

By the Committee on Governmental Operations and
Representatives Bloom and Sanderson

1 A bill to be entitled
2 An act relating to the Florida Retirement
3 System; amending s. 121.091, F.S., relating to
4 benefits payable under the Florida Retirement
5 System; providing for payment of federally
6 limited benefits through the Florida Retirement
7 System Preservation of Benefits Plan; creating
8 s. 121.1001, F.S.; creating the Florida
9 Retirement System Preservation of Benefits
10 Plan; providing for eligibility; providing for
11 benefits and contributions; providing for
12 administration; providing a finding of
13 important state interest; providing an
14 effective date.

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

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18 Section 1. Paragraph (d) is added to subsection (14)
19 of section 121.091, Florida Statutes, 1998 Supplement, to
20 read:

21 121.091 Benefits payable under the system.--Benefits
22 may not be paid under this section unless the member has
23 terminated employment as provided in s. 121.021(39)(a) or
24 begun participation in the Deferred Retirement Option Program
25 as provided in subsection (13), and a proper application has
26 been filed in the manner prescribed by the division. The
27 division may cancel an application for retirement benefits
28 when the member or beneficiary fails to timely provide the
29 information and documents required by this chapter and the
30 division's rules. The division shall adopt rules establishing
31 procedures for application for retirement benefits and for the

1 cancellation of such application when the required information
2 or documents are not received.

3 (14) PAYMENT OF BENEFITS.--This subsection applies to
4 the payment of benefits to a payee (retiree or beneficiary)
5 under the Florida Retirement System:

6 (d) A payee whose retirement benefits are reduced by
7 the application of maximum benefit limits under s. 415(b) of
8 the Internal Revenue Code, as specified in s. 121.30(5), shall
9 have the portion of his or her calculated benefit in the
10 Florida Retirement System defined benefit plan which exceeds
11 such federal limitation paid through the Florida Retirement
12 System Preservation of Benefits Plan, as provided in s.
13 121.1001.

14 Section 2. Section 121.1001, Florida Statutes, is
15 created to read:

16 121.1001 Florida Retirement System Preservation of
17 Benefits Plan.--Effective July 1, 1999, the Florida Retirement
18 System Preservation of Benefits Plan is established as a
19 qualified governmental excess benefit arrangement pursuant to
20 s. 415(m) of the Internal Revenue Code. The Preservation of
21 Benefits Plan is created as a separate portion of the Florida
22 Retirement System, for the purpose of providing benefits to a
23 payee (retiree or beneficiary) of the Florida Retirement
24 System whose benefits would otherwise be limited by s. 415(b)
25 of the Internal Revenue Code.

26 (1) ELIGIBILITY TO PARTICIPATE IN THE PRESERVATION OF
27 BENEFITS PLAN.--A payee of the Florida Retirement System shall
28 participate in the Preservation of Benefits Plan whenever his
29 or her earned benefit under the Florida Retirement System
30 defined benefit plan exceeds the benefit maximum established
31 under s. 415(b) of the Internal Revenue Code. Participation in

1 the Preservation of Benefits Plan shall continue for as long
2 as the payee's earned benefit under the Florida Retirement
3 System defined benefit plan is reduced by the application of
4 the maximum benefit limit under s. 415(b) of the Internal
5 Revenue Code.

6 (2) BENEFITS PAYABLE UNDER THE PRESERVATION OF
7 BENEFITS PLAN.--

8 (a) On and after July 1, 1999, the Division of
9 Retirement shall pay to each eligible payee of the Florida
10 Retirement System who retires before, on, or after such date,
11 a supplemental retirement benefit equal to the difference
12 between the amount of the payee's monthly retirement benefit
13 which would have been payable under the Florida Retirement
14 System defined benefit plan if not for a reduction due to the
15 application of s. 415(b) of the Internal Revenue Code and the
16 reduced monthly retirement benefit as paid to the payee. The
17 Preservation of Benefits Plan benefit shall be computed and
18 payable under the same terms and conditions and to the same
19 person as would have applied under the Florida Retirement
20 System defined benefit plan were it not for the federal
21 limitation.

22 (b) The benefits under the Preservation of Benefits
23 Plan shall not be subject to execution, garnishment,
24 attachment, or any other process of any court with respect to
25 a payee under the Preservation of Benefits Plan except for
26 qualified domestic relations orders by a court of competent
27 jurisdiction, income deduction orders as provided in s.
28 61.1301, and federal income tax levies.

29 (3) CONTRIBUTIONS.--

30 (a) The Preservation of Benefits Plan shall be
31 unfunded within the meaning of the federal tax laws. No payee

1 contributions or deferrals, direct or indirect, by election or
2 otherwise shall be made or allowed under the Preservation of
3 Benefits Plan. Benefits due under the Preservation of
4 Benefits Plan as determined by the Division of Retirement
5 shall be paid timely from the Preservation of Benefits Plan
6 Trust Fund, if created by law.

7 (b) Florida Retirement System monthly retirement
8 contributions paid to the Division of Retirement by the
9 payee's past covered employer shall be reduced by the employer
10 as directed by the Division of Retirement by an amount
11 necessary to meet the requirements for payment of restored
12 benefits under the Preservation of Benefits Plan.

13 (4) ADMINISTRATION.--

14 (a) The Division of Retirement shall compile and
15 maintain all records necessary or appropriate for the
16 administration of the Preservation of Benefits Plan,
17 including, but not limited to, the making of requisite
18 calculations and disbursements under the Preservation of
19 Benefits Plan.

20 (b) The Division of Retirement is authorized to adopt
21 rules pursuant to ss. 120.54 and 120.536(1) necessary to
22 implement the provisions of this section in accordance with s.
23 415(m) of the Internal Revenue Code, including rules providing
24 the procedures by which the Preservation of Benefits Plan is
25 to be administered.

26 Section 3. The Legislature finds that a proper and
27 legitimate state purpose is served when employees and retirees
28 of the state and of its political subdivisions and the
29 dependents, survivors, and beneficiaries of such employees and
30 retirees, are extended the basic protections afforded by
31 governmental retirement systems that provide fair and adequate

1 benefits and that are managed, administered, and funded in an
2 actuarially sound manner, as required by s. 14, Article X of
3 the Florida Constitution and part VII of chapter 112, Florida
4 Statutes. Therefore, the Legislature hereby determines and
5 declares that the provisions of this act fulfill an important
6 state interest.

7 Section 4. This act shall take effect July 1, 1999.

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