

Bill No. HB 1883, 1st Eng.

Amendment No.     

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	
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10	<hr/>		
11	Senator Webster moved the following amendment:		
12			
13	<b>Senate Amendment (with title amendment)</b>		
14	Delete everything after the enacting clause		
15			
16	and insert:		
17	Section 1. Subsections (4) and (5) of section 112.63,		
18	Florida Statutes, are amended to read:		
19	112.63 Actuarial reports and statements of actuarial		
20	impact; review.--		
21	(4) Upon receipt, pursuant to subsection (2), of an		
22	actuarial report, or upon receipt, pursuant to subsection (3),		
23	of a statement of actuarial impact, the division shall		
24	<u>acknowledge such receipt, but shall only review and comment on</u>		
25	<u>each retirement system's or plan's the actuarial valuations at</u>		
26	<u>least on a triennial basis and statements.</u> If the division		
27	finds that the actuarial valuation is not complete, accurate,		
28	or based on reasonable assumptions, or if the division does		
29	not receive the actuarial report or statement of actuarial		
30	impact, the division shall notify the local government and		
31	request appropriate adjustment. If, after a reasonable period		

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1 of time, a satisfactory adjustment is not made, the affected  
2 local government or the division may petition for a hearing  
3 under the provisions of ss. 120.569 and 120.57. If the  
4 administrative law judge recommends in favor of the division,  
5 the division shall perform an actuarial review or prepare the  
6 statement of actuarial impact. The cost to the division of  
7 performing such actuarial review or preparing such statement  
8 shall be charged to the governmental entity of which the  
9 employees are covered by the retirement system or plan. If  
10 payment of such costs is not received by the division within  
11 60 days after receipt by the governmental entity of the  
12 request for payment, the division shall certify to the  
13 Comptroller the amount due, and the Comptroller shall pay such  
14 amount to the division from any funds payable to the  
15 governmental entity of which the employees are covered by the  
16 retirement system or plan. If the administrative law judge  
17 recommends in favor of the local retirement system and the  
18 division performs an actuarial review, the cost to the  
19 division of performing the actuarial review shall be paid by  
20 the division.

21 (5) Payments made to the fund as required by this  
22 chapter shall be based on the normal and past service costs  
23 contained in the ~~state-accepted version of the~~ most recent  
24 actuarial valuation, subject to being state-accepted.

25 Section 2. Subsection (2) of section 112.65, Florida  
26 Statutes, is amended to read:

27 112.65 Limitation of benefits.--

28 (2) No member of a retirement system or plan covered  
29 by this part who is not now a member of such plan shall be  
30 allowed to receive a retirement benefit or pension which is in  
31 part or in whole based upon any service with respect to which

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1 the member is already receiving, or will receive in the  
2 future, a retirement benefit or pension from a different  
3 employer's ~~another~~ retirement system or plan. This  
4 restriction does not apply to social security benefits or  
5 federal benefits under chapter 67, Title 10, U.S. Code.

6 Section 3. Paragraph (b) of subsection (2) of section  
7 and paragraph (e) of subsection (3) of section 121.011,  
8 Florida Statutes, 1998 Supplement, are amended to read:

9 121.011 Florida Retirement System.--

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

11 (b) The chapters or retirement system laws named in  
12 paragraph (a) are hereby consolidated as separate instruments  
13 appended to the "Florida Retirement System Act" established by  
14 this chapter, and the administration of said chapters or  
15 retirement systems shall be consolidated with the  
16 administration of the Florida Retirement System established by  
17 this chapter, and the Florida Retirement System shall assume  
18 all liabilities related to the payment of benefits to members  
19 and their beneficiaries under the respective retirement  
20 systems of the members and their beneficiaries.

21 (3) PRESERVATION OF RIGHTS.--

22 (e) Any member of the Florida Retirement System or any  
23 member of an existing system under this chapter on July 1,  
24 1975, who is not retired and who is, has been, or shall be,  
25 suspended and reinstated without compensation shall receive  
26 retirement service credit for the period of time from the date  
27 of suspension to the date of reinstatement, provided:

28 1. The creditable service claimed for the period of  
29 suspension does not exceed 24 months;

30 2. The member returns to active employment and remains  
31 on the employer's payroll for at least 1 calendar month ~~30~~

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1 ~~calendar days; and~~

2           3. The member pays into the Retirement System Trust  
3 Fund the total required employer contributions plus the total  
4 employee contributions, if applicable, based on the member's  
5 monthly compensation in effect for the pay period immediately  
6 preceding the period of suspension, prorated for the said  
7 period of suspension, plus interest thereon at a rate of 4  
8 percent per annum compounded annually until July 1, 1975, and  
9 6.5 percent interest thereafter until paid. If permitted by  
10 federal law, the member may pay into the Social Security Trust  
11 Fund the total cost, if any, of providing social security  
12 coverage for the period of suspension if any social security  
13 payments have been made by the employer for the benefit of the  
14 member during such period. Should there be any conflict as to  
15 payment for social security coverage, the payment for  
16 retirement service credit shall be made and retirement service  
17 credit granted regardless of such conflict.

18           Section 4. Paragraph (a) of subsection (17) of section  
19 121.021, Florida Statutes, 1998 Supplement, is amended to  
20 read:

21           121.021 Definitions.--The following words and phrases  
22 as used in this chapter have the respective meanings set forth  
23 unless a different meaning is plainly required by the context:

24           (17)(a) "Creditable service" of any member means the  
25 sum of his or her past service, prior service, military  
26 service, out-of-state or non-FRS in-state service, workers'  
27 compensation credit, leave-of-absence credit and future  
28 service allowed within the provisions of this chapter if all  
29 required contributions have been paid and all other  
30 requirements of this chapter have been met. However, in no  
31 case shall a member receive credit for more than a year's

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1 service during any 12-month period. Service by ~~as applied to a~~  
2 ~~teacher, or a nonacademic employee of a school board, or an~~  
3 employee of a participating employer other than a school board  
4 whose total employment is to provide services to a school  
5 board for the school year only shall be based on contract  
6 years of employment or school term years of employment, as  
7 provided in chapters 122 and 238, rather than 12-month periods  
8 of employment.

9 Section 5. Subsections (1) and (3) of section 121.031,  
10 Florida Statutes, are amended to read:

11 121.031 Administration of system; appropriation;  
12 oaths; actuarial studies; public records.--

13 (1) The Division of Retirement has the authority to  
14 adopt shall make such rules pursuant to ss. 120.54 and  
15 120.536(1) to implement the provisions of law conferring  
16 duties upon the division and to adopt rules as are necessary  
17 for the effective and efficient administration of this system.  
18 The funds to pay the expenses for such administration of the  
19 system are hereby appropriated from the interest earned on  
20 investments made for the retirement and social security trust  
21 funds and the assessments allowed under chapter 650.

22 (3) The administrator shall cause an actuarial study  
23 of the system to be made at least once every 2 years and shall  
24 report the results of such study to the Legislature by  
25 February 1 prior to the next legislative session. ~~Such study~~  
26 ~~shall, at a minimum, conform to the requirements of s. 112.63,~~  
27 ~~with the following exceptions and additions:~~

28 (a) The study shall, at a minimum, conform to the  
29 requirements of s. 112.63, with the following exceptions and  
30 additions:

31 1.(a) The valuation of plan assets shall be based on a

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1 5-year averaging methodology such as that specified in the  
2 United States Department of Treasury Regulations, 26 C.F.R. s.  
3 1.412(c)(2)-1, or a similar accepted approach designed to  
4 attenuate fluctuations in asset values.

5 ~~2.(b)~~ The study shall include a narrative explaining  
6 the changes in the covered group over the period between  
7 actuarial valuations and the impact of those changes on  
8 actuarial results.

9 ~~3.(c)~~ When substantial changes in actuarial  
10 assumptions have been made, the study shall reflect the  
11 results of an actuarial assumption as of the current date  
12 based on the assumptions utilized in the prior actuarial  
13 report.

14 ~~4.(d)~~ The study shall include an analysis of the  
15 changes in actuarial valuation results by the factors  
16 generating those changes. Such analysis shall reconcile the  
17 current actuarial valuation results with those results from  
18 the prior valuation.

19 ~~5.(e)~~ The study shall include measures of funding  
20 status and funding progress designed to facilitate the  
21 assessment of trends over several actuarial valuations with  
22 respect to the overall solvency of the system. Such measures  
23 shall be adopted by the division and shall be used  
24 consistently in all actuarial valuations performed on the  
25 system.

26 (b) The Florida Retirement System Actuarial Assumption  
27 Conference which is hereby created shall by consensus develop  
28 official information with respect to the economic and  
29 noneconomic assumptions and funding methods of the Florida  
30 Retirement System necessary to perform the study. Such  
31 information shall include: an analysis of the actuarial

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1 assumptions and actuarial methods and a determination of  
2 whether changes to the assumptions or methods need to be made  
3 due to experience changes or revised future forecasts. The  
4 members of the conference shall include the Executive Office  
5 of the Governor, the coordinator of the Office of Economic and  
6 Demographic Research, and professional staff of the Senate and  
7 House of Representatives who have forecasting expertise, or  
8 their designees. The Executive Office of the Governor shall  
9 have the responsibility of presiding over the sessions of the  
10 conference. The State Board of Administration and the  
11 Division of Retirement shall be participants, as defined in s.  
12 216.134, in the conference.

13 Section 6. Subsection (6) of section 121.051, Florida  
14 Statutes, 1998 Supplement, as amended by chapter 96-423, Laws  
15 of Florida, is reenacted to read:

16 121.051 Participation in the system.--

17 (6) SEASONAL STATE EMPLOYMENT; BLIND VENDING FACILITY  
18 OPERATORS.--

19 (a) Seasonal state employment shall be included under  
20 this chapter, and the time limit and procedure for claiming  
21 same as set forth in s. 122.07 shall continue under this  
22 chapter for those members transferring to this system and for  
23 all new members.

24 (b)1. All blind or partially sighted persons employed  
25 or licensed by the Division of Blind Services as vending  
26 facility operators on or after December 1, 1970, and prior to  
27 July 1, 1996, are hereby declared to be state employees within  
28 the meaning of this chapter, and all vending facility  
29 operators licensed and employed during that period shall be  
30 compulsory members of the Florida Retirement System in  
31 compliance with this chapter for as long as the member is a

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1 vending facility operator, except as provided in subparagraph  
2 3.

3           2. Blindness shall not be deemed a retirement  
4 disability within the provisions of this chapter for such  
5 members as are contemplated by this paragraph.

6           3. Any vending facility operator as described in  
7 subparagraph 1. may elect, on or before July 31, 1996, to  
8 withdraw from the Florida Retirement System as provided in s.  
9 413.051(11). The election to withdraw shall take effect as of  
10 July 1, 1996, and the decision to withdraw is irrevocable. A  
11 vending facility operator who withdraws from the Florida  
12 Retirement System as provided in this subparagraph shall  
13 retain all creditable service earned in the Florida Retirement  
14 System through the month that retirement contributions ceased  
15 to be reported, and no creditable service shall be earned as a  
16 vending facility operator after such month. However, any such  
17 person may participate in the Florida Retirement System in the  
18 future if employed by a participating employer in a covered  
19 position.

20           4. All blind or partially sighted persons employed or  
21 licensed by the Division of Blind Services as vending facility  
22 operators on or after July 1, 1996, shall be independent  
23 contractors within the meaning of this chapter and shall not  
24 be eligible for membership in the Florida Retirement System.

25           Section 7. Paragraph (a) of subsection (7) of section  
26 121.052, Florida Statutes, 1998 Supplement, as amended by  
27 chapters 96-423 and 98-413, Laws of Florida, is reenacted and  
28 amended to read:

29           121.052 Membership class of elected officers.--

30           (7) CONTRIBUTIONS.--

31           (a) The following table states the required retirement



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1 contribution rates for members of the Elected Officers' Class  
 2 and their employers in terms of a percentage of the member's  
 3 gross compensation. A change in a contribution rate is  
 4 effective with the first salary paid on or after the beginning  
 5 date of the change. Contributions shall be made or deducted as  
 6 may be appropriate for each pay period and are in addition to  
 7 the contributions required for social security and the Retiree  
 8 Health Insurance Subsidy Trust Fund.

9  
 10 Dates of Contribution

11	Rate Changes	Members	Employers
12			
13	July 1, 1972, through September 30, 1977		
14	Legislators	8%	8%
15	All Other Members	8%	8%
16			
17	October 1, 1977, through September 30, 1978		
18	Legislators	8%	8%
19	All Other Members	4%	12%
20			
21	October 1, 1978, through September 30, 1979		
22	Legislators	8%	10.57%
23	All Other Members	4%	16.78%
24			
25	October 1, 1979, through September 30, 1981		
26	Legislators	8%	10.57%
27	Governor, Lt. Governor, Cabinet		
28	Officers	4%	16.78%
29	All Other Members	0%	20.78%
30			
31	July 1, 1981, through June 30, 1984		

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1	County Elected Officers	0%	19.30%
2			
3	July 1, 1984, through September 30, 1984		
4	County Elected Officers	0%	20.25%
5			
6	October 1, 1981, through September 30, 1984		
7	Legislators	0%	19.30%
8	Governor, Lt. Governor, Cabinet		
9	Officers	0%	21.03%
10	State Attorneys, Public Defenders	0%	20.95%
11	Justices, Judges	0%	22.55%
12			
13	October 1, 1984, through September 30, 1986		
14	Legislators	0%	10.98%
15	Governor, Lt. Governor, Cabinet		
16	Officers	0%	10.98%
17	State Attorneys, Public Defenders	0%	10.98%
18	Justices, Judges	0%	21.79%
19	County Elected Officers	0%	16.97%
20			
21	October 1, 1986, through December 31, 1988		
22	Legislators	0%	11.50%
23	Governor, Lt. Governor, Cabinet		
24	Officers	0%	11.50%
25	State Attorneys, Public Defenders	0%	11.50%
26	Justices, Judges	0%	20.94%
27	County Elected Officers	0%	17.19%
28			
29	January 1, 1989, through December 31, 1989		
30	Legislators	0%	13.70%
31	Governor, Lt. Governor, Cabinet		

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1	Officers	0%	13.70%
2	State Attorneys, Public Defenders	0%	13.70%
3	Justices, Judges	0%	22.58%
4	County Elected Officers	0%	18.44%
5			
6	January 1, 1990, through December 31, 1990		
7	Legislators	0%	15.91%
8	Governor, Lt. Governor, Cabinet		
9	Officers	0%	15.91%
10	State Attorneys, Public Defenders	0%	15.91%
11	Justices, Judges	0%	24.22%
12	County Elected Officers	0%	19.71%
13			
14	January 1, 1991, through December 31, 1991		
15	Legislators	0%	17.73%
16	Governor, Lt. Governor, Cabinet		
17	Officers	0%	17.73%
18	State Attorneys, Public Defenders	0%	17.73%
19	Justices, Judges	0%	26.63%
20	County Elected Officers	0%	23.32%
21			
22	January 1, 1992, through December 31, 1992		
23	Legislators	0%	19.94%
24	Governor, Lt. Governor, Cabinet		
25	Officers	0%	19.94%
26	State Attorneys, Public Defenders	0%	19.94%
27	Justices, Judges	0%	28.27%
28	County Elected Officers	0%	24.59%
29			
30	January 1, 1993, through December 31, 1993		
31	Legislators	0%	22.14%

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1	Governor, Lt. Governor, Cabinet		
2	Officers	0%	22.14%
3	State Attorneys, Public Defenders	0%	22.14%
4	Justices, Judges	0%	29.91%
5	County Elected Officers	0%	25.84%
6			
7	January 1, 1994, through December 31, 1994		
8	Legislators	0%	22.65%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	22.65%
11	State Attorneys, Public Defenders	0%	22.65%
12	Justices, Judges	0%	30.52%
13	County Elected Officers	0%	26.07%
14			
15	January 1, 1995, through December 31, 1995		
16	Legislators	0%	22.80%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	22.80%
19	State Attorneys, Public Defenders	0%	22.80%
20	Justices, Judges	0%	30.21%
21	County Elected Officers	0%	27.48%
22			
23	January 1, 1996, through June 30, 1996		
24	Legislators	0%	22.90%
25	Governor, Lt. Governor, Cabinet		
26	Officers	0%	22.90%
27	State Attorneys, Public Defenders	0%	22.90%
28	Justices, Judges	0%	30.15%
29	County Elected Officers	0%	27.54%
30			
31	July 1, 1996, through June 30, 1998		

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1	Legislators	0%	23.07%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	23.07%
4	State Attorneys, Public Defenders	0%	23.07%
5	Justices, Judges	0%	29.55%
6	County Elected Officers	0%	27.33%
7			
8	<u>Effective July 1, 1998, through</u>		
9	<u>June 30, 1999</u>		
10	Legislators	0%	22.33%
11	Governor, Lt. Governor, Cabinet		
12	Officers	0%	22.33%
13	State Attorneys, Public Defenders	0%	22.33%
14	Justices, Judges	0%	27.21%
15	County Elected Officers	0%	26.99%
16			
17	<u>Effective July 1, 1999</u>		
18	<u>Legislators</u>	<u>0%</u>	<u>14.31%</u>
19	<u>Governor, Lt. Governor, Cabinet</u>		
20	<u>Officers</u>	<u>0%</u>	<u>14.31%</u>
21	<u>State Attorneys, Public</u>		
22	<u>Defenders</u>	<u>0%</u>	<u>14.31%</u>
23	<u>Justices, Judges</u>	<u>0%</u>	<u>20.48%</u>
24	<u>County Elected</u>		
25	<u>Officers</u>	<u>0%</u>	<u>17.05%</u>
26			

27 Section 8. Paragraph (a) of subsection (3) of section  
 28 121.055, Florida Statutes, 1998 Supplement, as amended by  
 29 chapters 96-423 and 98-413, Laws of Florida, is reenacted and  
 30 amended, and paragraph (e) of subsection (6) of said section  
 31 is amended, to read:

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1           121.055 Senior Management Service Class.--There is  
 2 hereby established a separate class of membership within the  
 3 Florida Retirement System to be known as the "Senior  
 4 Management Service Class," which shall become effective  
 5 February 1, 1987.

6           (3)(a) The following table states the required  
 7 retirement contribution rates for members of the Senior  
 8 Management Service Class and their employers in terms of a  
 9 percentage of the member's gross compensation. A change in  
 10 the contribution rate is effective with the first salary paid  
 11 on or after the beginning date of the change. Contributions  
 12 shall be made for each pay period and are in addition to the  
 13 contributions required for social security and the Retiree  
 14 Health Insurance Subsidy Trust Fund.

15

16 Dates of Contribution

17 Rate Changes	Members	Employers
18 19 February 1, 1987, through 20 December 31, 1988	0%	13.88%
21 January 1, 1989, through 22 December 31, 1989	0%	14.95%
23 January 1, 1990, through 24 December 31, 1990	0%	16.04%
25 January 1, 1991, through 26 December 31, 1991	0%	18.39%
27 January 1, 1992, through 28 December 31, 1992	0%	19.48%
29 January 1, 1993, through 30 December 31, 1993	0%	20.55%
31 January 1, 1994, through		

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1	December 31, 1994	0%	23.07%
2	January 1, 1995, through		
3	December 31, 1995	0%	23.88%
4	January 1, 1996, through		
5	June 30, 1996	0%	24.14%
6	July 1, 1996, through		
7	June 30, 1998	0%	21.58%
8	<del>Effective</del> <u>July 1, 1998, through</u>		
9	<u>June 30, 1999</u>	0%	23.10%
10	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.19%</u>

11

12 (6)

13 (e) Benefits.--

14 1. Benefits shall be payable under the Senior  
 15 Management Service Optional Annuity Program only to  
 16 participants in the program, or their beneficiaries as  
 17 designated by the participant in the contract with a provider  
 18 company, and such benefits shall be paid by the designated  
 19 company in accordance with the terms of the annuity contract  
 20 or contracts applicable to the participant. A participant must  
 21 be terminated from all employment with all Florida Retirement  
 22 System employers as provided in s. 121.021(39) to begin  
 23 receiving the employer-funded benefit. Benefits funded by  
 24 employer contributions shall be payable only as a lifetime  
 25 annuity to the participant, his beneficiary, or his estate,  
 26 except for:

27 a. A lump-sum payment to the beneficiary upon the  
 28 death of the participant; or

29 b. A cash-out of a de minimis account upon the request  
 30 of a former participant who has been terminated for a minimum  
 31 of 6 months from the employment that entitled him to optional

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1 ~~annuity retirement~~ program participation. A de minimis account  
2 is an account with a provider company containing employer  
3 contributions and accumulated earnings of not more than \$5,000  
4 ~~\$3,500~~ made under the provisions of this chapter. Such  
5 cash-out must be a complete liquidation of the account balance  
6 with that company and is subject to the provisions of the  
7 Internal Revenue Code.

8           2. The benefits payable to any person under the Senior  
9 Management Service Optional Annuity Program, and any  
10 contribution accumulated under such program, shall not be  
11 subject to assignment, execution, or attachment or to any  
12 legal process whatsoever.

13           3. A participant who receives optional annuity program  
14 benefits funded by employer contributions shall be deemed to  
15 be retired from a state-administered retirement system in the  
16 event of subsequent employment with any employer that  
17 participates in the Florida Retirement System.

18           Section 9. Subsection (1) of section 121.071, Florida  
19 Statutes, 1998 Supplement, as amended by chapters 96-423 and  
20 98-413, Laws of Florida, is reenacted and amended to read:

21           121.071 Contributions.--Contributions to the system  
22 shall be made as follows:

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



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1	Health Insurance Subsidy Trust Fund.		
2	(a) Retirement contributions for regular members are		
3	as follows:		
4			
5	Dates of Contribution		
6	Rate Changes	Members	Employers
7			
8	December 1, 1970, through December		
9	31, 1974, for state agencies, state		
10	universities, community colleges,		
11	and district school boards	4%	4%
12			
13	December 1, 1970, through September		
14	30, 1975, for all other local		
15	government agencies	4%	4%
16			
17	January 1, 1975, through September		
18	30, 1978, for state agencies and		
19	state universities	0%	9%
20			
21	January 1, 1975, through July 31,		
22	1978, for community colleges and		
23	district school boards	0%	9%
24			
25	October 1, 1975, through September		
26	30, 1978, for all other local		
27	government agencies	0%	9%
28			
29	August 1, 1978, through September 30,		
30	1981, for community colleges and		
31	district school boards	0%	9.1%

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1			
2	October 1, 1978, through September		
3	30, 1981, for all other agencies	0%	9.1%
4			
5	October 1, 1981, through		
6	September 30, 1984	0%	10.93%
7	October 1, 1984, through		
8	September 30, 1986	0%	12.24%
9	October 1, 1986, through		
10	December 31, 1988	0%	13.14%
11	January 1, 1989, through		
12	December 31, 1989	0%	13.90%
13	January 1, 1990, through		
14	December 31, 1990	0%	14.66%
15	January 1, 1991, through		
16	December 31, 1991	0%	15.72%
17	January 1, 1992, through		
18	December 31, 1992	0%	16.51%
19	January 1, 1993, through		
20	December 31, 1993	0%	17.27%
21	January 1, 1994, through		
22	December 31, 1994	0%	17.10%
23	January 1, 1995, through		
24	December 31, 1995	0%	16.91%
25	January 1, 1996, through		
26	June 30, 1996	0%	17.00%
27	July 1, 1996, through		
28	June 30, 1998	0%	16.77%
29	<del>Effective</del> <u>July 1, 1998, through</u>		
30	<u>June 30, 1999</u>	0%	15.51%
31	<u>Effective July 1, 1999</u>	0%	9.21%

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1			
2	(b) Retirement contributions for special risk members		
3	are as follows:		
4			
5	Dates of Contribution		
6	Rate Changes	Members	Employers
7			
8	December 1, 1970, through		
9	September 30, 1974	6%	6%
10			
11	October 1, 1974, through December 31,		
12	1974, for state agencies, state		
13	universities, community colleges,		
14	and district school boards	8%	8%
15			
16	October 1, 1974, through September		
17	30, 1975, for all other local		
18	government agencies	8%	8%
19			
20	January 1, 1975, through September		
21	30, 1978, for state agencies, state		
22	universities, community colleges,		
23	and district school boards	0%	13%
24			
25	October 1, 1975, through September		
26	30, 1978, for other local		
27	government agencies	0%	13%
28			
29	October 1, 1978, through		
30	September 30, 1981	0%	13.95%
31	October 1, 1981, through		

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1	September 30, 1984	0%	13.91%
2	October 1, 1984, through		
3	September 30, 1986	0%	14.67%
4	October 1, 1986, through		
5	December 31, 1988	0%	15.11%
6	January 1, 1989, through		
7	December 31, 1989	0%	17.50%
8	January 1, 1990, through		
9	December 31, 1990	0%	19.90%
10	January 1, 1991, through		
11	December 31, 1991	0%	25.52%
12	January 1, 1992, through		
13	December 31, 1992	0%	26.35%
14	January 1, 1993, through		
15	December 31, 1993	0%	27.14%
16	January 1, 1994, through		
17	December 31, 1994	0%	27.03%
18	January 1, 1995, through		
19	December 31, 1995	0%	26.83%
20	January 1, 1996, through		
21	June 30, 1996	0%	26.84%
22	July 1, 1996, through		
23	June 30, 1998	0%	26.44%
24	<del>Effective</del> <u>July 1, 1998, through</u>		
25	<u>June 30, 1999</u>	0%	24.38%
26	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>20.22%</u>

27

28 (c) Retirement contributions for special risk

29 administrative support members are as follows:

30

31



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1           Section 10. Paragraph (i) of subsection (1) and  
2 subsection (2) of section 121.081, Florida Statutes, 1998  
3 Supplement, are amended to read:

4           121.081 Past service; prior service;  
5 contributions.--Conditions under which past service or prior  
6 service may be claimed and credited are:

7           (1)

8           (i) An employee of a state agency who was a member of  
9 a state-administered retirement system and who was granted  
10 educational leave with pay pursuant to a written educational  
11 leave-with-pay policy may claim such period of educational  
12 leave as past service subject to the following conditions:

13           1. The educational leave must have occurred prior to  
14 December 31, 1971;

15           2. The member must have completed at least 10 years of  
16 creditable service excluding the period of the educational  
17 leave;

18           3. The employee must have returned to employment with  
19 a state agency employer who participated in the retirement  
20 system, which return was immediately upon termination of the  
21 educational leave, and must have remained on the employer's  
22 payroll for at least 1 calendar month ~~30 calendar days~~  
23 following the return to employment;

24           4. The employee must be a member of the Florida  
25 Retirement System at the time he or she claims such service;

26           5. Not more than 24 months of creditable service may  
27 be claimed for such period of educational leave with pay;

28           6. The service must not be claimed under any other  
29 state or federal retirement system; and

30           7. The member must pay to the retirement trust fund  
31 for claiming such past-service credit an amount equal to 8

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1 percent of his or her gross annual salary immediately prior to  
2 the educational leave with pay for each year of past service  
3 claimed, plus 4 percent interest thereon compounded annually  
4 each June 30 from the first year of service claimed until July  
5 1, 1975, and 6.5 percent interest thereafter on the unpaid  
6 balance compounded annually each June 30 until paid.

7 (2) Prior service, as defined in s. 121.021(19), may  
8 be claimed as creditable service under the Florida Retirement  
9 System after a member has been reemployed for 1 complete year  
10 of creditable service within a period of 12 consecutive  
11 ~~continuous~~ months, except as provided in paragraph (c).

12 Service performed as a participant of the optional retirement  
13 program for the State University System under s. 121.35 or the  
14 Senior Management Service Optional Annuity Program under s.  
15 121.055 may be used to satisfy the reemployment requirement of  
16 1 complete year of creditable service ~~12 continuous month~~  
17 ~~requirement~~. The member shall not be permitted to make any  
18 contributions for prior service until after completion of the  
19 1 year of creditable service ~~12 month period~~. The required  
20 contributions for claiming the various types of prior service  
21 are:

22 (a) For prior service performed prior to the date the  
23 system becomes noncontributory for the member and for which  
24 the member had credit under one of the existing retirement  
25 systems and received a refund of contributions upon  
26 termination of employment, the member shall contribute 4  
27 percent of all salary received during the period being  
28 claimed, plus 4 percent interest compounded annually from date  
29 of refund until July 1, 1975, and 6.5 percent interest  
30 compounded annually thereafter, until full payment is made to  
31 the Retirement Trust Fund. A member who elected to transfer to

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1 the Florida Retirement System from an existing system may  
2 receive credit for prior service under the existing system if  
3 he or she was eligible under the existing system to claim the  
4 prior service at the time of the transfer. Contributions for  
5 such prior service shall be determined by the applicable  
6 provisions of the system under which the prior service is  
7 claimed and shall be paid by the member, with matching  
8 contributions paid by the employer at the time the service was  
9 performed. Effective July 1, 1978, the account of a person who  
10 terminated under s. 238.05(3) may not be charged interest for  
11 contributions that remained on deposit in the Annuity Savings  
12 Trust Fund established under chapter 238, upon retirement  
13 under this chapter or chapter 238.

14 (b) For prior service performed prior to the date the  
15 system becomes noncontributory for the member and for which  
16 the member had credit under the Florida Retirement System and  
17 received a refund of contributions upon termination of  
18 employment, the member shall contribute at the rate that was  
19 required of him or her during the period of service being  
20 claimed, on all salary received during such period, plus 4  
21 percent interest compounded annually from date of refund until  
22 July 1, 1975, and 6.5 percent interest compounded annually  
23 thereafter, until the full payment is made to the Retirement  
24 Trust Fund.

25 (c) For prior service as defined in s. 121.021(19)(b)  
26 and (c) during which no contributions were made because the  
27 member did not participate in a retirement system, the member  
28 shall contribute 14.38 percent of all salary received during  
29 such period or 14.38 percent of \$100 per month during such  
30 period, whichever is greater, plus 4 percent interest  
31 compounded annually from the first year of service claimed



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1 until July 1, 1975, and 6.5 percent interest compounded  
2 annually thereafter, until full payment is made to the  
3 Retirement Trust Fund.

4 (d) In order to claim credit for prior service as  
5 defined in s. 121.021(19)(d) for which no retirement  
6 contributions were paid during the period of such service, the  
7 member shall contribute the total employee and employer  
8 contributions which were required to be made to the Highway  
9 Patrol Pension Trust Fund, as provided in chapter 321, during  
10 the period claimed, plus 4 percent interest compounded  
11 annually from the first year of service until July 1, 1975,  
12 and 6.5 percent interest compounded annually thereafter, until  
13 full payment is made to the Retirement Trust Fund. However,  
14 any governmental entity which employed such member may elect  
15 to pay up to 50 percent of the contributions and interest  
16 required to purchase this prior service credit.

17 (e) For service performed under the Florida Retirement  
18 System after December 1, 1970, that was never reported to the  
19 division due to error, retirement credit may be claimed by a  
20 member of the Florida Retirement System. The division shall  
21 adopt rules establishing criteria for claiming such credit and  
22 detailing the documentation required to substantiate the  
23 error.

24 (f) The employer may not be required to make  
25 contributions for prior service credit for any member, except  
26 that the employer shall pay the employer portion of  
27 contributions for any legislator who elects to withdraw from  
28 the Florida Retirement System and later rejoins the system and  
29 pays any employee contributions required in accordance with s.  
30 121.052(3)(d).

31 Section 11. Paragraph (c) of subsection (4), paragraph

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1 (f) of subsection (7), and paragraphs (a) and (i) of  
2 subsection (13) of section 121.091, Florida Statutes, 1998  
3 Supplement, are amended to read:

4           121.091 Benefits payable under the system.--Benefits  
5 may not be paid under this section unless the member has  
6 terminated employment as provided in s. 121.021(39)(a) or  
7 begun participation in the Deferred Retirement Option Program  
8 as provided in subsection (13), and a proper application has  
9 been filed in the manner prescribed by the division. The  
10 division may cancel an application for retirement benefits  
11 when the member or beneficiary fails to timely provide the  
12 information and documents required by this chapter and the  
13 division's rules. The division shall adopt rules establishing  
14 procedures for application for retirement benefits and for the  
15 cancellation of such application when the required information  
16 or documents are not received.

17           (4) DISABILITY RETIREMENT BENEFIT.--

18           (b) Total and permanent disability.--A member shall be  
19 considered totally and permanently disabled if, in the opinion  
20 of the administrator, he or she is prevented, by reason of a  
21 medically determinable physical or mental impairment, from  
22 rendering useful and efficient service as an officer or  
23 employee.

24           (c) Proof of disability.--The administrator, before  
25 approving payment of any disability retirement benefit, shall  
26 require proof that the member is totally and permanently  
27 disabled as provided herein:

28           1. Such, ~~which~~ proof shall include the certification  
29 of the member's total and permanent disability by two licensed  
30 physicians of the state and such other evidence of disability  
31 as the administrator may require, including reports from

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1 vocational rehabilitation, evaluation, or testing specialists  
2 who have evaluated the applicant for employment.

3 2. It must be documented that:

4 a. The member's medical condition occurred or became  
5 symptomatic during the time the member was employed in an  
6 employee/employer relationship with his or her employer;

7 b. The member was totally and permanently disabled at  
8 the time he or she terminated covered employment; and

9 c. The member has not been employed with any other  
10 employer after such termination.

11 3. If the application is for in-line-of-duty  
12 disability, in addition to the requirements of subparagraph  
13 2., it must be documented by competent medical evidence that  
14 the disability was caused by a job-related illness or accident  
15 which occurred while the member was in an employee/employer  
16 relationship with his or her employer.

17 4. The unavailability of an employment position that  
18 the member is physically and mentally capable of performing  
19 will not be considered as proof of total and permanent  
20 disability.

21 (7) DEATH BENEFITS.--

22 (f) Notwithstanding any other provisions in this  
23 chapter to the contrary and upon application to the  
24 administrator, an eligible joint annuitant, of a member whose  
25 employment is terminated by death within 1 year of such member  
26 satisfying the service requirements for vesting and retirement  
27 eligibility, shall be permitted to purchase only the  
28 additional service credit necessary to vest and qualify for  
29 retirement benefits, not to exceed a total of 1 year of  
30 credit, by one or a combination of the following methods:

31 1. Such eligible joint annuitant may use the deceased

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1 member's accumulated hours of annual, sick, and compensatory  
2 leave to purchase additional creditable service, on an hour by  
3 hour basis, provided that such deceased member's accumulated  
4 leave is sufficient to cover the additional months required.  
5 For each month of service credit needed prior to the final  
6 month, credit for the total number of work hours in that month  
7 must be purchased, using an equal number of the deceased  
8 member's accumulated leave hours. Service credit required for  
9 the final month in which the deceased member would have become  
10 vested shall be awarded upon the purchase of 1 hour of credit.  
11 Such eligible joint annuitant shall pay the contribution rate  
12 in effect for the period of time being claimed for ~~at the time~~  
13 ~~of purchase of~~ the deceased member's class of membership,  
14 multiplied by such member's monthly salary at the time of  
15 death, plus 6.5 percent interest compounded annually. The  
16 accumulated leave payment used in the average final  
17 compensation shall not include that portion of the payment  
18 that represents any leave hours used in the purchase of such  
19 creditable service.

20           2. Such eligible joint annuitant may purchase  
21 additional months of creditable service, ~~up to a maximum of 1~~  
22 ~~year,~~ for any periods of out-of-state service as provided in  
23 s. 121.1115, and ~~or~~ in-state service as provided in s.  
24 121.1122, that the deceased member would have been eligible to  
25 purchase prior to his or her death.

26  
27 Service purchased under this paragraph shall be added to the  
28 creditable service of the member and used to vest for  
29 retirement eligibility, and shall be used in the calculation  
30 of any benefits which may be payable to the eligible joint  
31 annuitant. Any benefits paid in accordance with this

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1 paragraph shall only be made prospectively.

2 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
 3 and subject to the provisions of this section, the Deferred  
 4 Retirement Option Program, hereinafter referred to as the  
 5 DROP, is a program under which an eligible member of the  
 6 Florida Retirement System may elect to participate, deferring  
 7 receipt of retirement benefits while continuing employment  
 8 with his or her Florida Retirement System employer. The  
 9 deferred monthly benefits shall accrue in the System Trust  
 10 Fund on behalf of the participant, plus interest compounded  
 11 monthly, for the specified period of the DROP participation,  
 12 as provided in paragraph (c). Upon termination of employment,  
 13 the participant shall receive the total DROP benefits and  
 14 begin to receive the previously determined normal retirement  
 15 benefits. Participation in the DROP does not guarantee  
 16 employment for the specified period of DROP.

17 (a) Eligibility of member to participate in the  
 18 DROP.--All active Florida Retirement System members in a  
 19 regularly established position, and all active members of  
 20 either the Teachers' Retirement System established in chapter  
 21 238 or the State and County Officers' and Employees'  
 22 Retirement System established in chapter 122 which systems are  
 23 consolidated within the Florida Retirement System under s.  
 24 121.011, are eligible to elect participation in the DROP  
 25 provided that:

- 26 1. The member is not a renewed member of the Florida  
 27 Retirement System under s. 121.122, or a member of the State  
 28 Community College System Optional Retirement Program under s.  
 29 121.051, the Senior Management Service Optional Annuity  
 30 Program under s. 121.055, or the optional retirement program  
 31 for the State University System under s. 121.35.

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1           2. Election to participate is made within 12 months  
2 immediately following the date on which the member first  
3 reaches normal retirement date, or, for a member who reaches  
4 normal retirement date based on service before he or she  
5 reaches age 62, or age 55 for Special Risk Class members,  
6 election to participate may be deferred to the 12 months  
7 immediately following the date the member attains 57, or age  
8 52 ~~50~~ for Special Risk Class members. For a member who first  
9 reached normal retirement date or the deferred eligibility  
10 date described above prior to the effective date of this  
11 section, election to participate shall be made within 12  
12 months after the effective date of this section. A member who  
13 fails to make an election within such 12-month limitation  
14 period shall forfeit all rights to participate in the DROP.  
15 The member shall advise his or her employer and the division  
16 in writing of the date on which the DROP shall begin. Such  
17 beginning date may be subsequent to the 12-month election  
18 period, but must be within the 60-month limitation period as  
19 provided in subparagraph (b)1. When establishing eligibility  
20 of the member to participate in the DROP or the 60-month  
21 maximum participation period, the member may elect to include  
22 or exclude any optional service credit purchased by the member  
23 from the total service used to establish the normal retirement  
24 date. A member with dual normal retirement dates shall be  
25 eligible to elect to participate in DROP within 12 months  
26 after attaining normal retirement date in either class.

27           3. The employer of a member electing to participate in  
28 the DROP, or employers if dually employed, shall acknowledge  
29 in writing to the division the date the member's participation  
30 in the DROP begins and the date the member's employment and  
31 DROP participation will terminate.

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1           4. Simultaneous employment of a participant by  
2 additional Florida Retirement System employers subsequent to  
3 the commencement of participation in the DROP shall be  
4 permissible provided such employers acknowledge in writing a  
5 DROP termination date no later than the participant's existing  
6 termination date or the 60-month limitation period as provided  
7 in subparagraph (b)1.

8           5. A DROP participant may change employers while  
9 participating in the DROP, subject to the following:

10           a. A change of employment must take place without a  
11 break in service so that the member receives salary for each  
12 month of continuous DROP participation. If a member receives  
13 no salary during a month, DROP participation shall cease  
14 unless the employer verifies a continuation of the employment  
15 relationship for such participant pursuant to s.  
16 121.021(39)(b).

17           b. Such participant and new employer shall notify the  
18 division on forms required by the division as to the identity  
19 of the new employer.

20           c. The new employer shall acknowledge, in writing, the  
21 participant's DROP termination date, which may be extended but  
22 not beyond the original 60-month period provided in  
23 subparagraph (b)1., shall acknowledge liability for any  
24 additional retirement contributions and interest required if  
25 the participant fails to timely terminate employment, and  
26 shall be subject to the adjustment required in  
27 sub-subparagraph (c)5.d. ~~(c)4.d.~~

28           (i) Contributions.--

29           1. All employers paying the salary of a DROP  
30 participant filling a regularly established position shall  
31 contribute 11.56 percent of such participant's gross

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1 compensation, which shall constitute the entire employer DROP  
2 contribution with respect to such participant. Such  
3 contributions, payable to the System Trust Fund in the same  
4 manner as required in s. 121.071, shall be made as appropriate  
5 for each pay period and are in addition to contributions  
6 required for social security and the Retiree Health Insurance  
7 Subsidy Trust Fund. Such employer, social security, and  
8 health insurance subsidy contributions are not included in the  
9 DROP.

10           2. The employer shall, in addition to subparagraph 1.,  
11 also withhold one-half of the entire social security  
12 contribution required for the participant. Contributions for  
13 social security by each participant and each employer, in the  
14 amount required for social security coverage as now or  
15 hereafter provided by the federal Social Security Act, shall  
16 be in addition to contributions specified in subparagraph 1.

17           3. All employers paying the salary of a DROP  
18 participant filling a regularly established position shall  
19 contribute the 0.66 percent of such participant's gross  
20 compensation required in s. 121.071(4), which shall constitute  
21 the employer's health insurance subsidy contribution with  
22 respect to such participant. Such contributions shall be  
23 deposited by the administrator in the Retiree Health Insurance  
24 Subsidy Trust Fund.

25           Section 12. Subsection (3) of section 121.122, Florida  
26 Statutes, 1998 Supplement, is amended to read:

27           121.122 Renewed membership in system.--Except as  
28 provided in s. 121.053, effective July 1, 1991, any retiree of  
29 a state-administered retirement system who is employed in a  
30 regularly established position with a covered employer shall  
31 be enrolled as a compulsory member of the Regular Class of the



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1 Florida Retirement System or, effective July 1, 1997, any  
2 retiree of a state-administered retirement system who is  
3 employed in a position included in the Senior Management  
4 Service Class shall be enrolled as a compulsory member of the  
5 Senior Management Service Class of the Florida Retirement  
6 System as provided in s. 121.055, and shall be entitled to  
7 receive an additional retirement benefit, subject to the  
8 following conditions:

9           (3) Such member shall be entitled to purchase  
10 additional retirement credit in the Regular Class or the  
11 Senior Management Service Class, as applicable, for any  
12 postretirement service performed in a regularly established  
13 position as follows:

14           (a) For regular class service prior to July 1, 1991,  
15 by paying the Regular Class applicable employee and employer  
16 contributions for the period being claimed, plus 4 percent  
17 interest compounded annually from first year of service  
18 claimed until July 1, 1975, and 6.5 percent interest  
19 compounded thereafter, until full payment is made to the  
20 Florida Retirement System Trust Fund; or

21           (b) For Senior Management Service Class prior to June  
22 1, 1997, as provided in s. 121.055(1)(i)(~~h~~).

23  
24 The contribution for postretirement service between July 1,  
25 1985, and July 1, 1991, for which the reemployed retiree  
26 contribution was paid, shall be the difference between such  
27 contribution and the total applicable contribution for the  
28 period being claimed, plus interest. The employer of such  
29 member may pay the applicable employer contribution in lieu of  
30 the member. If a member does not wish to claim credit for all  
31 of the postretirement service for which he or she is eligible,

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1 the service the member claims must be the most recent service.

2 Section 13. Subsection (5) of section 121.24, Florida  
 3 Statutes, is renumbered as subsection (6), and a new  
 4 subsection (5) is added to said section, to read:

5 121.24 Conduct of commission business; legal and other  
 6 assistance; compensation.--

7 (5) The State Retirement Commission has the authority  
 8 to adopt rules pursuant to ss. 120.54 and 120.536(1) to  
 9 implement the provisions of law conferring duties upon the  
 10 commission.

11 Section 14. Paragraph (a) of subsection (5) of section  
 12 121.35, Florida Statutes, 1998 Supplement, is amended to read:

13 121.35 Optional retirement program for the State  
 14 University System.--

15 (5) BENEFITS.--

16 (a) Benefits shall be payable under the optional  
 17 retirement program only to vested participants in the program,  
 18 or their beneficiaries as designated by the participant in the  
 19 contract with a provider company, and such benefits shall be  
 20 paid only by the designated company in accordance with the  
 21 terms of the annuity contract or contracts applicable to the  
 22 participant. The participant must be terminated from all  
 23 employment with all Florida Retirement System employers, as  
 24 provided in s. 121.021(39), to begin receiving the  
 25 employer-funded benefit. Benefits funded by employer  
 26 contributions shall be payable only as a lifetime annuity to  
 27 the participant, his beneficiary, or his estate, except for:

- 28 1. A lump-sum payment to the beneficiary upon the  
 29 death of the participant; or
- 30 2. A cash-out of a de minimis account upon the request  
 31 of a former participant who has been terminated for a minimum

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1 of 6 months from the employment that entitled him to optional  
2 retirement program participation. A de minimis account is an  
3 account with a provider company containing employer  
4 contributions and accumulated earnings of not more than \$5,000  
5 ~~\$3,500~~ made under the provisions of this chapter. Such  
6 cash-out must be a complete liquidation of the account balance  
7 with that company and is subject to the provisions of the  
8 Internal Revenue Code.

9 Section 15. Subsection (11) of section 121.40, Florida  
10 Statutes, 1998 Supplement, is amended, and subsection (12) of  
11 said section, as amended by chapters 96-423 and 98-413, Laws  
12 of Florida, is reenacted to read:

13 121.40 Cooperative extension personnel at the  
14 Institute of Food and Agricultural Sciences; supplemental  
15 retirement benefits.--

16 (4) ELIGIBILITY FOR SUPPLEMENT.--To be eligible for a  
17 benefit pursuant to the provisions of this section, a person  
18 must meet all of the following eligibility criteria:

19 (e) The person must not be entitled to any benefit  
20 from a state-supported retirement system or from social  
21 security based upon service as a cooperative extension  
22 employee of the institute. Participation in the Institute of  
23 Food and Agricultural Sciences Supplemental Retirement Program  
24 shall not constitute membership in the Florida Retirement  
25 System.

26 (11) EMPLOYMENT AFTER RETIREMENT: LIMITATION.--

27 ~~(a)~~ Any person who is receiving a supplemental  
28 retirement benefit under this section may be reemployed by any  
29 private or public employer after retirement and receive  
30 supplemental retirement benefits pursuant to this section and  
31 compensation from his or her employer, without any

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1 limitations. However, if a retired participant who is  
2 receiving a supplemental retirement benefit under this section  
3 is reemployed at the institute in a position as a cooperative  
4 extension employee of the institute, he or she shall forfeit  
5 all rights to supplemental retirement benefits in accordance  
6 with the eligibility provisions of subsection (4)(e)., except  
7 that no person may receive both a salary from reemployment  
8 with any agency participating in the Florida Retirement System  
9 and supplemental retirement benefits under this section for a  
10 period of 12 months immediately subsequent to the date of  
11 retirement.

12       (b) ~~Each person to whom the limitation in paragraph~~  
13 ~~(a) applies who violates such reemployment limitation and who~~  
14 ~~is reemployed with any agency participating in the Florida~~  
15 ~~Retirement System prior to completion of the 12-month~~  
16 ~~limitation period shall give timely notice of this fact in~~  
17 ~~writing to the employer and to the division and shall have his~~  
18 ~~or her supplemental retirement benefits suspended for the~~  
19 ~~balance of the 12-month limitation period. Any person~~  
20 ~~employed in violation of this subsection and any employing~~  
21 ~~agency which knowingly employs or appoints such person without~~  
22 ~~notifying the Division of Retirement to suspend retirement~~  
23 ~~benefits shall be jointly and severally liable for~~  
24 ~~reimbursement to the retirement trust fund of any benefits~~  
25 ~~paid during the reemployment limitation period. To avoid~~  
26 ~~liability, such employing agency shall have a written~~  
27 ~~statement from the retiree that he or she is not retired from~~  
28 ~~a state-administered retirement system. Any supplemental~~  
29 ~~retirement benefits received while reemployed during this~~  
30 ~~reemployment limitation period shall be repaid to the trust~~  
31 ~~fund, and supplemental retirement benefits shall remain~~

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1 ~~suspended until such repayment has been made. Supplemental~~  
2 ~~benefits suspended beyond the reemployment limitation shall~~  
3 ~~apply toward repayment of supplemental benefits received in~~  
4 ~~violation of the reemployment limitation.~~

5 ~~(c) The reemployment by an employer participating in~~  
6 ~~the Florida Retirement System of any person receiving~~  
7 ~~supplemental retirement benefits under this section shall have~~  
8 ~~no effect on the amount of the supplemental benefit of that~~  
9 ~~person. Prior to July 1, 1991, upon employment of any person,~~  
10 ~~other than an elected officer as provided in s. 121.053, who~~  
11 ~~is receiving supplemental retirement benefits under this~~  
12 ~~section, the employer shall pay retirement contributions in an~~  
13 ~~amount equal to the unfunded actuarial accrued liability~~  
14 ~~portion of the employer contribution which would be required~~  
15 ~~for regular members of the Florida Retirement System.~~  
16 ~~Effective July 1, 1991, contributions shall be made as~~  
17 ~~provided in s. 121.122 for renewed membership.~~

18 ~~(d) The limitations of this subsection apply to~~  
19 ~~reemployment in any capacity with an "employer" as defined in~~  
20 ~~s. 121.021(10), irrespective of the category of funds from~~  
21 ~~which the person is compensated.~~

22 (12) CONTRIBUTIONS.--

23 (a) For the purposes of funding the supplemental  
24 benefits provided by this section, the institute is authorized  
25 and required to pay, commencing July 1, 1985, the necessary  
26 monthly contributions from its appropriated budget. These  
27 amounts shall be paid into the Institute of Food and  
28 Agricultural Sciences Supplemental Retirement Trust Fund,  
29 which is hereby created.

30 (b) The monthly contributions required to be paid  
31 pursuant to paragraph (a) on the gross monthly salaries, from

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1 all sources with respect to such employment, paid to those  
 2 employees of the institute who hold both state and federal  
 3 appointments and who participate in the federal Civil Service  
 4 Retirement System shall be as follows:

5	6 Dates of Contribution	7 Percentage
8	9 Rate Changes	10 Due
11	12 July 1, 1985, through December 31, 1988	13 6.68%
14	15 January 1, 1989, through December 31, 1993	16 6.35%
17	18 January 1, 1994, through December 31, 1994	19 6.69%
20	21 January 1, 1995, through June 30, 1996	22 6.82%
23	24 July 1, 1996, through June 30, 1998	25 5.64%
26	27 Effective July 1, 1998	28 7.17%

29 Section 16. Subsection (11) of section 413.051,  
 30 Florida Statutes, 1998 Supplement, as amended by chapter  
 31 96-423 and subsection (12) of said section, as amended by  
 chapters 96-423 and 98-149, Laws of Florida, are reenacted to  
 read:

413.051 Eligible blind persons; operation of vending  
 stands.--

(11) Effective July 1, 1996, blind licensees who  
 remain members of the Florida Retirement System pursuant to s.  
 121.051(6)(b)1. shall pay any unappropriated retirement costs  
 from their net profits or from program income. Within 30 days  
 after the effective date of this act, each blind licensee who  
 is eligible to maintain membership in the Florida Retirement  
 System under s. 121.051(6)(b)1., but who elects to withdraw  
 from the system as provided in s. 121.051(6)(b)3., must, on or  
 before July 31, 1996, notify the Division of Blind Services

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1 and the Division of Retirement in writing of his or her  
2 election to withdraw. Failure to timely notify the divisions  
3 shall be deemed a decision to remain a compulsory member of  
4 the Florida Retirement System. However, if, at any time after  
5 July 1, 1996, sufficient funds are not paid by a blind  
6 licensee to cover the required contribution to the Florida  
7 Retirement System, that blind licensee shall become ineligible  
8 to participate in the Florida Retirement System on the last  
9 day of the first month for which no contribution is made or  
10 the amount contributed is insufficient to cover the required  
11 contribution. For any blind licensee who becomes ineligible  
12 to participate in the Florida Retirement System as described  
13 in this subsection, no creditable service shall be earned  
14 under the Florida Retirement System for any period following  
15 the month that retirement contributions ceased to be reported.  
16 However, any such person may participate in the Florida  
17 Retirement System in the future if employed by a participating  
18 employer in a covered position.

19 (12) The Division of Blind Services may adopt rules to  
20 permit the division to establish and maintain vending  
21 facilities, issue licenses, establish and maintain a vending  
22 facility training program, provide vendors access to financial  
23 data of the program, set aside funds from net proceeds of the  
24 vending facility, provide for the transfer and promotion of  
25 vendors, establish a vendors committee, provide for an  
26 operation agreement, provide duties and responsibilities of  
27 the division with respect to the vending facility program, and  
28 provide procedures for newspaper vending sales.

29 Section 17. Paragraph (b) of subsection (1) of section  
30 175.071, Florida Statutes, 1998 Supplement, is amended to  
31 read:

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1           175.071 General powers and duties of board of  
2 trustees.--For any municipality, special fire control  
3 district, chapter plan, local law municipality, local law  
4 special fire control district, or local law plan under this  
5 chapter:

6           (1) The board of trustees may:

7           (b) Invest and reinvest the assets of the  
8 firefighters' pension trust fund in:

9           1. Time or savings accounts of a national bank, a  
10 state bank insured by the Bank Insurance Fund, or a savings,  
11 building, and loan association insured by the Savings  
12 Association Insurance Fund which is administered by the  
13 Federal Deposit Insurance Corporation or a state or federal  
14 chartered credit union whose share accounts are insured by the  
15 National Credit Union Share Insurance Fund.

16           2. Obligations of the United States or obligations  
17 guaranteed as to principal and interest by the government of  
18 the United States.

19           3. Bonds issued by the State of Israel.

20           4. Bonds, stocks, or other evidences of indebtedness  
21 issued or guaranteed by a corporation organized under the laws  
22 of the United States, any state or organized territory of the  
23 United States, or the District of Columbia, provided:

24           a. The corporation is listed on any one or more of the  
25 recognized national stock exchanges or on the National Market  
26 System of the Nasdaq Stock Market and, in the case of bonds  
27 only, holds a rating in one of the three highest  
28 classifications by a major rating service; and

29           b. The board of trustees shall not invest more than 5  
30 percent of its assets in the common stock or capital stock of  
31 any one issuing company, nor shall the aggregate investment in



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1 any one issuing company exceed 5 percent of the outstanding  
2 capital stock of that company or the aggregate of its  
3 investments under this subparagraph at cost exceed 50 percent  
4 of the assets of the fund.

5  
6 This paragraph shall apply to all boards of trustees and  
7 participants. However, in the event that a municipality or  
8 special fire control district has a duly enacted pension plan  
9 pursuant to, and in compliance with, s. 175.351, and the  
10 trustees thereof desire to vary the investment procedures  
11 herein, the trustees of such plan shall request a variance of  
12 the investment procedures as outlined herein only through a  
13 municipal ordinance, special act of the Legislature, or  
14 resolution by the governing body of the special fire control  
15 district; where a special act, or a municipality by ordinance  
16 adopted prior to July 1, 1998, permits a greater than  
17 50-percent equity investment, such municipality shall not be  
18 required to comply with the aggregate equity investment  
19 provisions of this paragraph. Notwithstanding any other  
20 provision of law to the contrary, nothing in this section may  
21 be construed to take away any preexisting legal authority to  
22 make equity investments that exceed the requirements of this  
23 paragraph. The board of trustees may invest up to 10 percent  
24 of plan assets in foreign securities.

25 Section 18. Paragraph (b) of subsection (1) of section  
26 185.06, Florida Statutes, 1998 Supplement, is amended to read:

27 185.06 General powers and duties of board of  
28 trustees.--For any municipality, chapter plan, local law  
29 municipality, or local law plan under this chapter:

30 (1) The board of trustees may:

31 (b) Invest and reinvest the assets of the retirement

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1 trust fund in:

2 1. Time or savings accounts of a national bank, a  
3 state bank insured by the Bank Insurance Fund, or a savings  
4 and loan association insured by the Savings Association  
5 Insurance Fund which is administered by the Federal Deposit  
6 Insurance Corporation or a state or federal chartered credit  
7 union whose share accounts are insured by the National Credit  
8 Union Share Insurance Fund.

9 2. Obligations of the United States or obligations  
10 guaranteed as to principal and interest by the United States.

11 3. Bonds issued by the State of Israel.

12 4. Bonds, stocks, or other evidences of indebtedness  
13 issued or guaranteed by a corporation organized under the laws  
14 of the United States, any state or organized territory of the  
15 United States, or the District of Columbia, provided:

16 a. The corporation is listed on any one or more of the  
17 recognized national stock exchanges or on the National Market  
18 System of the Nasdaq Stock Market and, in the case of bonds  
19 only, holds a rating in one of the three highest  
20 classifications by a major rating service; and

21 b. The board of trustees shall not invest more than 5  
22 percent of its assets in the common stock or capital stock of  
23 any one issuing company, nor shall the aggregate investment in  
24 any one issuing company exceed 5 percent of the outstanding  
25 capital stock of the company or the aggregate of its  
26 investments under this subparagraph at cost exceed 50 percent  
27 of the fund's assets.

28

29 This paragraph shall apply to all boards of trustees and  
30 participants. However, in the event that a municipality has a  
31 duly enacted pension plan pursuant to, and in compliance with,

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1 s. 185.35 and the trustees thereof desire to vary the  
2 investment procedures herein, the trustees of such plan shall  
3 request a variance of the investment procedures as outlined  
4 herein only through a municipal ordinance or special act of  
5 the Legislature; where a special act, or a municipality by  
6 ordinance adopted prior to July 1, 1998, permits a greater  
7 than 50-percent equity investment, such municipality shall not  
8 be required to comply with the aggregate equity investment  
9 provisions of this paragraph. Notwithstanding any other  
10 provision of law to the contrary, nothing in this section may  
11 be construed to take away any preexisting legal authority to  
12 make equity investments that exceed the requirements of this  
13 paragraph. The board of trustees may invest up to 10 percent  
14 of plan assets in foreign securities.

15 Section 19. Section 121.027, Florida Statutes, is  
16 repealed.

17 Section 20. The Governor, Comptroller, and Treasurer,  
18 sitting as the Board of Trustees of the State Board of  
19 Administration, shall review the actuarial valuation report  
20 prepared in accordance with the provisions of chapter 121,  
21 Florida Statutes. The Board shall review the process by which  
22 Florida Retirement System contribution rates are determined  
23 and recommend and submit any comments regarding the process to  
24 the Legislature.

25 Section 21. Section 112.18, Florida Statutes, is  
26 amended to read:

27 112.18 Firefighters and state law enforcement  
28 officers; special provisions relative to disability.--

29 (1) Any condition or impairment of health of any  
30 Florida state, municipal, county, port authority, special tax  
31 district, or fire control district firefighter or state law

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1 enforcement officer caused by tuberculosis, heart disease, or  
2 hypertension resulting in total or partial disability or death  
3 shall be presumed to have been accidental and to have been  
4 suffered in the line of duty unless the contrary be shown by  
5 competent evidence. However, any such firefighter or state law  
6 enforcement officer shall have successfully passed a physical  
7 examination upon entering into any such service as a  
8 firefighter or state law enforcement officer, which  
9 examination failed to reveal any evidence of any such  
10 condition. Such presumption shall not apply to benefits  
11 payable under or granted in a policy of life insurance or  
12 disability insurance, unless the insurer and insured have  
13 negotiated for such additional benefits to be included in the  
14 policy contract.

15 (2) This section shall be construed to authorize the  
16 above governmental entities to negotiate policy contracts for  
17 life and disability insurance to include accidental death  
18 benefits or double indemnity coverage which shall include the  
19 presumption that any condition or impairment of health of any  
20 firefighter caused by tuberculosis, heart disease, or  
21 hypertension resulting in total or partial disability or death  
22 was accidental and suffered in the line of duty, unless the  
23 contrary be shown by competent evidence.

24 Section 22. Section 121.36, Florida Statutes, is  
25 created to read:

26 121.36 Optional retirement program for members of the  
27 regular class.--

28 (1) OPTIONAL RETIREMENT PROGRAM  
29 ESTABLISHED.--Effective July 1, 2001, the Division of  
30 Retirement shall establish an optional retirement program for  
31 members of the Regular Class of the Florida Retirement System

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1 under which contracts providing retirement benefits may be  
2 purchased for eligible employees who elect to participate in  
3 the program. The benefits to be provided for or on behalf of  
4 participants in such optional retirement program shall be  
5 provided through individual contracts, which may be fixed,  
6 variable, or a combination thereof, in accordance with s.  
7 401(a) of the Internal Revenue Code. Any individual contract  
8 must contain a statement of the plan on its face page, and  
9 must include, but need not be limited to, a statement of  
10 ownership, the contract benefits, income options, limitations,  
11 expense charges, and surrender charges, if any. The state  
12 shall contribute, as provided in this section, toward the  
13 purchase of such optional benefits.

14 (2) DEFINITIONS.--As used in this section, the term:

15 (a) "Approved provider" or "provider" means the State  
16 Board of Administration or a private-sector company that is  
17 selected and approved by the division to offer contracts to  
18 participants of the Regular Class Optional Retirement Program.  
19 Private-sector companies include nonprofit investment  
20 management companies, insurance companies, depositories, and  
21 mutual fund companies.

22 (b) "Contract" means an individual contract or an  
23 individual certificate issued for a group contract. The term  
24 "execute a contract" includes execution of an individual  
25 contract and execution of a group contract by the Division of  
26 Retirement with issuance of an individual certificate.

27 (c) "De minimis account" refers to total vested  
28 account contributions and accumulated earnings under the  
29 Regular Class Optional Retirement Program of not more than  
30 \$5,000.

31 (d) "Eligible employee" means an employee, as defined

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1 in s. 121.021(11), who is a member of, or is eligible for  
2 membership in, the Regular Class of the Florida Retirement  
3 System. However, the term does not include any employee who is  
4 a participant of, or is eligible to participate in, any other  
5 optional retirement program authorized under this chapter, nor  
6 does the term include any renewed member of the Florida  
7 Retirement System under s. 121.122 or any member participating  
8 in the Deferred Retirement Option Program under s.  
9 121.091(13).

10 (e) "Employer" means an employer, as defined in s.  
11 121.021(10), of an eligible employee.

12 (f) "Participant" means an eligible employee who  
13 elects to participate in the Regular Class Optional Retirement  
14 Program and enrolls in such optional program as provided in  
15 subsection (4).

16 (g) "Regular Class Optional Retirement Program" or  
17 "optional program" means the alternative defined-contribution  
18 retirement program established under this section.

19 (h) "Vested" or "vesting" means the guarantee that a  
20 participant is eligible to receive a full or partial  
21 retirement benefit upon completion of the required years of  
22 service under the Regular Class Optional Retirement Program.

23 (3) ELIGIBILITY; RETIREMENT SERVICE CREDIT.--

24 (a) Participation in the Regular Class Optional  
25 Retirement Program is limited to eligible employees.

26 (b) An eligible employee who is a member of the  
27 Florida Retirement System at the time of his or her election  
28 to participate in the Regular Class Optional Retirement  
29 Program shall retain all retirement service credit earned  
30 under the Florida Retirement System, at the rate earned.  
31 However, election to participate in the Regular Class Optional

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1 Retirement Program terminates the active membership of the  
2 employee in the Florida Retirement System, and the service of  
3 a participant in the Regular Class Optional Retirement Program  
4 will not be creditable under the Florida Retirement System,  
5 nor will the participant be eligible for disability retirement  
6 under the Florida Retirement System.

7 (c) Notwithstanding paragraph (b), each existing  
8 employee who elects to participate in the Regular Class  
9 Optional Retirement Program and establishes one or more  
10 individual participant accounts under the program may elect to  
11 transfer to the optional program a sum representing the  
12 actuarial equivalent present value of the employee's accrued  
13 service benefit under the Florida Retirement System. Upon such  
14 election, the actuarial present value for the participant  
15 shall be determined using the discount rate and other  
16 actuarial assumptions used to value the Florida Retirement  
17 System Trust Fund at the time the amount to be transferred is  
18 determined and disregarding any vesting requirement that would  
19 otherwise apply under the Florida Retirement System. As  
20 directed by the participant, the division shall transfer the  
21 appropriate amounts to the designated accounts. The division  
22 shall establish transfer procedures by rule. Upon such  
23 transfer, all service credit previously earned under the  
24 Florida Retirement System shall be nullified for purposes of  
25 entitlement to a future benefit under the Florida Retirement  
26 System. Transfers are noncommissionable, must be made  
27 expeditiously, and may be in the form of securities or cash.

28 (4) PARTICIPATION.--

29 (a) With respect to eligible employees who are  
30 employed in a regularly established position on July 1, 2001:

31 1. Any such employee may elect to participate in the

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1 Regular Class Optional Retirement Program in lieu of retaining  
2 his or her membership in the Regular Class of the Florida  
3 Retirement System. The election must be made in writing and  
4 must be filed with the division and the personnel officer of  
5 the employer within 90 days after July 1, 2001, or, in the  
6 case of an active employee who is on a leave of absence on  
7 July 1, 2001, within 90 days after the conclusion of the leave  
8 of absence. Upon making such election, the employee shall  
9 become a participant of the Regular Class Optional Retirement  
10 Program, and the employee's membership in the Florida  
11 Retirement System will terminate. The employee's enrollment in  
12 the Regular Class Optional Retirement Program will be  
13 effective the first day of the month for which a full month's  
14 employer contribution is made to the optional program.

15 2. Any such employee who fails to elect to participate  
16 in the Regular Class Optional Retirement Program within the  
17 prescribed 90 days is deemed to have elected to retain  
18 membership in the Florida Retirement System.

19 (b) With respect to employees who become eligible to  
20 participate in the Regular Class Optional Retirement Program  
21 by reason of employment in a regularly established position  
22 commencing after July 1, 2001:

23 1. Any such employee shall, by default, be enrolled in  
24 the Florida Retirement System at the commencement of  
25 employment, and may, within 90 days after employment  
26 commences, elect to participate in the Regular Class Optional  
27 Retirement Program. The employee's election must be made in  
28 writing and must be filed with the personnel officer of the  
29 employer.

30 a. If the employee files such election before the  
31 initial payroll is submitted for the employee, enrollment in



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1 the Regular Class Optional Retirement Program will be  
2 effective on the first day of employment.

3 b. If the employee files such election within 90 days  
4 after employment commences, but after the initial payroll is  
5 submitted for the employee, enrollment in the optional program  
6 will be effective on the first day of the month for which a  
7 full month's employer contribution is made to the optional  
8 program.

9 2. Any such employee who fails to elect to participate  
10 in the Regular Class Optional Retirement Program within the  
11 prescribed 90 days is deemed to have elected to retain  
12 membership in the Florida Retirement System.

13 (c) With respect to eligible employees who become  
14 eligible to participate in the Regular Class Optional  
15 Retirement Program by reason of a change in eligibility status  
16 occurring on or after July 1, 2001:

17 1. Upon a change in eligibility status, the employer  
18 must provide written notice to the employee stating that, due  
19 to the change in eligibility status, the employee has the  
20 option to participate in the Regular Class Optional Retirement  
21 Program in lieu of retaining membership in the Florida  
22 Retirement System Regular Class, if he or she exercises the  
23 option within 90 days after the notification date.

24 2. Any such employee may, within 90 days after the  
25 notification date, elect to participate in the Regular Class  
26 Optional Retirement Program. The employee's election must be  
27 made in writing and must be filed with the personnel officer  
28 of the employer. If the employee files an election to  
29 participate in the Regular Class Optional Retirement Program  
30 within the prescribed 90 days, enrollment in the optional  
31 program will be effective on the first day of the month for

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1 which a full month's employer contribution is made to the  
2 optional program.

3 3. Any such employee who fails to elect to participate  
4 in the Regular Class Optional Retirement Program within the  
5 prescribed 90 days is deemed to have elected to retain  
6 membership in the Florida Retirement System.

7 (d) The provisions of paragraph (a), paragraph (b), or  
8 paragraph (c) to the contrary notwithstanding:

9 1. Any eligible employee who elects to participate in  
10 the Regular Class Optional Retirement Program but fails to  
11 execute a contract with one of the approved providers within  
12 90 days after enrollment in the optional program, or who fails  
13 to properly notify, within the prescribed 90 days, the  
14 division that such contract has been executed, shall be deemed  
15 to have executed an annuity contract with the State Board of  
16 Administration, and all appropriate contributions shall be  
17 transferred to the State Board of Administration for  
18 allocation to the participant's account.

19 2. Any participant of the Regular Class Optional  
20 Retirement Program who, before executing the required contract  
21 and notifying the division, terminates employment or otherwise  
22 experiences a change in eligibility status such that he or she  
23 is no longer eligible to participate in the optional program  
24 is deemed to have elected membership in the Florida Retirement  
25 System. Such membership is retroactive to the date of  
26 enrollment, and all appropriate contributions will be made to  
27 the Florida Retirement System Trust Fund and the Health  
28 Insurance Subsidy Trust Fund.

29 (e) The election to participate in the Regular Class  
30 Optional Retirement Program is irrevocable for as long as the  
31 employee holds a position eligible for participation in the

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1 optional program and otherwise continues to meet the  
2 requirements of this section.

3 (5) CONTRIBUTIONS.--

4 (a)1. Each employer shall contribute on behalf of each  
5 participant in the Regular Class Optional Retirement Program  
6 an amount equal to 8.21 percent of the employee's gross  
7 salary. The employer shall forward to the division the  
8 required contributions for each participant of the optional  
9 program, and the division shall forward the contributions to  
10 the designated providers contracting for payment of benefits  
11 for the participant, less an amount approved by the  
12 Legislature, which shall be deducted by the division to  
13 provide for the administration of the program. However, such  
14 contributions may not be forwarded to a provider and do not  
15 begin to accrue interest until the employee has executed a  
16 contract and notified the division.

17 2. Contributions by each employer and each participant  
18 which are required for social security coverage under the  
19 federal Social Security Act must be maintained for each  
20 participant in the Regular Class Optional Retirement Program,  
21 in addition to the retirement contributions specified in this  
22 subsection.

23 (b) Each participant in the Regular Class Optional  
24 Retirement Program who has executed a contract may contribute,  
25 on a posttax basis, to his or her account under the Regular  
26 Class Optional Retirement Program, subject to federal  
27 requirements applicable to defined-contribution plans under s.  
28 401(a) of the Internal Revenue Code. Interest and investment  
29 earnings on such contributions will accrue on a tax-deferred  
30 basis until the proceeds are distributed. Participant  
31 contributions shall be made by way of salary deduction,

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1 undertaken by written agreement between the participant and  
2 his or her employer, and may not exceed the amount contributed  
3 by the employer on behalf of the participant. The employer  
4 shall forward to the division the designated contributions for  
5 each participant of the optional program, and the division  
6 shall forward the contributions to the designated approved  
7 provider or providers contracting for payment of benefits for  
8 the participant under the program.

9  
10 Contributions made under the optional program shall be  
11 deposited in the Regular Class Optional Retirement Program  
12 Trust Fund established in the State Treasury and administered  
13 by the Division of Retirement, and payments shall be made  
14 therefrom to the approved providers on behalf of the Regular  
15 Class Optional Retirement Program participants.

16 (c) If a participant in the Regular Class Optional  
17 Retirement Program has the opportunity, through his or her  
18 employer, to participate in a tax sheltered annuity plan  
19 authorized under s. 403(b) of the United States Internal  
20 Revenue Code, a deferred compensation plan authorized under s.  
21 457 of the United States Internal Revenue Code, or a cash or  
22 deferred arrangement available pursuant to s. 401(k) of the  
23 United States Internal Revenue Code, the participant may,  
24 through salary reduction or deduction, contribute on a pre-tax  
25 basis to such other plan, subject to federal limitations.

26 (d) Employers are responsible for notifying  
27 participants regarding maximum contribution levels permitted  
28 under the Internal Revenue Code. Individual participants are  
29 responsible for monitoring their own employee contributions to  
30 the Regular Class Optional Retirement Program, and employer  
31 contributions made on their behalf, to ensure that

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1 contribution totals do not exceed federally permitted  
2 maximums. If a participant contributes to any other  
3 tax-deferred plan as provided under paragraph (c), he or she  
4 is responsible for ensuring that total contributions made to  
5 the optional program and to any other such plan do not exceed  
6 federally permitted maximums.

7 (6) VESTING REQUIREMENTS.--A participant will be fully  
8 or partially vested in the Regular Class Optional Retirement  
9 Program only upon execution of a contract with an approved  
10 provider. Subject thereto:

11 (a) With respect to participant contributions, plus  
12 interest and earnings thereon, participants are fully and  
13 immediately vested.

14 (b) With respect to employer contributions made on  
15 behalf of the participant, plus interest and earnings thereon,  
16 credit toward vesting under the optional program shall be  
17 gradually earned, as follows:

18 1. A participant who completes 2 years of service  
19 under the optional program shall be considered to be  
20 20-percent vested and is entitled to receive an  
21 employer-funded benefit based on 20 percent of the employer  
22 contributions made to the participant's account, plus interest  
23 and earnings thereon.

24 2. A member who completes 3 years of service under the  
25 optional program shall be considered to be 40-percent vested  
26 and is entitled to receive an employer-funded benefit based on  
27 40 percent of the employer contributions made to the  
28 participant's account, plus interest and earnings thereon.

29 3. A member who completes 4 years of service under the  
30 optional program shall be considered to be 60-percent vested  
31 and is entitled to receive an employer-funded benefit based on

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1 60 percent of the employer contributions made to the  
2 participant's account, plus interest and earnings thereon.

3 4. A member who completes 5 years of service under the  
4 optional program shall be considered to be 80-percent vested  
5 and is entitled to receive an employer-funded benefit based on  
6 80 percent of the employer contributions made to the  
7 participant's account, plus interest and earnings thereon.

8 5. Any member who completes 6 years of service under  
9 the optional program shall be considered to be 100-percent  
10 vested, or fully vested, and is entitled to receive an  
11 employer-funded benefit based on 100 percent of the employer  
12 contributions made to the participant's account, plus interest  
13 and earnings thereon.

14 (7) BENEFITS.--Under the Regular Class Optional  
15 Retirement Program:

16 (a) Benefits shall be provided through individual  
17 contracts, or individual certificates issued for group  
18 contracts, in accordance with s. 401(a) of the Internal  
19 Revenue Code.

20 (b) Benefits shall accrue in individual accounts that  
21 are participant-directed, portable, and funded by employer and  
22 employee contributions and earnings thereon.

23 (c) Benefits shall be payable in accordance with the  
24 following terms and conditions:

25 1. Benefits shall be payable only to a fully or  
26 partially vested participant as provided in subsection (6), or  
27 to his or her beneficiaries as designated by the participant  
28 in the contract with an approved provider.

29 2. Benefits shall be paid only by the designated  
30 approved provider in accordance with the terms of the  
31 contracts applicable to the participant.

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1           3. To begin receiving the employer-funded benefits,  
2 the participant must be terminated from all employment with  
3 all Florida Retirement System employers, as provided in s.  
4 121.021(39). If a participant elects to receive his or her  
5 employer-funded benefits upon termination of employment, in  
6 accordance with the terms and conditions of the applicable  
7 provider contract, the participant must submit a written  
8 application to the division indicating his or her preferred  
9 distribution date and selecting an authorized method of  
10 distribution as provided in paragraph (d). The division shall  
11 forward a copy of such application to each approved provider  
12 with which the participant has a contractual relationship  
13 under the optional program. The participant may defer receipt  
14 of employer-funded benefits until he or she chooses to make  
15 such application.

16           4. Benefits funded by the participant's personal  
17 contributions may be paid out by an approved provider, within  
18 the limits provided in the contract between the participant  
19 and the provider, subject to federal requirements. The  
20 participant shall notify the provider regarding the preferred  
21 payment date, the amount to be paid out, and the provisions  
22 under which he or she wants to receive such benefits. Payment  
23 of participant-funded benefits may be deferred until the  
24 participant chooses to provide such notice.

25           5. In the event of a participant's death, moneys  
26 accumulated by or on behalf of the participant, less  
27 withholding taxes remitted to the Internal Revenue Service,  
28 will be distributed to the participant's designated  
29 beneficiary or beneficiaries, or to the participant's estate,  
30 as if the participant retired on the date of death, as  
31 provided in paragraph (e). No other death benefits will be

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1 available for survivors of participants under the Regular  
2 Class Optional Retirement Program, except for such benefits,  
3 or coverage for such benefits, as are separately afforded by  
4 the employer, in the employer's discretion.

5 (d) Upon receipt by the division of a properly  
6 executed application for distribution of benefits, the total  
7 accumulated employer-funded benefit shall be payable to the  
8 participant, as:

9 1. A lifetime annuity payable to the participant. This  
10 payment option is not available in the case of a de minimis  
11 account;

12 2. A cash-out of a de minimis account of \$5,000 or  
13 less, in accordance with rules adopted by the division; or

14 3. A direct rollover distribution whereby all accrued  
15 benefits, plus interest and investment earnings, are paid from  
16 the participant's account directly to the custodian of an  
17 eligible retirement plan, as defined in s. 402(c)(8)(B) of the  
18 Internal Revenue Code, on behalf of the participant.

19 (e) Survivor benefits shall be payable as:

20 1. A lifetime annuity payable to the deceased  
21 participant's designated beneficiaries. This payment option is  
22 not available in the case of a de minimis account;

23 2. A lump-sum distribution payable to the  
24 beneficiaries, or to the deceased participant's estate;

25 3. An eligible rollover distribution on behalf of the  
26 surviving spouse of a deceased participant, whereby all  
27 accrued benefits, plus interest and investment earnings, are  
28 paid from the deceased participant's account directly to the  
29 custodian of an individual retirement account or an individual  
30 retirement annuity, as described in s. 402(c)(9) of the  
31 Internal Revenue Code, on behalf of the surviving spouse; or



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1           4. A partial lump-sum payment whereby a portion of the  
2 accrued benefit is paid to the deceased participant's  
3 surviving spouse or other designated beneficiaries, less  
4 withholding taxes remitted to the Internal Revenue Service,  
5 and the remaining amount is transferred directly to the  
6 custodian of an individual retirement account or an individual  
7 retirement annuity, as described in s. 402(c)(9) of the  
8 Internal Revenue Code, on behalf of the surviving spouse. The  
9 proportions must be specified by the participant or the  
10 surviving spouse.

11  
12 This paragraph does not abrogate other applicable provisions  
13 of state or federal law providing for payment of death  
14 benefits.

15           (f) The benefits payable to any person under the  
16 Regular Class Optional Retirement Program, and any  
17 contributions accumulated under such program, are not subject  
18 to assignment, execution, attachment, or any legal process,  
19 except for qualified domestic-relations orders by a court of  
20 competent jurisdiction, income-deduction orders as provided in  
21 s. 61.1301, and federal income tax levies.

22           (8) ADMINISTRATION OF PROGRAM.--

23           (a) The Regular Class Optional Retirement Program  
24 authorized by this section shall be administered by the  
25 division and affected employer agencies. The division shall  
26 adopt rules establishing the role and responsibilities of  
27 affected state and local government agencies in administering  
28 the Regular Class Optional Retirement Program.

29           (b)1. The division may select and contract with a  
30 third-party administrator to provide administrative services,  
31 including, but not limited to, services relating to:

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1 consolidated billing; individual and collective recordkeeping  
2 and accounting; asset purchase, control, and safekeeping; and  
3 direct disbursement of funds to and from approved providers,  
4 employers, participants, and beneficiaries.

5 2. The division shall also select and contract with a  
6 third-party organization to develop and disseminate  
7 educational materials and provide educational services to  
8 employers, eligible employees, participants, and beneficiaries  
9 in order to maintain compliance with United States Department  
10 of Labor regulations under section 404(c) of the Employee  
11 Retirement Income Security Act of 1974 and to assist employees  
12 in their choice of defined-benefit or defined-contribution  
13 retirement alternatives. Such materials and services may  
14 include, but are not limited to, providing retirement-planning  
15 education; explaining the differences between the  
16 defined-benefit retirement plan and the defined-contribution  
17 retirement plan; and offering financial-planning guidance on  
18 matters such as investment diversification, investment risks,  
19 investment costs, and asset allocation. An approved provider  
20 may not perform this function, but may provide information  
21 concerning its products and services.

22  
23 As a cost of administration, the division may compensate any  
24 such contractor for its services, in accordance with the terms  
25 of the contract, as is deemed necessary or proper by the  
26 division and the contractor.

27 (c) The division may authorize an approved provider to  
28 make direct disbursement of funds under the optional program  
29 to a participant or other beneficiary.

30 (9) INVESTMENT PROVIDERS; INVESTMENT OPTIONS OR  
31 PRODUCTS; PERFORMANCE REVIEW.--

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1           (a) The division shall develop policy and procedures  
2 for selecting investment providers and products from which  
3 contracts may be purchased under the program. The State Board  
4 of Administration may advise the division and make  
5 recommendations with regard to selecting investment providers  
6 and products under subsection (11). In accordance with such  
7 policy and procedures, the division shall, through a  
8 competitive-bidding process, designate up to nine providers,  
9 one of which may be the State Board of Administration, and  
10 shall approve the form and content of all investment  
11 contracts. Potential provider companies may elect to submit  
12 competitive bids or proposals to serve only a specific segment  
13 of optional program participants, such as K-12 public school  
14 district employees, and nothing in this section shall prohibit  
15 the division from selecting one or more such providers as part  
16 of the nine providers.

17           (b) In evaluating and selecting private-sector  
18 provider companies and products for the Regular Class Optional  
19 Retirement Program, the division shall establish criteria  
20 under which it will consider the relative capabilities and  
21 qualifications of each proposed provider company. In  
22 developing such criteria, the division shall consider:

23           1. Experience in Florida and other states providing  
24 retirement annuities or trustee mutual fund arrangements or  
25 other retirement products and related financial services under  
26 defined-contribution pension plans.

27           2. Financial strength and stability which shall be  
28 evidenced by the highest ratings assigned by nationally  
29 recognized rating services, when comparing proposed providers  
30 that are so rated.

31           3. Intrastate and interstate portability of the

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1 product offered, including early withdrawal options.

2 4. Compliance with the Internal Revenue Code.

3 5. The cost-effectiveness of the products provided,  
4 and the levels of service supporting them, relative to their  
5 benefits and their characteristics, including, without  
6 limitation, the level of risk borne by the provider.

7 6. The provider company's ability and willingness to  
8 coordinate its activities with Florida Retirement System  
9 employers and the division, and to supply to such employers  
10 and the division the information and data they require.

11 7. The methods available to participants to interact  
12 with the provider company, including the means by which  
13 participants may access account information, direct investment  
14 of contributions, make changes to their accounts, transfer  
15 moneys between available investment vehicles, and transfer  
16 moneys between provider companies, and shall consider any fees  
17 that apply to such activities.

18 8. The provider company's policies with respect to the  
19 transfer of individual account balances, contributions, and  
20 earnings thereon, both internally among investment products  
21 offered by the provider company and externally between  
22 provider companies, as well as any fees, charges, reductions,  
23 or penalties that may be applied.

24 (d) The division shall consider investment options or  
25 products it considers appropriate to give participants the  
26 opportunity to accumulate retirement benefits, subject to the  
27 following:

28 1. The Regular Class Optional Retirement Program must  
29 offer a diversified mix of investment products.

30 2. Investment options or products offered by the group  
31 of approved providers may include mutual funds, group annuity

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1 contracts, individual retirement annuities, interests in  
2 trusts, and other such financial instruments.

3 (e) The division shall periodically review the  
4 performance of each approved provider and each approved  
5 product to ensure continued compliance with established  
6 selection criteria and with division policy and procedures.  
7 Providers or products may be terminated, subject to contract  
8 provisions.

9 (f) Contracts must be renegotiated every 8 years in  
10 order to provide new or different services or products.

11 (10) CONTRACT REQUIREMENTS.--The division shall ensure  
12 that each participant is provided a quarterly statement that  
13 accounts for the contributions made by and on behalf of such  
14 participants; the interest and investment earnings thereon;  
15 and any fees, penalties, or other deductions that apply  
16 thereto. At a minimum, such statements must:

17 1. Indicate the participant's self-directed investment  
18 options.

19 2. State the market value of the account at the close  
20 of the current quarter and previous quarter.

21 3. Show account gains and losses for the period.

22 4. Itemize account contributions for the quarter.

23 5. Indicate any account changes due to adjustment of  
24 contribution levels, reallocation of contributions, balance  
25 transfers, or withdrawals.

26 6. Set forth any fees, charges, penalties, and other  
27 deductions that apply to the account.

28

29 Investment providers shall provide annual summary reports to  
30 the division.

31 (11) STATE BOARD OF ADMINISTRATION TO PROVIDE ADVICE

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1 AND ASSISTANCE.--The State Board of Administration shall  
2 assist the division in implementing and administering the  
3 Regular Class Optional Retirement Program.

4 (a) At the request of the division, the board shall  
5 review proposals submitted by vendors seeking to become  
6 approved providers for the Regular Class Optional Retirement  
7 Program and shall submit to the division its recommendations  
8 regarding such vendors, based on:

9 1. An evaluation of specific investment products  
10 proposed to be offered, taking into account each product's  
11 track record in meeting its investment return objectives net  
12 of all related fees, expenses, and charges, including, but not  
13 limited to, investment management fees, loads, distribution  
14 and marketing fees, custody fees, recordkeeping fees,  
15 education fees, annuity expenses, and consulting fees; and  
16 2. Organizational factors, including, but not limited  
17 to, financial solvency, organizational depth, and experience  
18 in providing institutional investment services.

19 (b) Once providers have been selected and approved,  
20 the board shall periodically review investment product  
21 performance and related organizational factors of the approved  
22 providers. The board shall advise the division on the  
23 acceptability of all investment products proposed to be  
24 offered through contracts to the participants and may advise  
25 the division of any changes necessary to ensure that the  
26 Regular Class Optional Retirement Program offers a diversified  
27 mix of investment products.

28 (c) The State Board of Administration shall develop  
29 and submit to the division its recommendations regarding the  
30 form and content of contracts to be offered under the Regular  
31 Class Optional Retirement Program. In developing its

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1 recommendations, the board must consider:

2 1. The nature and extent of the rights and benefits to  
3 be afforded participants in relation to the required  
4 contributions under the program; and

5 2. The suitability of the rights and benefits to be  
6 afforded participants to the needs of the participants and the  
7 interests of employers in the recruitment and retention of  
8 eligible employees.

9 (d) The State Board of Administration shall review  
10 proposals submitted by vendors seeking to contract with the  
11 division to provide financial advice on retirement planning.  
12 The board shall evaluate such proposals based on an assessment  
13 of cost, product quality, independence from money-management  
14 organizations, and organizational factors, including, but not  
15 limited to, customer-service orientation, financial solvency,  
16 organizational depth, and experience in providing investment  
17 advisory and consulting services. Once a vendor is selected  
18 and approved for this purpose, the board shall periodically  
19 review the performance and organizational aspects of the  
20 approved contractor and shall submit to the division  
21 recommended changes necessary to ensure that program  
22 participants receive appropriate and cost-effective investment  
23 advice.

24  
25 The Investment Advisory Council shall review any  
26 recommendations of the board prior to submittal to the  
27 division. The division shall make the final determination as  
28 to whether any investment provider or product, any contractor,  
29 or any and all contract provisions will be approved for the  
30 program. Upon the recommendation of the Board of Trustees of  
31 the State Board of Administration that it offer an optional

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1 retirement program that it administers, the Division of  
2 Retirement shall commission an independent third-party firm to  
3 conduct a review of the product to be offered so as to effect  
4 substantial compliance with the provisions of this subsection.

5 (12) FEDERAL REQUIREMENTS.--

6 (a) Provisions of this section shall be construed, and  
7 the Regular Class Optional Retirement Program shall be  
8 administered, so as to comply with the Internal Revenue Code,  
9 Title 26 U.S.C., and specifically with plan qualification  
10 requirements imposed on governmental plans under s. 401(a) of  
11 the Internal Revenue Code.

12 (b) Any section or provision of this chapter which is  
13 susceptible to more than one construction must be interpreted  
14 in favor of the construction most likely to satisfy  
15 requirements imposed by s. 401(a) of the Internal Revenue  
16 Code.

17 (c) Contributions payable under this section for any  
18 limitation year may not exceed the maximum amount allowable  
19 for qualified defined-contribution pension plans under  
20 applicable provisions of the Internal Revenue Code. If an  
21 employee who has elected to participate in the Regular Class  
22 Optional Retirement Program participates in any other plan  
23 that is maintained by the participating employer, benefits  
24 that accrue under the Regular Class Optional Retirement  
25 Program shall be considered primary for any aggregate  
26 limitation applicable under s. 415 of the Internal Revenue  
27 Code.

28 (13) INVESTMENT POLICY STATEMENT.--

29 (a) Investment products and providers selected for the  
30 regular class optional retirement system shall be in  
31 conformance with the Regular Class Optional Retirement System



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1 Investment Policy Statement, herein referred to as the  
2 "Statement," as developed by the executive director of the  
3 State Board of Administration, approved by the board, and  
4 submitted to the Division of Retirement. The Statement must  
5 include, among other items, the investment objectives of the  
6 Regular Class Optional Retirement System; manager selection  
7 and monitoring guidelines; and performance measurement  
8 criteria. As required from time to time, the executive  
9 director of the State Board of Administration may present  
10 recommended changes in the Statement to the board for  
11 approval.

12 (b) Prior to any recommended changes in the Statement  
13 being presented to the State Board of Administration, the  
14 executive director of the board shall present such changes to  
15 the Investment Advisory Council for review. The council shall  
16 present the results of its review to the board prior to the  
17 board's final approval of the Statement or changes in the  
18 Statement.

19 (14) STATEMENT OF FIDUCIARY STANDARDS AND  
20 RESPONSIBILITIES.--

21 (a) Investment of regular class optional retirement  
22 program assets shall be made for the sole interest and  
23 exclusive purpose of providing benefits to program  
24 participants and beneficiaries and defraying reasonable  
25 expenses of administering the program. The program's assets  
26 are to be invested with the care, skill, and diligence that a  
27 prudent person acting in a like manner would undertake. The  
28 performance of the above investment duties shall comply with  
29 the fiduciary standards set forth in the Employee Retirement  
30 Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)  
31 through (C). In case of conflict with other provisions of law

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1 authorizing investments, the investment and fiduciary  
2 standards set forth in this subsection shall prevail.  
3 (b) The program's investment fiduciaries shall not be  
4 liable for losses to a participant's or beneficiary's account  
5 that result from the participant's or beneficiary's exercise  
6 of control. The assets of the regular class optional  
7 retirement program shall be maintained in compliance with the  
8 United States Department of Labor regulation under section  
9 404(c) of the Employee Retirement Income Security Act of 1974  
10 and all applicable laws governing the operation of the  
11 program.

12 Section 23. Subsection (2) of section 112.363, Florida  
13 Statutes, 1998 Supplement, is amended to read:

14 112.363 Retiree health insurance subsidy.--

15 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE  
16 SUBSIDY.--A person who is retired under a state-administered  
17 retirement system, or a beneficiary who is a spouse or  
18 financial dependent entitled to receive benefits under a  
19 state-administered retirement system, is eligible for health  
20 insurance subsidy payments provided under this section; except  
21 that pension recipients under ss. 121.055(1)(b)2., 121.36,  
22 121.40, 238.07(16)(a), and 250.22, recipients of health  
23 insurance coverage under s. 110.1232, or any other special  
24 pension or relief act shall not be eligible for such payments.  
25 Payment of the retiree health insurance subsidy shall be made  
26 only after coverage for health insurance for the retiree or  
27 beneficiary has been certified in writing to the Division of  
28 Retirement. Participation in a former employer's group health  
29 insurance program is not a requirement for eligibility under  
30 this section. However, participants in the State Community  
31 College System Optional Retirement Program as provided in s.

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1 121.051(2)(c), the Senior Management Service Optional Annuity  
2 Program as provided in s. 121.055(6), and the State University  
3 System Optional Retirement Program as provided in s. 121.35  
4 shall not receive the retiree health insurance subsidy  
5 provided in this section. The employer of such participant  
6 shall pay the contributions required in subsection (8) to the  
7 annuity program provided in s. 121.051(2)(c), s.  
8 121.055(6)(d), or s. 121.35(4)(a), as applicable.

9       Section 24. In any solicitation or offer of coverage  
10 under an optional retirement program, a provider company shall  
11 be governed by the contract readability provisions of section  
12 627.4145, Florida Statutes, notwithstanding section  
13 627.4145(6)(c), Florida Statutes. In addition, all descriptive  
14 materials must be prepared under the assumption that the  
15 participant is an unsophisticated investor. Provider companies  
16 must maintain an internal system of quality assurance, have  
17 proven functional systems that are date-calculation compliant,  
18 and be subject to a due-diligence inquiry that proves their  
19 capacity and fitness to undertake service responsibilities.

20       Section 25. Paragraph (e) is added to subsection (3)  
21 of section 112.363, Florida Statutes, 1998 Supplement, to  
22 read:

23       112.363 Retiree health insurance subsidy.--

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

25       (e) Beginning July 1, 2001, each eligible retiree or,  
26 if the retiree is deceased, his or her beneficiary who is  
27 receiving a monthly benefit from such retiree's account and  
28 who is a spouse, or a person who meets the definition of joint  
29 annuitant in s. 121.021(28), shall receive a monthly retiree  
30 health insurance subsidy payment equal to the number of years  
31 of creditable service, as defined in s. 121.021(17), completed

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1 at the time of retirement multiplied by \$5. No eligible  
2 retiree or beneficiary may receive a subsidy payment of more  
3 than \$150 or less than \$30. If there are multiple  
4 beneficiaries, the total payment may not be greater than the  
5 payment to which the retiree was entitled.

6 Section 26. Subsections (29) and (45) of section  
7 121.021, Florida Statutes, 1998 Supplement, are amended to  
8 read:

9 121.021 Definitions.--The following words and phrases  
10 as used in this chapter have the respective meanings set forth  
11 unless a different meaning is plainly required by the context:

12 (29) "Normal retirement date" means the first day of  
13 any month following the date a member attains one of the  
14 following statuses:

15 (a) If a Regular Class member, the member:

16 1. Completes 6 ~~10~~ or more years of creditable service  
17 and attains age 62; or

18 2. Completes 30 years of creditable service,  
19 regardless of age, which may include a maximum of 4 years of  
20 military service credit as long as such credit is not claimed  
21 under any other system.

22 (b) If a Special Risk Class member, the member:

23 1. Completes 6 ~~10~~ or more years of creditable service  
24 in the Special Risk Class and attains age 55;

25 2. Completes 25 years of creditable service in the  
26 Special Risk Class, regardless of age; or

27 3. Completes 25 years of creditable service and  
28 attains age 52, which service may include a maximum of 4 years  
29 of military service credit as long as such credit is not  
30 claimed under any other system and the remaining years are in  
31 the Special Risk Class.

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1 (c) If a Senior Management Service Class member, the  
2 member:

3 1. Completes 6 7 years of creditable service in the  
4 Senior Management Service Class and attains age 62; or

5 2. Completes 30 years of any creditable service,  
6 regardless of age, which may include a maximum of 4 years of  
7 military service credit as long as such credit is not claimed  
8 under any other system.

9 (d) If an Elected ~~State County~~ Officers' Class member,  
10 the member:

11 1. Completes 6 8 years of creditable service in the  
12 Elected State and County Officers' Class and attains age 62;  
13 or

14 2. Completes 30 years of any creditable service,  
15 regardless of age, which may include a maximum of 4 years of  
16 military service credit as long as such credit is not claimed  
17 under any other system.

18  
19 "Normal retirement age" is attained on the "normal retirement  
20 date."

21 (45)(a) "Vested" or "vesting" means the guarantee that  
22 a member is eligible to receive a future retirement benefit  
23 upon completion of the required years of creditable service  
24 for the employee's class of membership, even though the member  
25 may have terminated covered employment before reaching normal  
26 or early retirement date. Being vested does not entitle a  
27 member to a disability benefit; provisions governing  
28 entitlement to disability benefits are set forth under s.  
29 121.091(4)~~based on a disability caused by an injury or~~  
30 ~~disease that occurs after termination of covered employment.~~

31 (b) Effective July 1, 2001, a graded vesting system

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1 shall be implemented for the Florida Retirement System whereby  
2 any member who is employed in a regularly established position  
3 on or after July 1, 2001, will earn credit toward vesting as  
4 described in paragraph (a), as follows:

5 1. Any such member completing 2 years of creditable  
6 service shall be considered to be 20 percent vested and shall  
7 be entitled to a future benefit based on 20 percent of the  
8 retirement credit earned for his or her service.

9 2. Any such member completing 3 years of creditable  
10 service shall be considered to be 40 percent vested and shall  
11 be entitled to a future benefit based on 40 percent of the  
12 retirement credit earned for his or her service.

13 3. Any such member completing 4 years of creditable  
14 service shall be considered to be 60 percent vested and shall  
15 be entitled to a future benefit based on 60 percent of the  
16 retirement credit earned for his or her service.

17 4. Any such member completing 5 years of creditable  
18 service shall be considered to be 80 percent vested and shall  
19 be entitled to a future benefit based on 80 percent of the  
20 retirement credit earned for his or her service.

21 5. Any such member completing 6 years of creditable  
22 service shall be considered to be 100 percent vested, or fully  
23 vested as described in paragraph (a).

24  
25 Inactive members will not be considered fully or partially  
26 vested solely by operation of the provisions of this  
27 paragraph. Any member who is not employed in a regularly  
28 established position on July 1, 2001, will be deemed partially  
29 or fully vested as provided in this paragraph only upon  
30 subsequent employment in a covered position for 1 work year,  
31 except that no member may be required to complete more years

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1 of creditable service than would have been required for that  
2 member to vest under retirement laws in effect before July 1,  
3 2001.

4 Section 27. Paragraph (a) of subsection (7) of section  
5 121.0515, Florida Statutes, 1998 Supplement, is amended to  
6 read:

7 121.0515 Special risk membership; criteria;  
8 designation and removal of classification; credits for past  
9 service and prior service; retention of special risk normal  
10 retirement date.--

11 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT  
12 DATE.--

13 (a) A special risk member who is moved or reassigned  
14 to a nonspecial risk law enforcement, firefighting, or  
15 correctional administrative support position with the same  
16 agency, or who is subsequently employed in such a position  
17 with any law enforcement, firefighting, or correctional agency  
18 under the Florida Retirement System, shall participate in the  
19 Special Risk Administrative Support Class and shall earn  
20 credit for such service at the same percentage rate as that  
21 earned by a regular member. Notwithstanding the provisions of  
22 subsection (4), service in such an administrative support  
23 position shall, for purposes of s. 121.091, apply toward  
24 satisfaction of the special risk normal retirement date, as  
25 defined in s. 121.021(29)(b), provided that, while in such  
26 position, the member remains certified as a law enforcement  
27 officer, firefighter, or correctional officer; remains subject  
28 to reassignment at any time to a position qualifying for  
29 special risk membership; and completes an aggregate of 6 ~~10~~ or  
30 more years of service as a designated special risk member  
31 prior to retirement.

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1           Section 28. Paragraph (d) is added to subsection (5)  
2 of section 121.052, Florida Statutes, 1998 Supplement, and  
3 subsection (8) and paragraphs (b) and (c) of subsection (12)  
4 of that section are amended, to read:

5           121.052 Membership class of elected officers.--

6           (5) UPGRADED SERVICE; PURCHASE OF ADDITIONAL CREDIT.--

7           (d) Any member of the Florida Retirement System who  
8 serves as the elected mayor of a consolidated local  
9 government, which government by its charter has chosen status  
10 as a municipality rather than a county government for purposes  
11 of the state retirement system administered under this  
12 chapter, may elect membership in the Elected State and County  
13 Officers' Class established by this section for the duration  
14 of the term of office. Any such mayor or former mayor shall be  
15 eligible for membership in this class for the term of office,  
16 provided the member or the local government employer pays the  
17 retirement contributions that would have been paid had actual  
18 participation commenced at that time, plus interest at 6.5  
19 percent compounded each June 30 from date of participation  
20 until date of payment. No retirement credit will be allowed  
21 under this subsection for any such service which is used to  
22 obtain a benefit under any local retirement system.

23           (8) NORMAL RETIREMENT DATE; VESTING REQUIREMENT.--A

24 ~~member of the Elected State and County Officers' Class shall~~  
25 ~~have the same normal retirement date and vesting requirement~~  
26 ~~as provided defined in s. 121.021(29) and (45) for a member of~~  
27 ~~the regular class of the Florida Retirement System, except~~  
28 ~~that only 8 years of creditable service in this class are~~  
29 ~~needed to attain the normal retirement date specified in s.~~  
30 ~~121.021(29)(a). Any public service commissioner who was~~  
31 removed from the Elected State Officers' Class on July 1,



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1 1979, after attaining at least 8 years of creditable service  
2 in that class shall be considered to have reached the normal  
3 retirement date upon attaining age 62 as required in s.  
4 121.021(29)(a).

5 (12) BENEFITS.--

6 (b) The benefit provisions of s. 121.091(2)-(6), (8),  
7 (9), and (11), relating to benefits payable for dual normal  
8 retirement ages, early retirement, disability retirement,  
9 termination benefits, optional forms of retirement,  
10 designation of beneficiaries, employment after retirement, and  
11 method of computing actuarial equivalent, respectively, shall  
12 also apply to members of the Elected ~~State and County~~  
13 ~~Officers' Class, except that only 8 years of creditable~~  
14 ~~service in this class are needed to attain the benefits~~  
15 ~~specified in s. 121.091(3) and (5).~~ These provisions shall be  
16 construed in such manner as to make them compatible with the  
17 provisions of this section.

18 (c) The benefit provisions of s. 121.091(7), relating  
19 to death benefits, shall apply to members of the Elected ~~State~~  
20 ~~and County~~ Officers' Class and shall be construed in such  
21 manner as to make them compatible with the provisions of this  
22 section; ~~however, only 8 years of creditable service in this~~  
23 ~~class are needed to obtain such benefits,~~ except that:

24 1. If any elected official dies in office who would  
25 have been vested under the Elected ~~State and County~~ Officers'  
26 Class, any other class of the Florida Retirement System, or  
27 any other state-administered retirement system, if the  
28 official had lived to complete his or her term of office, the  
29 official's spouse may elect to leave the official's retirement  
30 contributions in the retirement trust fund and pay into said  
31 fund any required contributions which would have been paid by

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1 the officer or the employer had the officer lived to complete  
2 the term of office.

3           2. If a deceased member's surviving spouse as  
4 described in subparagraph 1. previously received a refund of  
5 the member's contributions made to the retirement trust fund,  
6 the surviving spouse may pay into the retirement trust fund an  
7 amount equal to the deceased member's contributions previously  
8 refunded, together with interest at 4 percent compounded  
9 annually on the amount of such refunded contributions from the  
10 date of refund until July 1, 1975, and at 6.5 percent  
11 compounded annually thereafter to the date of payment, plus  
12 such additional contributions as may be required under  
13 subparagraph 1., in order to become vested, as applicable.

14  
15 Upon conclusion of the term of office to which the deceased  
16 officer was elected, a spouse who pays into the retirement  
17 trust fund such additional or refunded contributions, plus  
18 interest, shall be eligible to receive a monthly benefit in  
19 the same manner as the surviving spouse of a member who dies  
20 after accumulating the required number of years of creditable  
21 service as described herein.

22           Section 29. Paragraph (a) of subsection (1) of section  
23 121.053, Florida Statutes, 1998 Supplement, is amended to  
24 read:

25           121.053 Participation in the Elected ~~State and County~~  
26 Officers' Class for retired members.--

27           (1)(a) Any member who retired under any existing  
28 system as defined in s. 121.021(2), and receives a benefit  
29 thereof, and who serves in an office covered by the Elected  
30 ~~State and County~~ Officers' Class for a period of at least 6 &  
31 years, shall be entitled to receive an additional retirement

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1 benefit for such elected officer service prior to July 1,  
2 1990, under the Elected ~~State and County~~ Officers' Class of  
3 the Florida Retirement System, as follows:

4         1. Upon completion of 6 ~~8~~ or more years of creditable  
5 service in an office covered by the Elected ~~State and County~~  
6 Officers' Class, s. 121.052, such member shall notify the  
7 administrator of his or her intent to purchase elected officer  
8 service prior to July 1, 1990, and shall pay the member  
9 contribution applicable for the period being claimed, plus 4  
10 percent interest compounded annually from the first year of  
11 service claimed until July 1, 1975, and 6.5 percent interest  
12 compounded annually thereafter, until full payment is made to  
13 the Florida Retirement System Trust Fund; however, such member  
14 may purchase retirement credit under the Elected ~~State and~~  
15 ~~County~~ Officers' Class only for such service as an elected  
16 officer.

17         2. Upon payment of the amount specified in  
18 subparagraph 1., the employer shall pay into the Florida  
19 Retirement System Trust Fund the applicable employer  
20 contribution for the period of elected officer service prior  
21 to July 1, 1990, being claimed by the member, plus 4 percent  
22 interest compounded annually from the first year of service  
23 claimed until July 1, 1975, and 6.5 percent interest  
24 compounded annually thereafter, until full payment is made to  
25 the Florida Retirement System Trust Fund.

26         Section 30. Paragraph (b) of subsection (4) of section  
27 121.055, Florida Statutes, 1998 Supplement, is amended to  
28 read:

29         121.055 Senior Management Service Class.--There is  
30 hereby established a separate class of membership within the  
31 Florida Retirement System to be known as the "Senior

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1 Management Service Class," which shall become effective  
2 February 1, 1987.

3 (4)

4 (b) Service in an eligible position prior to February  
5 1, 1987, or after January 31, 1987, shall satisfy the  
6 requirement of attaining the normal retirement date as defined  
7 in s. 121.021(29) for a Senior Management Service Class  
8 member, provided the employee is a member of the Senior  
9 Management Service Class after January 31, 1987. A member of  
10 this class who fails to complete 6 ~~7~~ years of creditable  
11 service in an eligible position shall be required to satisfy  
12 the requirements for the normal retirement date for a regular  
13 member as provided in s. 121.021(29).

14 Section 31. Paragraph (i) of subsection (1) of section  
15 121.081, Florida Statutes, 1998 Supplement, is amended to  
16 read:

17 121.081 Past service; prior service;  
18 contributions.--Conditions under which past service or prior  
19 service may be claimed and credited are:

20 (1)

21 (i) An employee of a state agency who was a member of  
22 a state-administered retirement system and who was granted  
23 educational leave with pay pursuant to a written educational  
24 leave-with-pay policy may claim such period of educational  
25 leave as past service subject to the following conditions:

26 1. The educational leave must have occurred prior to  
27 December 31, 1971;

28 2. The member must have completed at least 6 ~~10~~ years  
29 of creditable service excluding the period of the educational  
30 leave;

31 3. The employee must have returned to employment with

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1 a state agency employer who participated in the retirement  
2 system, which return was immediately upon termination of the  
3 educational leave, and must have remained on the employer's  
4 payroll for at least 30 calendar days following the return to  
5 employment;

6 4. The employee must be a member of the Florida  
7 Retirement System at the time he or she claims such service;

8 5. Not more than 24 months of creditable service may  
9 be claimed for such period of educational leave with pay;

10 6. The service must not be claimed under any other  
11 state or federal retirement system; and

12 7. The member must pay to the retirement trust fund  
13 for claiming such past-service credit an amount equal to 8  
14 percent of his or her gross annual salary immediately prior to  
15 the educational leave with pay for each year of past service  
16 claimed, plus 4 percent interest thereon compounded annually  
17 each June 30 from the first year of service claimed until July  
18 1, 1975, and 6.5 percent interest thereafter on the unpaid  
19 balance compounded annually each June 30 until paid.

20 Section 32. Paragraphs (a) and (j) of subsection (4)  
21 of section 121.091, Florida Statutes, 1998 Supplement, are  
22 amended to read:

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

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1 division's rules. The division shall adopt rules establishing  
2 procedures for application for retirement benefits and for the  
3 cancellation of such application when the required information  
4 or documents are not received.

5 (4) DISABILITY RETIREMENT BENEFIT.--

6 (a) Disability retirement; entitlement and effective  
7 date.--

8 1. A member who becomes totally and permanently  
9 disabled, as defined in paragraph (b), after completing 5  
10 years of creditable service, or a member who becomes totally  
11 and permanently disabled in the line of duty regardless of  
12 service, shall be entitled to a monthly disability benefit+  
13 ~~except that any member with less than 5 years of creditable~~  
14 ~~service on July 1, 1980, or any person who becomes a member of~~  
15 ~~the Florida Retirement System on or after such date must have~~  
16 ~~completed 10 years of creditable service prior to becoming~~  
17 ~~totally and permanently disabled in order to receive~~  
18 ~~disability retirement benefits for any disability which occurs~~  
19 ~~other than in the line of duty. However, if a member employed~~  
20 ~~on July 1, 1980, with less than 5 years of creditable service~~  
21 ~~as of that date, becomes totally and permanently disabled~~  
22 ~~after completing 5 years of creditable service and is found~~  
23 ~~not to have attained fully insured status for benefits under~~  
24 ~~the federal Social Security Act, such member shall be entitled~~  
25 ~~to a monthly disability benefit.~~

26 2. If the division has received from the employer the  
27 required documentation of the member's termination of  
28 employment, the effective retirement date for a member who  
29 applies and is approved for disability retirement shall be  
30 established by rule of the division.

31 3. For a member who is receiving Workers' Compensation

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1 payments, the effective disability retirement date may not  
2 precede the date the member reaches Maximum Medical  
3 Improvement (MMI), unless the member terminates employment  
4 prior to reaching MMI.

5 (j) Disability retirement of justice or judge by order  
6 of Supreme Court.--

7 1. If a member is a justice of the Supreme Court,  
8 judge of a district court of appeal, circuit judge, or judge  
9 of a county court who has served for 6 ~~10~~ years or more as an  
10 elected constitutional judicial officer, including service as  
11 a judicial officer in any court abolished pursuant to Art. V  
12 of the State Constitution, and who is retired for disability  
13 by order of the Supreme Court upon recommendation of the  
14 Judicial Qualifications Commission pursuant to the provisions  
15 of Art. V of the State Constitution, the member's Option 1  
16 monthly benefit as provided in subparagraph (6)(a)1. shall not  
17 be less than two-thirds of his or her monthly compensation as  
18 of the member's disability retirement date. Such a member may  
19 alternatively elect to receive a disability retirement benefit  
20 under any other option as provided in paragraph (6)(a).

21 2. Should any justice or judge who is a member of the  
22 Florida Retirement System be retired for disability by order  
23 of the Supreme Court upon recommendation of the Judicial  
24 Qualifications Commission pursuant to the provisions of Art. V  
25 of the State Constitution, then all contributions to his or  
26 her account and all contributions made on his or her behalf by  
27 the employer shall be transferred to and deposited in the  
28 General Revenue Fund of the state, and there is hereby  
29 appropriated annually out of the General Revenue Fund, to be  
30 paid into the Florida Retirement System Fund, an amount  
31 necessary to pay the benefits of all justices and judges

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1 retired from the Florida Retirement System pursuant to Art. V  
2 of the State Constitution.

3 Section 33. Paragraph (b) of subsection (1) of section  
4 121.1115, Florida Statutes, is amended to read:

5 121.1115 Purchase of retirement credit for  
6 out-of-state and federal service.--Effective January 1, 1995,  
7 a member of the Florida Retirement System may purchase  
8 creditable service for periods of public employment in another  
9 state and receive creditable service for such periods of  
10 employment. Service with the Federal Government, including any  
11 military service, may be claimed. Upon completion of each year  
12 of service earned under the Florida Retirement System, a  
13 member may purchase up to 1 year of retirement credit for his  
14 or her out-of-state service, subject to the following  
15 provisions:

16 (1) LIMITATIONS AND CONDITIONS.--To receive credit for  
17 the out-of-state service:

18 (b) The member must have completed a minimum of 6 ~~10~~  
19 years of creditable service under the Florida Retirement  
20 System, excluding out-of-state service and in-state service  
21 claimed and purchased under s. 121.1122.

22 Section 34. Paragraph (a) of subsection (2) of section  
23 121.1122, Florida Statutes, 1998 Supplement, is amended to  
24 read:

25 121.1122 Purchase of retirement credit for in-state  
26 public service and in-state service in accredited nonpublic  
27 schools and colleges, including charter schools and charter  
28 technical career centers.--Effective January 1, 1998, a member  
29 of the Florida Retirement System may purchase creditable  
30 service for periods of certain public or nonpublic employment  
31 performed in this state, as provided in this section.



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1           (2) LIMITATIONS AND CONDITIONS.--

2           (a) A member is not eligible to receive credit for  
3 in-state service under this section until he or she has  
4 completed 6 ~~10~~ years of creditable service under the Florida  
5 Retirement System, excluding service purchased under this  
6 section and out-of-state service claimed and purchased under  
7 s. 121.1115.

8           Section 35. Paragraph (a) of subsection (1) of section  
9 121.121, Florida Statutes, 1998 Supplement, is amended to  
10 read:

11           121.121 Authorized leaves of absence.--

12           (1) A member may purchase creditable service for up to  
13 2 work years of authorized leaves of absence if:

14           (a) The member has completed a minimum of 6 ~~10~~ years  
15 of creditable service, excluding periods for which a leave of  
16 absence was authorized;

17           (b) The leave of absence is authorized in writing by  
18 the employer of the member and approved by the administrator;

19           (c) The member returns to active employment performing  
20 service with a Florida Retirement System employer in a  
21 regularly established position immediately upon termination of  
22 the leave of absence and remains on the employer's payroll for  
23 1 calendar month, except that a member who retires on  
24 disability while on a medical leave of absence shall not be  
25 required to return to employment. A member whose work year is  
26 less than 12 months and whose leave of absence terminates  
27 between school years is eligible to receive credit for the  
28 leave of absence as long as he or she returns to the  
29 employment of his or her employer at the beginning of the next  
30 school year and remains on the employer's payroll for 1  
31 calendar month; and

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1           (d) The member makes the required contributions for  
2 service credit during the leave of absence, which shall be 8  
3 percent until January 1, 1975, and 9 percent thereafter of his  
4 or her rate of monthly compensation in effect immediately  
5 prior to the commencement of such leave for each month of such  
6 period, plus 4 percent interest until July 1, 1975, and 6.5  
7 percent interest thereafter on such contributions, compounded  
8 annually each June 30 from the due date of the contribution to  
9 date of payment. Effective July 1, 1980, any leave of absence  
10 purchased pursuant to this section shall be at the  
11 contribution rates specified in s. 121.071 in effect at the  
12 time the leave is granted for the class of membership from  
13 which the leave of absence was granted; however, any member  
14 who purchased leave-of-absence credit prior to July 1, 1980,  
15 for a leave of absence from a position in a class other than  
16 the regular membership class, may pay the appropriate  
17 additional contributions plus compound interest thereon and  
18 receive creditable service for such leave of absence in the  
19 membership class from which the member was granted the leave  
20 of absence.

21           Section 36. The Legislature finds that a proper and  
22 legitimate state purpose is served when employees and retirees  
23 of the state and of its political subdivisions, and the  
24 dependents, survivors, and beneficiaries of such employees and  
25 retirees, are extended the basic protections afforded by  
26 governmental retirement systems that provide fair and adequate  
27 benefits that are managed, administered, and funded in an  
28 actuarially sound manner, as required by Section 14 of Article  
29 X of the State Constitution and part VII of chapter 112,  
30 Florida Statutes. Therefore, the Legislature determines and  
31 declares that this act fulfills an important state interest.

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1           Section 37. The Regular Class Optional Retirement  
2 Program created by this act shall be implemented beginning  
3 July 1, 2001, contingent upon the Division of Retirement  
4 receiving a favorable determination letter and a favorable  
5 private-letter ruling from the Internal Revenue Service before  
6 the end of the regular session of the Legislature held in  
7 2001.

8           Section 38. Paragraph (b) of subsection (5) of section  
9 121.091, Florida Statutes, is amended to read:

10           121.091 Benefits payable under the system.--Benefits  
11 may not be paid under this section unless the member has  
12 terminated employment as provided in s. 121.021(39)(a) or  
13 begun participation in the Deferred Retirement Option Program  
14 as provided in subsection (13), and a proper application has  
15 been filed in the manner prescribed by the division. The  
16 division may cancel an application for retirement benefits  
17 when the member or beneficiary fails to timely provide the  
18 information and documents required by this chapter and the  
19 division's rules. The division shall adopt rules establishing  
20 procedures for application for retirement benefits and for the  
21 cancellation of such application when the required information  
22 or documents are not received.

23           (5) TERMINATION BENEFITS.--

24           (b) A member whose employment is terminated for any  
25 reason other than death or retirement after becoming vested  
26 may elect to receive a deferred monthly benefit which shall  
27 begin to accrue on the first day of the month of normal or  
28 early retirement and shall be payable on the last day of that  
29 month and each month thereafter during his or her lifetime.  
30 The amount of monthly benefit shall be computed in the same  
31 manner as for a normal retirement benefit in accordance with

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1 subsection (1) or early retirement benefit in accordance with  
2 s. 121.021(30), but based on average monthly compensation and  
3 creditable service as of the date of termination, which  
4 compensation shall be indexed from the date of termination to  
5 the date of retirement by 3 percent per annum.

6 Section 39. Subsection (11) is added to section  
7 216.136, Florida Statutes, 1998 Supplement, to read:

8 216.136 Consensus estimating conferences; duties and  
9 principals.--

10 (11) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION  
11 CONFERENCE.--

12 (a) Duties.--The Florida Retirement System Actuarial  
13 Assumption Conference shall by consensus develop official  
14 information with respect to the economic and noneconomic  
15 assumptions and funding methods of the Florida Retirement  
16 System necessary to perform the study. Such information shall  
17 include an analysis of the actuarial assumptions and actuarial  
18 methods and a determination of whether changes to the  
19 assumptions or methods need to be made due to experience  
20 changes or revised future forecasts.

21 (b) PRINCIPALS.--The principals of the conference  
22 shall include the budget director of the Office of Planning  
23 and Budgeting, the executive director of the State Board of  
24 Administration, the director of the Division of Retirement,  
25 the Coordinator of the Office of Economic and Demographic  
26 Research, the staff director of the Senate Committee on  
27 Budget, the executive director of the House of Representatives  
28 Fiscal Responsibility Council, the staff director of the  
29 Senate Committee on Governmental Oversight and Productivity,  
30 and the staff director of the House of Representatives  
31 Committee on Governmental Operations. The executive director

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1 of the State Board of Administration shall preside over  
2 sessions of the conference.

3 Section 40. Paragraph (c) is added to subsection (15)  
4 of section 121.021, Florida Statutes, 1998 Supplement, to  
5 read:

6 121.021 Definitions.--The following words and phrases  
7 as used in this chapter have the respective meanings set forth  
8 unless a different meaning is plainly required by the context:

9 (15)

10 (c) Effective October 1, 1999, "special risk member"  
11 means a member of the Florida Retirement System who is  
12 designated as a special risk member by the division in  
13 accordance with s. 121.0515. Such member must be employed as  
14 a law enforcement officer, a firefighter, a correctional  
15 officer, an emergency medical technician, or a paramedic and  
16 must meet certain other special criteria as set forth in s.  
17 121.0515.

18 Section 41. Subsections (1) and (2) and paragraph (a)  
19 of subsection (7) of section 121.0515, Florida Statutes, 1998  
20 Supplement, are amended to read:

21 121.0515 Special risk membership; criteria;  
22 designation and removal of classification; credits for past  
23 service and prior service; retention of special risk normal  
24 retirement date.--

25 (1) LEGISLATIVE INTENT.--In creating the Special Risk  
26 Class of membership within the Florida Retirement System, it  
27 is the intent and purpose of the Legislature to recognize that  
28 persons employed in certain categories of law enforcement,  
29 firefighting, ~~and~~ criminal detention, and emergency medical  
30 care positions are required as one of the essential functions  
31 of their positions to perform work that is physically

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1 demanding or arduous, or work that requires extraordinary  
2 agility and mental acuity, and that such persons, because of  
3 diminishing physical and mental faculties, may find that they  
4 are not able, without risk to the health and safety of  
5 themselves, the public, or their coworkers, to continue  
6 performing such duties and thus enjoy the full career and  
7 retirement benefits enjoyed by persons employed in other  
8 positions and that, if they find it necessary, due to the  
9 physical and mental limitations of their age, to retire at an  
10 earlier age and usually with less service, they will suffer an  
11 economic deprivation therefrom. Therefore, as a means of  
12 recognizing the peculiar and special problems of this class of  
13 employees, it is the intent and purpose of the Legislature to  
14 establish a class of retirement membership that awards more  
15 retirement credit per year of service than that awarded to  
16 other employees; however, nothing contained herein shall  
17 require ineligibility for special risk membership upon  
18 reaching age 55.

19 (2) CRITERIA.--A member, to be designated as a special  
20 risk member, must meet the following criteria:

21 (a) The member must be employed as a law enforcement  
22 officer and be certified, or required to be certified, in  
23 compliance with s. 943.1395; however, sheriffs and elected  
24 police chiefs shall be excluded from meeting the certification  
25 requirements of this paragraph. In addition, the member's  
26 duties and responsibilities must include the pursuit,  
27 apprehension, and arrest of law violators or suspected law  
28 violators; or the member must be an active member of a bomb  
29 disposal unit whose primary responsibility is the location,  
30 handling, and disposal of explosive devices; or the member  
31 must be the supervisor or command officer of a member or

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1 members who have such responsibilities; provided, however,  
2 administrative support personnel, including, but not limited  
3 to, those whose primary duties and responsibilities are in  
4 accounting, purchasing, legal, and personnel, shall not be  
5 included;

6 (b) The member must be employed as a firefighter and  
7 be certified, or required to be certified, in compliance with  
8 s. 633.35 and be employed solely within the fire department of  
9 the employer or agency of state government. In addition, the  
10 member's duties and responsibilities must include on-the-scene  
11 fighting of fires or direct supervision of firefighting units,  
12 or the member must be the supervisor or command officer of a  
13 member or members who have such responsibilities; provided,  
14 however, administrative support personnel, including, but not  
15 limited to, those whose primary duties and responsibilities  
16 are in accounting, purchasing, legal, and personnel, shall not  
17 be included; ~~or~~

18 (c) The member must be employed as a correctional  
19 officer and be certified, or required to be certified, in  
20 compliance with s. 943.1395. In addition, the member's  
21 primary duties and responsibilities must be the custody, and  
22 physical restraint when necessary, of prisoners or inmates  
23 within a prison, jail, or other criminal detention facility,  
24 or while on work detail outside the facility, or while being  
25 transported; or the member must be the supervisor or command  
26 officer of a member or members who have such responsibilities;  
27 provided, however, administrative support personnel,  
28 including, but not limited to, those whose primary duties and  
29 responsibilities are in accounting, purchasing, legal, and  
30 personnel, shall not be included; however, superintendents and  
31 assistant superintendents shall participate in the Special

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1 Risk Class; ~~or~~

2 (d) The member must be employed by a licensed Advance  
3 Life Support (ALS) or Basic Life Support (BLS) employer as an  
4 emergency medical technician or a paramedic and be certified  
5 in compliance with s. 401.27. In addition, the member's  
6 primary duties and responsibilities must include on-the-scene  
7 emergency medical care. However, administrative support  
8 personnel, including, but not limited to, those whose primary  
9 responsibilities are in accounting, purchasing, legal, and  
10 personnel, shall not be included.

11 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT  
12 DATE.--

13 (a) A special risk member who is moved or reassigned  
14 to a nonspecial risk law enforcement, firefighting, ~~or~~  
15 correctional, or emergency medical care administrative support  
16 position with the same agency, or who is subsequently employed  
17 in such a position with any law enforcement, firefighting, ~~or~~  
18 correctional, or emergency medical care agency under the  
19 Florida Retirement System, shall participate in the Special  
20 Risk Administrative Support Class and shall earn credit for  
21 such service at the same percentage rate as that earned by a  
22 regular member. Notwithstanding the provisions of subsection  
23 (4), service in such an administrative support position shall,  
24 for purposes of s. 121.091, apply toward satisfaction of the  
25 special risk normal retirement date, as defined in s.  
26 121.021(29)(b), provided that, while in such position, the  
27 member remains certified as a law enforcement officer,  
28 firefighter, ~~or~~ correctional officer, emergency medical  
29 technician, or paramedic; remains subject to reassignment at  
30 any time to a position qualifying for special risk membership;  
31 and completes an aggregate of 10 or more years of service as a



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1 designated special risk member prior to retirement.

2           Section 42. The Legislature finds that a proper and  
3 legitimate state purpose is served when employees and retirees  
4 of the state and of its political subdivisions, and the  
5 dependents, survivors, and beneficiaries of such employees and  
6 retirees, are extended the basic protections afforded by  
7 governmental retirement systems that provide fair and adequate  
8 benefits and that are managed, administered, and funded in an  
9 actuarially sound manner, as required by s. 14 of Art. X of  
10 the State Constitution and part VII of chapter 112 of the  
11 Florida Statutes. Therefore, the Legislature hereby  
12 determines and declares that the provisions of this act  
13 fulfill an important state interest.

14           Section 43. This act shall take effect July 1, 2001,  
15 except that this section and sections 22 and 37 shall take  
16 effect July 1, 1999; however, the Regular Class Optional  
17 Retirement Program created by this act shall not be  
18 implemented, nor shall the provisions of this act which  
19 provide for improved vesting and indexing of deferred benefits  
20 under the Florida Retirement System take effect, until  
21 legislation is enacted to properly fund such benefit  
22 improvements through adjustments to the contribution rates for  
23 the various membership classes of the Florida Retirement  
24 System, as required by Article X, Section 14, of the State  
25 Constitution. Also, the reenactment of subsection (6) of  
26 section 121.051, paragraph (a) of subsection (7) of section  
27 121.052, paragraph (a) of subsection (3) of section 121.055,  
28 subsection (1) of section 121.071, subsection (12) of section  
29 121.40, and subsections (11) and (12) of section 413.051,  
30 Florida Statutes, shall operate retroactively to June 7, 1996.  
31

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1 ===== T I T L E   A M E N D M E N T =====

2 And the title is amended as follows:

3           Delete everything before the enacting clause

4

5 and insert:

6                                   A bill to be entitled

7           An act relating to state-administered

8           retirement systems; amending s. 112.63, F.S.;

9           providing for review and comment on local

10          government retirement system actuarial

11          valuation reports and impact statements on a

12          triennial basis; clarifying the basis of

13          required payments; amending s. 112.65, F.S.;

14          modifying the limitation on benefits for

15          service under more than one retirement system

16          or plan; amending s. 121.011, F.S.; clarifying

17          requirements related to consolidation of

18          existing retirement systems and preservation of

19          rights; amending s. 121.021, F.S.; redefining

20          "creditable service" to conform the definition

21          to existing law; clarifying creditable service

22          provisions for certain school board employees;

23          amending s. 121.031, F.S.; authorizing the

24          Division of Retirement to adopt rules; creating

25          the Florida Retirement System Actuarial

26          Assumption Conference; providing for duties and

27          members; reenacting s. 121.051(6), F.S.,

28          relating to Florida Retirement System

29          membership status of blind vending facility

30          operators; reenacting ss. 121.052(7)(a),

31          121.055(3)(a), and 121.071(1), F.S., relating

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1 to contribution rates; amending ss. 121.052,  
2 121.055, and 121.071, F.S., changing  
3 contribution rates for specified classes and  
4 subclasses of the system; correcting an error;  
5 conforming provisions relating to de minimis  
6 accounts to federal law; amending s. 121.081,  
7 F.S.; clarifying provisions relating to past  
8 service and prior service; amending s. 121.091,  
9 F.S.; clarifying proof of disability  
10 requirements; modifying provisions relating to  
11 death benefits to permit purchase of certain  
12 retirement credit by joint annuitants;  
13 clarifying the contribution rate and interest  
14 required to be paid for such purchases;  
15 increasing the age at which a Special Risk  
16 Class Member must elect whether to participate  
17 in the Deferred Retirement Option Program;  
18 updating and correcting references; amending s.  
19 121.122, F.S.,; correcting a reference;  
20 amending 121.24, F.S.; authorizing the State  
21 Retirement Commission to adopt rules; amending  
22 s. 121.35, F.S.; conforming provisions relating  
23 to de minimis accounts to federal law; amending  
24 s. 121.40, F.S., to remove reemployment  
25 limitations and reenacting subsection (12),  
26 relating to contribution rates for the  
27 supplemental retirement program for the  
28 Institute of Food and Agricultural Sciences at  
29 the University of Florida; reenacting s.  
30 413.051(11) and (12), F.S., relating to Florida  
31 Retirement System membership eligibility and

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1 retirement contribution payments for blind  
2 vending facility operators; amending ss.  
3 175.071 and 185.06, F.S.; providing, with  
4 respect to the board of trustees for municipal  
5 firefighters' pension trust funds and municipal  
6 police officers' retirement trust funds that  
7 the board may invest in corporations on the  
8 National Market System of the Nasdaq Stock  
9 Market; repealing s. 121.027, F.S., amending s.  
10 112.18, F.S.; providing presumptions that  
11 certain illnesses incurred by law enforcement  
12 officers are done so in the line of duty;  
13 relating to rulemaking authority for that act;  
14 requiring the Board of Trustees of the State  
15 Board of Administration to review the actuarial  
16 valuation of the Florida Retirement System;  
17 requiring the Board to review the process of  
18 retirement contribution rates and comment to  
19 the legislature; creating s. 121.36, F.S.;  
20 creating an optional retirement program for  
21 employees who are regular members of the  
22 Florida Retirement System; providing  
23 eligibility criteria; defining terms; providing  
24 that employees may participate in the optional  
25 retirement program in lieu of participating in  
26 the Florida Retirement System; providing for  
27 retention of retirement service credits;  
28 providing for transfer of the present value of  
29 accrued benefits under the Florida Retirement  
30 System; providing requirements for electing the  
31 optional program; providing for contributions

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1 to the optional program; prescribing vesting  
2 requirements; providing for payment of  
3 benefits; providing for the Division of  
4 Retirement of the Department of Management  
5 Services to administer the program; prescribing  
6 criteria for selecting investment providers and  
7 products and for investment options and  
8 products; providing for performance reviews;  
9 prescribing contract requirements; requiring  
10 that the State Board of Administration provide  
11 advice and assistance to the division and  
12 review proposals; providing for compliance with  
13 federal revenue laws; providing an investment  
14 policy statement; amending s. 112.363, F.S.;  
15 excluding participants from eligibility for  
16 certain health insurance subsidies; prescribing  
17 standards for contracts and descriptive  
18 materials; providing that the act fulfills an  
19 important state interest; amending s. 121.021,  
20 F.S.; modifying definitions to provide for  
21 6-year graded vesting for all members; amending  
22 ss. 112.363, 121.0515, 121.052, 121.053,  
23 121.055, 121.081, 121.091, 121.1115, 121.1122,  
24 121.121, F.S., to conform; providing a  
25 contingency for implementation of the program;  
26 providing for indexing benefits for early  
27 terminators; increasing the employer  
28 contribution rate for members of the Regular  
29 Class of the Florida Retirement System;  
30 amending s. 216.136, F.S.; creating a Florida  
31 Retirement System Actuarial Assumption

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1 Conference; providing duties and principals;  
2 amending s. 121.021, F.S.; redefining the term  
3 "special risk member"; amending s. 121.0515,  
4 F.S.; adding to the Special Risk Class of  
5 membership certain emergency medical  
6 technicians and paramedics; providing  
7 legislative intent; providing effective dates.  
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