

By Representative Betancourt

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 231.495, F.S.; revising a provision of law
4 governing retirement annuities purchased by a
5 school board as a retirement benefit; providing
6 for a lump-sum payout rather than an annuity
7 under certain circumstances; providing an
8 effective date.

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

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12 Section 1. Section 231.495, Florida Statutes, is
13 amended to read:

14 231.495 Retirement annuities authorized.--

15 (1) District school boards are authorized to purchase
16 annuities for all school personnel with 25 or more years of
17 creditable service who have reached age 50 and have applied
18 for retirement under the Florida Retirement System or who have
19 reached age 55 and have applied for retirement under plan E of
20 the Teachers' Retirement System. No such annuity shall
21 provide for more than the total difference in retirement
22 income between the retirement benefit based on average monthly
23 compensation and creditable service as of the member's early
24 retirement date and the early retirement benefit. District
25 school boards may also purchase annuities for members of the
26 Florida Retirement System who have out-of-state teaching
27 service in another state or country which is documented as
28 valid by the appropriate school board. Such annuities may be
29 based on no more than 5 years of out-of-state teaching service
30 and may equal, but not exceed, the benefits that would be
31 payable under the Florida Retirement System if credit for

1 out-of-state teaching was authorized under that system.
2 District school boards are authorized to invest funds,
3 purchase annuities, or provide local supplemental retirement
4 programs for purposes of providing annuities for school
5 personnel. All retirement annuities shall comply with s. 14,
6 Art. X of the State Constitution.

7 (2) If at any time the present value of the remaining
8 nonforfeitable retirement benefits payable to any person
9 pursuant to subsection (1) does not exceed \$5,000, the board
10 may, in its discretion, pay such person, or his or her
11 beneficiary, a lump-sum amount equal to the present value of
12 those benefits in lieu of purchasing an annuity. For the
13 purposes of this section, the present value of any benefit
14 shall be calculated by using the applicable mortality table
15 and applicable interest rate prescribed by s. 417(e)(3) of the
16 Internal Revenue Code of 1986, or any successor thereto.

17 Section 2. This act shall take effect upon becoming a
18 law.

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21 HOUSE SUMMARY

22 Revises a provision of law governing the purchase of an
23 annuity as a retirement benefit for school personnel by
24 the district school board to permit a lump-sum
25 distribution of retirement benefits rather than an
26 annuity of retirement benefits that do not exceed \$5,000.
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