such
6 member may pay the applicable employer contribution in lieu of
7 the member.

8 Section 8. Subsection (12) of section 121.40, Florida
9 Statutes, is amended to read:

10 121.40 Cooperative extension personnel at the
11 Institute of Food and Agricultural Sciences; supplemental
12 retirement benefits.--

13 (12) CONTRIBUTIONS.--

14 (a) For the purposes of funding the supplemental
15 benefits provided by this section, the institute is authorized
16 and required to pay, commencing July 1, 1985, the necessary
17 monthly contributions from its appropriated budget. These
18 amounts shall be paid into the Institute of Food and
19 Agricultural Sciences Supplemental Retirement Trust Fund,
20 which is hereby created.

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

| 27 | 28 Dates of Contribution | Percentage |
|----|---|------------|
| 29 | Rate Changes | Due |
| 30 | | |
| 31 | July 1, 1985, through December 31, 1988 | 6.68% |

| | | |
|---|--|-------|
| 1 | January 1, 1989, through December 31, 1993 | 6.35% |
| 2 | January 1, 1994, through December 31, 1994 | 6.69% |
| 3 | January 1, 1995, through June 30, 1996 | 6.82% |
| 4 | Effective July 1, 1996, through | |
| 5 | <u>June 30, 1998</u> | 5.64% |
| 6 | <u>Effective July 1, 1998</u> | 5.60% |

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

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

16 (2) The rate adjustments set forth in this act are in
17 addition to all other changes to such contribution rates which
18 are separately enacted into law and applicable on July 1,
19 1998. With respect to such other changes, the Division of
20 Statutory Revision of the Joint Legislative Management
21 Committee shall edit the statutes as necessary to adjust the
22 contribution rate percentages listed in sections
23 121.052(7)(a), 121.055(3)(a), and 121.071(1), Florida
24 Statutes, as appropriate. Pursuant to section 11.242(5)(i),
25 Florida Statutes, this section shall be omitted from
26 publication in the Florida statutes or any revision or
27 supplement thereof.

28 Section 11. The Legislature finds that a proper and
29 legitimate state purpose is served when employees and retirees
30 of the state and of its political subdivisions, and the
31 dependents, survivors, and beneficiaries of such employees and

1 retirees, are extended the basic protections afforded by
2 governmental retirement systems that provide fair and adequate
3 benefits and are managed, administered, and funded in an
4 actuarially sound manner, as required by Section 14, Article X
5 of the State Constitution and part VII of chapter 112, Florida
6 Statutes. Therefore, the Legislature hereby determines that
7 this act fulfills an important state interest.

8 Section 12. This act shall take effect upon becoming a
9 law.

10
11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 Senate Bill 380

14 The bill increases the monthly retiree health insurance
15 subsidy (HIS) of \$3 per month for each year of service at
16 retirement to \$4. The maximum subsidy will be \$120 per month
17 and the minimum subsidy will be \$40 per month. HIS
18 contribution rates are also increased from .66% of gross
19 compensation to .80%.

20 The bill stipulates that the HIS payment will be provided
21 retroactively up to six months for late applicants.

22 Provisional language is added placing the liability and
23 responsibility for preservation of payments on the Florida
24 Retirement System.

25 Chapters 95-277 and 95-285, L.O.F. will be repealed in lieu of
26 the proposed retirement contribution rate changes.

27 The bill also changes the contribution rates for the
28 supplemental retirement benefit to Institute of Food and
29 Agriculture Sciences personnel from 5.64% to 5.60%.