

By Representative Bloom

1                                   A bill to be entitled  
2           An act relating to trust funds; amending s.  
3           121.091, F.S.; creating the Florida Retirement  
4           System Preservation of Benefit Plan Trust Fund;  
5           providing for administration by the Division of  
6           Retirement; providing an exemption from  
7           termination; providing an effective date.

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

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11           Section 1. Subsection (15) is added to section  
12   121.091, Florida Statutes, 1998 Supplement, to read:

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

26           (15) The Florida Retirement System Preservation of  
27   Benefit Plan Trust Fund is hereby created.

28           (a) Contributions to the preservation plan shall be  
29   deposited in this trust fund which shall be established and  
30   administered by the Division of Retirement. The trust fund  
31   shall be maintained and utilized solely for the purpose of

1 providing benefits under the preservation plan. Income  
2 accruing to the trust fund shall constitute income derived  
3 from the exercise of an essential governmental function upon  
4 which such trust fund shall be exempt from tax under s. 115 of  
5 the Internal Revenue Code. The trust fund moneys and assets  
6 used to provide benefits under the preservation plan shall not  
7 be commingled with the moneys and assets of the remainder of  
8 the Florida Retirement System or of any other qualified plan.  
9 The preservation plan and the trust fund created hereunder  
10 shall never receive any transfer of moneys or assets from the  
11 remainder of the Florida Retirement System or any other  
12 qualified plan.

13 (b) Title to the beneficial ownership of any assets,  
14 whether cash or other investments which the employers may  
15  earmark to pay any amount under the preservation plan, shall  
16 at all times remain in the employer until used to pay benefits  
17 under the preservation plan, administrative expenses, or  
18 employer taxes, if any. Participants and other persons  
19 receiving benefits under the preservation plan shall not have  
20 any property or ownership interest whatsoever in any specific  
21 assets of the employer.

22 (c) The obligation of the employer to make payments  
23 pursuant to the preservation plan shall be according to law.  
24 No participant or other person receiving benefits hereunder  
25 shall have a preferred claim or lien on any assets of the  
26 employer.

27 (d) The benefit liabilities of the preservation plan  
28 shall be funded on a plan year to plan year basis. The trust  
29 fund assets required hereunder shall not be accumulated to pay  
30 benefits payable in future years. Any assets of the trust  
31 fund not used for paying benefits for a current plan year

1 shall be used, as determined by the Division of Retirement,  
2 for the payment of administrative expenses of the preservation  
3 plan for the current year or for future plan years.

4 (e) The Florida Retirement System Preservation of  
5 Benefit Plan Trust Fund is a trust fund described in s.  
6 19(f)(3), Art. III of the State Constitution, and therefore is  
7 not subject to termination pursuant to s. 19(f)(2), Art. III  
8 of the State Constitution.

9 Section 2. This act shall take effect July 1, 1999, if  
10 HB\_\_ or similar legislation is adopted in the same legislative  
11 session or an extension thereof.

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15 HOUSE SUMMARY

16 Creates the Florida Retirement System Preservation of  
17 Benefit Plan Trust Fund to be administered by the  
18 Division of Retirement. Provides an exemption from  
19 termination. See bill for details.

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