

1 A bill to be entitled
2 An act relating to state-administered
3 retirement systems; amending s. 112.63, F.S.;
4 providing for review and comment on local
5 government retirement system actuarial
6 valuation reports and impact statements on a
7 triennial basis; clarifying the basis of
8 required payments; amending s. 112.65, F.S.;
9 modifying the limitation on benefits for
10 service under more than one retirement system
11 or plan; amending s. 121.011, F.S.; clarifying
12 requirements related to consolidation of
13 existing retirement systems and preservation of
14 rights; amending s. 121.021, F.S.; redefining
15 "creditable service" to conform the definition
16 to existing law; clarifying creditable service
17 provisions for certain school board employees;
18 amending s. 121.031, F.S.; authorizing the
19 Division of Retirement to adopt rules; creating
20 the Florida Retirement System Actuarial
21 Assumption Conference; providing for duties and
22 members; reenacting s. 121.051(6), F.S.,
23 relating to Florida Retirement System
24 membership status of blind vending facility
25 operators; reenacting ss. 121.052(7)(a),
26 121.055(3)(a), and 121.071(1), F.S., relating
27 to contribution rates; amending ss. 121.052,
28 121.055, and 121.071, F.S., changing
29 contribution rates for specified classes and
30 subclasses of the system; correcting an error;
31 conforming provisions relating to de minimis

1 accounts to federal law; amending s. 121.081,
2 F.S.; clarifying provisions relating to past
3 service and prior service; amending s. 121.091,
4 F.S.; clarifying proof of disability
5 requirements; modifying provisions relating to
6 death benefits to permit purchase of certain
7 retirement credit by joint annuitants;
8 clarifying the contribution rate and interest
9 required to be paid for such purchases;
10 increasing the age at which a Special Risk
11 Class Member must elect whether to participate
12 in the Deferred Retirement Option Program;
13 updating and correcting references; amending s.
14 121.122, F.S.,; correcting a reference;
15 amending 121.24, F.S.; authorizing the State
16 Retirement Commission to adopt rules; amending
17 s. 121.35, F.S.; conforming provisions relating
18 to de minimis accounts to federal law; amending
19 s. 121.40, F.S., to remove reemployment
20 limitations and reenacting subsection (12),
21 relating to contribution rates for the
22 supplemental retirement program for the
23 Institute of Food and Agricultural Sciences at
24 the University of Florida; reenacting s.
25 413.051(11) and (12), F.S., relating to Florida
26 Retirement System membership eligibility and
27 retirement contribution payments for blind
28 vending facility operators; amending ss.
29 175.071 and 185.06, F.S.; providing, with
30 respect to the board of trustees for municipal
31 firefighters' pension trust funds and municipal

1 police officers' retirement trust funds that
2 the board may invest in corporations on the
3 National Market System of the Nasdaq Stock
4 Market; repealing s. 121.027, F.S., amending s.
5 112.18, F.S.; providing presumptions that
6 certain illnesses incurred by law enforcement
7 officers are done so in the line of duty;
8 relating to rulemaking authority for that act;
9 requiring the Board of Trustees of the State
10 Board of Administration to review the actuarial
11 valuation of the Florida Retirement System;
12 requiring the Board to review the process of
13 retirement contribution rates and comment to
14 the legislature; amending s. 121.021, F.S.;
15 redefining the term "special risk member";
16 amending s. 121.0515, F.S.; adding to the
17 Special Risk Class of membership certain
18 emergency medical technicians and paramedics;
19 providing legislative intent; providing
20 effective dates.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Subsections (4) and (5) of section 112.63,
25 Florida Statutes, are amended to read:

26 112.63 Actuarial reports and statements of actuarial
27 impact; review.--

28 (4) Upon receipt, pursuant to subsection (2), of an
29 actuarial report, or upon receipt, pursuant to subsection (3),
30 of a statement of actuarial impact, the division shall
31 acknowledge such receipt, but shall only review and comment on

1 each retirement system's or plan's ~~the~~ actuarial valuations at
2 least on a triennial basis ~~and statements~~. If the division
3 finds that the actuarial valuation is not complete, accurate,
4 or based on reasonable assumptions, or if the division does
5 not receive the actuarial report or statement of actuarial
6 impact, the division shall notify the local government and
7 request appropriate adjustment. If, after a reasonable period
8 of time, a satisfactory adjustment is not made, the affected
9 local government or the division may petition for a hearing
10 under the provisions of ss. 120.569 and 120.57. If the
11 administrative law judge recommends in favor of the division,
12 the division shall perform an actuarial review or prepare the
13 statement of actuarial impact. The cost to the division of
14 performing such actuarial review or preparing such statement
15 shall be charged to the governmental entity of which the
16 employees are covered by the retirement system or plan. If
17 payment of such costs is not received by the division within
18 60 days after receipt by the governmental entity of the
19 request for payment, the division shall certify to the
20 Comptroller the amount due, and the Comptroller shall pay such
21 amount to the division from any funds payable to the
22 governmental entity of which the employees are covered by the
23 retirement system or plan. If the administrative law judge
24 recommends in favor of the local retirement system and the
25 division performs an actuarial review, the cost to the
26 division of performing the actuarial review shall be paid by
27 the division.

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

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

3 112.65 Limitation of benefits.--

4 (2) No member of a retirement system or plan covered
5 by this part who is not now a member of such plan shall be
6 allowed to receive a retirement benefit or pension which is in
7 part or in whole based upon any service with respect to which
8 the member is already receiving, or will receive in the
9 future, a retirement benefit or pension from a different
10 employer's ~~another~~ retirement system or plan. This
11 restriction does not apply to social security benefits or
12 federal benefits under chapter 67, Title 10, U.S. Code.

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

16 121.011 Florida Retirement System.--

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

18 (b) The chapters or retirement system laws named in
19 paragraph (a) are hereby consolidated as separate instruments
20 appended to the "Florida Retirement System Act" established by
21 this chapter, and the administration of said chapters or
22 retirement systems shall be consolidated with the
23 administration of the Florida Retirement System established by
24 this chapter, and the Florida Retirement System shall assume
25 all liabilities related to the payment of benefits to members
26 and their beneficiaries under the respective retirement
27 systems of the members and their beneficiaries.

28 (3) PRESERVATION OF RIGHTS.--

29 (e) Any member of the Florida Retirement System or any
30 member of an existing system under this chapter on July 1,
31 1975, who is not retired and who is, has been, or shall be,

1 suspended and reinstated without compensation shall receive
2 retirement service credit for the period of time from the date
3 of suspension to the date of reinstatement, provided:

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

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

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

25 Section 4. Paragraph (a) of subsection (17) of section
26 121.021, Florida Statutes, 1998 Supplement, is amended to
27 read:

28 121.021 Definitions.--The following words and phrases
29 as used in this chapter have the respective meanings set forth
30 unless a different meaning is plainly required by the context:
31

1 (17)(a) "Creditable service" of any member means the
 2 sum of his or her past service, prior service, military
 3 service, out-of-state or non-FRS in-state service, workers'
 4 compensation credit, leave-of-absence credit and future
 5 service allowed within the provisions of this chapter if all
 6 required contributions have been paid and all other
 7 requirements of this chapter have been met. However, in no
 8 case shall a member receive credit for more than a year's
 9 service during any 12-month period. Service by ~~as applied to~~ a
 10 teacher, ~~or~~ a nonacademic employee of a school board, or an
 11 employee of a participating employer other than a school board
 12 whose total employment is to provide services to a school
 13 board for the school year only shall be based on contract
 14 years of employment or school term years of employment, as
 15 provided in chapters 122 and 238, rather than 12-month periods
 16 of employment.

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

19 121.031 Administration of system; appropriation;
 20 oaths; actuarial studies; public records.--

21 (1) The Division of Retirement has the authority to
 22 adopt ~~shall make such~~ rules pursuant to ss. 120.54 and
 23 120.536(1) to implement the provisions of law conferring
 24 duties upon the division and to adopt rules as are necessary
 25 for the effective and efficient administration of this system.
 26 The funds to pay the expenses for ~~such~~ administration of the
 27 system are hereby appropriated from the interest earned on
 28 investments made for the retirement and social security trust
 29 funds and the assessments allowed under chapter 650.

30 (3) The administrator shall cause an actuarial study
 31 of the system to be made at least once every 2 years and shall

1 report the results of such study to the Legislature by
2 February 1 prior to the next legislative session. ~~Such study~~
3 ~~shall, at a minimum, conform to the requirements of s. 112.63,~~
4 ~~with the following exceptions and additions:~~

5 (a) The study shall, at a minimum, conform to the
6 requirements of s. 112.63, with the following exceptions and
7 additions:

8 1.(a) The valuation of plan assets shall be based on a
9 5-year averaging methodology such as that specified in the
10 United States Department of Treasury Regulations, 26 C.F.R. s.
11 1.412(c)(2)-1, or a similar accepted approach designed to
12 attenuate fluctuations in asset values.

13 2.(b) The study shall include a narrative explaining
14 the changes in the covered group over the period between
15 actuarial valuations and the impact of those changes on
16 actuarial results.

17 3.(c) When substantial changes in actuarial
18 assumptions have been made, the study shall reflect the
19 results of an actuarial assumption as of the current date
20 based on the assumptions utilized in the prior actuarial
21 report.

22 4.(d) The study shall include an analysis of the
23 changes in actuarial valuation results by the factors
24 generating those changes. Such analysis shall reconcile the
25 current actuarial valuation results with those results from
26 the prior valuation.

27 5.(e) The study shall include measures of funding
28 status and funding progress designed to facilitate the
29 assessment of trends over several actuarial valuations with
30 respect to the overall solvency of the system. Such measures
31 shall be adopted by the division and shall be used

1 consistently in all actuarial valuations performed on the
2 system.

3 (b) The Florida Retirement System Actuarial Assumption
4 Conference which is hereby created shall by consensus develop
5 official information with respect to the economic and
6 noneconomic assumptions and funding methods of the Florida
7 Retirement System necessary to perform the study. Such
8 information shall include: an analysis of the actuarial
9 assumptions and actuarial methods and a determination of
10 whether changes to the assumptions or methods need to be made
11 due to experience changes or revised future forecasts. The
12 members of the conference shall include the Executive Office
13 of the Governor, the coordinator of the Office of Economic and
14 Demographic Research, and professional staff of the Senate and
15 House of Representatives who have forecasting expertise, or
16 their designees. The Executive Office of the Governor shall
17 have the responsibility of presiding over the sessions of the
18 conference. The State Board of Administration and the
19 Division of Retirement shall be participants, as defined in s.
20 216.134, in the conference.

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

24 121.051 Participation in the system.--

25 (6) SEASONAL STATE EMPLOYMENT; BLIND VENDING FACILITY
26 OPERATORS.--

27 (a) Seasonal state employment shall be included under
28 this chapter, and the time limit and procedure for claiming
29 same as set forth in s. 122.07 shall continue under this
30 chapter for those members transferring to this system and for
31 all new members.

1 (b)1. All blind or partially sighted persons employed
2 or licensed by the Division of Blind Services as vending
3 facility operators on or after December 1, 1970, and prior to
4 July 1, 1996, are hereby declared to be state employees within
5 the meaning of this chapter, and all vending facility
6 operators licensed and employed during that period shall be
7 compulsory members of the Florida Retirement System in
8 compliance with this chapter for as long as the member is a
9 vending facility operator, except as provided in subparagraph
10 3.

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

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

28 4. All blind or partially sighted persons employed or
29 licensed by the Division of Blind Services as vending facility
30 operators on or after July 1, 1996, shall be independent
31

1 contractors within the meaning of this chapter and shall not
 2 be eligible for membership in the Florida Retirement System.

3 Section 7. Paragraph (a) of subsection (7) of section
 4 121.052, Florida Statutes, 1998 Supplement, as amended by
 5 chapters 96-423 and 98-413, Laws of Florida, is reenacted and
 6 amended to read:

7 121.052 Membership class of elected officers.--

8 (7) CONTRIBUTIONS.--

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

18	19 Dates of Contribution		
20	Rate Changes	Members	Employers
21			
22	July 1, 1972, through September 30, 1977		
23	Legislators	8%	8%
24	All Other Members	8%	8%
25			
26	October 1, 1977, through September 30, 1978		
27	Legislators	8%	8%
28	All Other Members	4%	12%
29			
30	October 1, 1978, through September 30, 1979		
31	Legislators	8%	10.57%

1	All Other Members	4%	16.78%
2			
3	October 1, 1979, through September 30, 1981		
4	Legislators	8%	10.57%
5	Governor, Lt. Governor, Cabinet		
6	Officers	4%	16.78%
7	All Other Members	0%	20.78%
8			
9	July 1, 1981, through June 30, 1984		
10	County Elected Officers	0%	19.30%
11			
12	July 1, 1984, through September 30, 1984		
13	County Elected Officers	0%	20.25%
14			
15	October 1, 1981, through September 30, 1984		
16	Legislators	0%	19.30%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	21.03%
19	State Attorneys, Public Defenders	0%	20.95%
20	Justices, Judges	0%	22.55%
21			
22	October 1, 1984, through September 30, 1986		
23	Legislators	0%	10.98%
24	Governor, Lt. Governor, Cabinet		
25	Officers	0%	10.98%
26	State Attorneys, Public Defenders	0%	10.98%
27	Justices, Judges	0%	21.79%
28	County Elected Officers	0%	16.97%
29			
30	October 1, 1986, through December 31, 1988		
31	Legislators	0%	11.50%

1	Governor, Lt. Governor, Cabinet		
2	Officers	0%	11.50%
3	State Attorneys, Public Defenders	0%	11.50%
4	Justices, Judges	0%	20.94%
5	County Elected Officers	0%	17.19%
6			
7	January 1, 1989, through December 31, 1989		
8	Legislators	0%	13.70%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	13.70%
11	State Attorneys, Public Defenders	0%	13.70%
12	Justices, Judges	0%	22.58%
13	County Elected Officers	0%	18.44%
14			
15	January 1, 1990, through December 31, 1990		
16	Legislators	0%	15.91%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	15.91%
19	State Attorneys, Public Defenders	0%	15.91%
20	Justices, Judges	0%	24.22%
21	County Elected Officers	0%	19.71%
22			
23	January 1, 1991, through December 31, 1991		
24	Legislators	0%	17.73%
25	Governor, Lt. Governor, Cabinet		
26	Officers	0%	17.73%
27	State Attorneys, Public Defenders	0%	17.73%
28	Justices, Judges	0%	26.63%
29	County Elected Officers	0%	23.32%
30			
31	January 1, 1992, through December 31, 1992		

1	Legislators	0%	19.94%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	19.94%
4	State Attorneys, Public Defenders	0%	19.94%
5	Justices, Judges	0%	28.27%
6	County Elected Officers	0%	24.59%
7			
8	January 1, 1993, through December 31, 1993		
9	Legislators	0%	22.14%
10	Governor, Lt. Governor, Cabinet		
11	Officers	0%	22.14%
12	State Attorneys, Public Defenders	0%	22.14%
13	Justices, Judges	0%	29.91%
14	County Elected Officers	0%	25.84%
15			
16	January 1, 1994, through December 31, 1994		
17	Legislators	0%	22.65%
18	Governor, Lt. Governor, Cabinet		
19	Officers	0%	22.65%
20	State Attorneys, Public Defenders	0%	22.65%
21	Justices, Judges	0%	30.52%
22	County Elected Officers	0%	26.07%
23			
24	January 1, 1995, through December 31, 1995		
25	Legislators	0%	22.80%
26	Governor, Lt. Governor, Cabinet		
27	Officers	0%	22.80%
28	State Attorneys, Public Defenders	0%	22.80%
29	Justices, Judges	0%	30.21%
30	County Elected Officers	0%	27.48%
31			

1	January 1, 1996, through June 30, 1996		
2	Legislators	0%	22.90%
3	Governor, Lt. Governor, Cabinet		
4	Officers	0%	22.90%
5	State Attorneys, Public Defenders	0%	22.90%
6	Justices, Judges	0%	30.15%
7	County Elected Officers	0%	27.54%
8			
9	July 1, 1996, through June 30, 1998		
10	Legislators	0%	23.07%
11	Governor, Lt. Governor, Cabinet		
12	Officers	0%	23.07%
13	State Attorneys, Public Defenders	0%	23.07%
14	Justices, Judges	0%	29.55%
15	County Elected Officers	0%	27.33%
16			
17	<u>Effective July 1, 1998, through</u>		
18	<u>June 30, 1999</u>		
19	Legislators	0%	22.33%
20	Governor, Lt. Governor, Cabinet		
21	Officers	0%	22.33%
22	State Attorneys, Public Defenders	0%	22.33%
23	Justices, Judges	0%	27.21%
24	County Elected Officers	0%	26.99%
25			
26	<u>Effective July 1, 1999</u>		
27	<u>Legislators</u>	<u>0%</u>	<u>14.31%</u>
28	<u>Governor, Lt. Governor, Cabinet</u>		
29	<u>Officers</u>	<u>0%</u>	<u>14.31%</u>
30	<u>State Attorneys, Public</u>		
31	<u>Defenders</u>	<u>0%</u>	<u>14.31%</u>

1	<u>Justices, Judges</u>	<u>0%</u>	<u>20.48%</u>
2	<u>County Elected</u>		
3	<u>Officers</u>	<u>0%</u>	<u>17.05%</u>
4			

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

10 121.055 Senior Management Service Class.--There is
 11 hereby established a separate class of membership within the
 12 Florida Retirement System to be known as the "Senior
 13 Management Service Class," which shall become effective
 14 February 1, 1987.

15 (3)(a) The following table states the required
 16 retirement contribution rates for members of the Senior
 17 Management Service Class and their employers in terms of a
 18 percentage of the member's gross compensation. A change in
 19 the contribution rate is effective with the first salary paid
 20 on or after the beginning date of the change. Contributions
 21 shall be made for each pay period and are in addition to the
 22 contributions required for social security and the Retiree
 23 Health Insurance Subsidy Trust Fund.

24
 25 Dates of Contribution

	Rate Changes	Members	Employers
26			
27			
28	February 1, 1987, through		
29	December 31, 1988	0%	13.88%
30	January 1, 1989, through		
31	December 31, 1989	0%	14.95%

1	January 1, 1990, through		
2	December 31, 1990	0%	16.04%
3	January 1, 1991, through		
4	December 31, 1991	0%	18.39%
5	January 1, 1992, through		
6	December 31, 1992	0%	19.48%
7	January 1, 1993, through		
8	December 31, 1993	0%	20.55%
9	January 1, 1994, through		
10	December 31, 1994	0%	23.07%
11	January 1, 1995, through		
12	December 31, 1995	0%	23.88%
13	January 1, 1996, through		
14	June 30, 1996	0%	24.14%
15	July 1, 1996, through		
16	June 30, 1998	0%	21.58%
17	Effective <u>July 1, 1998, through</u>		
18	<u>June 30, 1999</u>	0%	23.10%
19	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.19%</u>

20

21 (6)

22 (e) Benefits.--

23 1. Benefits shall be payable under the Senior

24 Management Service Optional Annuity Program only to

25 participants in the program, or their beneficiaries as

26 designated by the participant in the contract with a provider

27 company, and such benefits shall be paid by the designated

28 company in accordance with the terms of the annuity contract

29 or contracts applicable to the participant. A participant must

30 be terminated from all employment with all Florida Retirement

31 System employers as provided in s. 121.021(39) to begin

1 receiving the employer-funded benefit. Benefits funded by
2 employer contributions shall be payable only as a lifetime
3 annuity to the participant, his beneficiary, or his estate,
4 except for:

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

7 b. A cash-out of a de minimis account upon the request
8 of a former participant who has been terminated for a minimum
9 of 6 months from the employment that entitled him to optional
10 annuity retirement program participation. A de minimis account
11 is an account with a provider company containing employer
12 contributions and accumulated earnings of not more than \$5,000
13 ~~\$3,500~~ made under the provisions of this chapter. Such
14 cash-out must be a complete liquidation of the account balance
15 with that company and is subject to the provisions of the
16 Internal Revenue Code.

17 2. The benefits payable to any person under the Senior
18 Management Service Optional Annuity Program, and any
19 contribution accumulated under such program, shall not be
20 subject to assignment, execution, or attachment or to any
21 legal process whatsoever.

22 3. A participant who receives optional annuity program
23 benefits funded by employer contributions shall be deemed to
24 be retired from a state-administered retirement system in the
25 event of subsequent employment with any employer that
26 participates in the Florida Retirement System.

27 Section 9. Subsection (1) of section 121.071, Florida
28 Statutes, 1998 Supplement, as amended by chapters 96-423 and
29 98-413, Laws of Florida, is reenacted and amended to read:

30 121.071 Contributions.--Contributions to the system
31 shall be made as follows:

1 (1) The following tables state the required retirement
 2 contribution rates for members of the Regular Class, Special
 3 Risk Class, or Special Risk Administrative Support Class and
 4 their employers in terms of a percentage of the member's gross
 5 compensation. A change in a contribution rate is effective
 6 with the first salary paid on or after the beginning date of
 7 the change. Contributions shall be made or deducted as may be
 8 appropriate for each pay period and are in addition to the
 9 contributions required for social security and the Retiree
 10 Health Insurance Subsidy Trust Fund.

11 (a) Retirement contributions for regular members are
 12 as follows:

14 Dates of Contribution	Members	Employers
15 Rate Changes 16 17 December 1, 1970, through December 18 31, 1974, for state agencies, state 19 universities, community colleges, 20 and district school boards	4%	4%
22 December 1, 1970, through September 23 30, 1975, for all other local 24 government agencies	4%	4%
26 January 1, 1975, through September 27 30, 1978, for state agencies and 28 state universities	0%	9%

1			
2	January 1, 1975, through July 31,		
3	1978, for community colleges and		
4	district school boards	0%	9%
5			
6	October 1, 1975, through September		
7	30, 1978, for all other local		
8	government agencies	0%	9%
9			
10	August 1, 1978, through September 30,		
11	1981, for community colleges and		
12	district school boards	0%	9.1%
13			
14	October 1, 1978, through September		
15	30, 1981, for all other agencies	0%	9.1%
16			
17	October 1, 1981, through		
18	September 30, 1984	0%	10.93%
19	October 1, 1984, through		
20	September 30, 1986	0%	12.24%
21	October 1, 1986, through		
22	December 31, 1988	0%	13.14%
23	January 1, 1989, through		
24	December 31, 1989	0%	13.90%
25	January 1, 1990, through		
26	December 31, 1990	0%	14.66%
27	January 1, 1991, through		
28	December 31, 1991	0%	15.72%
29	January 1, 1992, through		
30	December 31, 1992	0%	16.51%
31	January 1, 1993, through		

1	December 31, 1993	0%	17.27%
2	January 1, 1994, through		
3	December 31, 1994	0%	17.10%
4	January 1, 1995, through		
5	December 31, 1995	0%	16.91%
6	January 1, 1996, through		
7	June 30, 1996	0%	17.00%
8	July 1, 1996, through		
9	June 30, 1998	0%	16.77%
10	Effective <u>July 1, 1998, through</u>		
11	<u>June 30, 1999</u>	0%	15.51%
12	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>9.21%</u>

13
 14 (b) Retirement contributions for special risk members
 15 are as follows:

17	Dates of Contribution		
18	Rate Changes	Members	Employers
19			
20	December 1, 1970, through		
21	September 30, 1974	6%	6%
22			
23	October 1, 1974, through December 31,		
24	1974, for state agencies, state		
25	universities, community colleges,		
26	and district school boards	8%	8%
27			
28	October 1, 1974, through September		
29	30, 1975, for all other local		
30	government agencies	8%	8%
31			

1			
2	January 1, 1975, through September		
3	30, 1978, for state agencies, state		
4	universities, community colleges,		
5	and district school boards	0%	13%
6			
7	October 1, 1975, through September		
8	30, 1978, for other local		
9	government agencies	0%	13%
10			
11	October 1, 1978, through		
12	September 30, 1981	0%	13.95%
13	October 1, 1981, through		
14	September 30, 1984	0%	13.91%
15	October 1, 1984, through		
16	September 30, 1986	0%	14.67%
17	October 1, 1986, through		
18	December 31, 1988	0%	15.11%
19	January 1, 1989, through		
20	December 31, 1989	0%	17.50%
21	January 1, 1990, through		
22	December 31, 1990	0%	19.90%
23	January 1, 1991, through		
24	December 31, 1991	0%	25.52%
25	January 1, 1992, through		
26	December 31, 1992	0%	26.35%
27	January 1, 1993, through		
28	December 31, 1993	0%	27.14%
29	January 1, 1994, through		
30	December 31, 1994	0%	27.03%
31	January 1, 1995, through		

1	December 31, 1995	0%	26.83%
2	January 1, 1996, through		
3	June 30, 1996	0%	26.84%
4	July 1, 1996, through		
5	June 30, 1998	0%	26.44%
6	Effective <u>July 1, 1998, through</u>		
7	<u>June 30, 1999</u>	0%	24.38%
8	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>20.22%</u>
9			
10	(c) Retirement contributions for special risk		
11	administrative support members are as follows:		
12			
13	Dates of Contribution		
14	Rate Changes	Members	Employers
15			
16	July 1, 1982, through		
17	September 30, 1984	0%	11.14%
18	October 1, 1984, through		
19	September 30, 1986	0%	13.09%
20	October 1, 1986, through		
21	December 31, 1988	0%	15.44%
22	January 1, 1989, through		
23	December 31, 1989	0%	14.76%
24	January 1, 1990, through		
25	December 31, 1990	0%	14.09%
26	January 1, 1991, through		
27	December 31, 1991	0%	20.16%
28	January 1, 1992, through		
29	December 31, 1992	0%	19.51%
30	January 1, 1993, through		
31	December 31, 1993	0%	18.83%

1	January 1, 1994, through		
2	December 31, 1994	0%	18.59%
3	January 1, 1995, through		
4	December 31, 1995	0%	17.81%
5	January 1, 1996, through		
6	June 30, 1996	0%	17.80%
7	July 1, 1996, through		
8	June 30, 1998	0%	17.20%
9	Effective <u>July 1, 1998, through</u>		
10	<u>June 30, 1999</u>	0%	14.64%
11	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.53</u>

12
 13 Section 10. Paragraph (i) of subsection (1) and
 14 subsection (2) of section 121.081, Florida Statutes, 1998
 15 Supplement, are amended to read:

16 121.081 Past service; prior service;
 17 contributions.--Conditions under which past service or prior
 18 service may be claimed and credited are:

19 (1)

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

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

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

30 3. The employee must have returned to employment with
 31 a state agency employer who participated in the retirement

1 system, which return was immediately upon termination of the
2 educational leave, and must have remained on the employer's
3 payroll for at least 1 calendar month ~~30 calendar days~~
4 following the return to employment;

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

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

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

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

19 (2) Prior service, as defined in s. 121.021(19), may
20 be claimed as creditable service under the Florida Retirement
21 System after a member has been reemployed for 1 complete year
22 of creditable service within a period of 12 consecutive
23 ~~continuous~~ months, except as provided in paragraph (c).
24 Service performed as a participant of the optional retirement
25 program for the State University System under s. 121.35 or the
26 Senior Management Service Optional Annuity Program under s.
27 121.055 may be used to satisfy the reemployment requirement of
28 1 complete year of creditable service ~~12-month period~~
29 ~~requirement~~. The member shall not be permitted to make any
30 contributions for prior service until after completion of the
31 1 year of creditable service ~~12-month period~~. The required

1 contributions for claiming the various types of prior service
2 are:

3 (a) For prior service performed prior to the date the
4 system becomes noncontributory for the member and for which
5 the member had credit under one of the existing retirement
6 systems and received a refund of contributions upon
7 termination of employment, the member shall contribute 4
8 percent of all salary received during the period being
9 claimed, plus 4 percent interest compounded annually from date
10 of refund until July 1, 1975, and 6.5 percent interest
11 compounded annually thereafter, until full payment is made to
12 the Retirement Trust Fund. A member who elected to transfer to
13 the Florida Retirement System from an existing system may
14 receive credit for prior service under the existing system if
15 he or she was eligible under the existing system to claim the
16 prior service at the time of the transfer. Contributions for
17 such prior service shall be determined by the applicable
18 provisions of the system under which the prior service is
19 claimed and shall be paid by the member, with matching
20 contributions paid by the employer at the time the service was
21 performed. Effective July 1, 1978, the account of a person who
22 terminated under s. 238.05(3) may not be charged interest for
23 contributions that remained on deposit in the Annuity Savings
24 Trust Fund established under chapter 238, upon retirement
25 under this chapter or chapter 238.

26 (b) For prior service performed prior to the date the
27 system becomes noncontributory for the member and for which
28 the member had credit under the Florida Retirement System and
29 received a refund of contributions upon termination of
30 employment, the member shall contribute at the rate that was
31 required of him or her during the period of service being

1 claimed, on all salary received during such period, plus 4
2 percent interest compounded annually from date of refund until
3 July 1, 1975, and 6.5 percent interest compounded annually
4 thereafter, until the full payment is made to the Retirement
5 Trust Fund.

6 (c) For prior service as defined in s. 121.021(19)(b)
7 and (c) during which no contributions were made because the
8 member did not participate in a retirement system, the member
9 shall contribute 14.38 percent of all salary received during
10 such period or 14.38 percent of \$100 per month during such
11 period, whichever is greater, plus 4 percent interest
12 compounded annually from the first year of service claimed
13 until July 1, 1975, and 6.5 percent interest compounded
14 annually thereafter, until full payment is made to the
15 Retirement Trust Fund.

16 (d) In order to claim credit for prior service as
17 defined in s. 121.021(19)(d) for which no retirement
18 contributions were paid during the period of such service, the
19 member shall contribute the total employee and employer
20 contributions which were required to be made to the Highway
21 Patrol Pension Trust Fund, as provided in chapter 321, during
22 the period claimed, plus 4 percent interest compounded
23 annually from the first year of service until July 1, 1975,
24 and 6.5 percent interest compounded annually thereafter, until
25 full payment is made to the Retirement Trust Fund. However,
26 any governmental entity which employed such member may elect
27 to pay up to 50 percent of the contributions and interest
28 required to purchase this prior service credit.

29 (e) For service performed under the Florida Retirement
30 System after December 1, 1970, that was never reported to the
31 division due to error, retirement credit may be claimed by a

1 member of the Florida Retirement System. The division shall
2 adopt rules establishing criteria for claiming such credit and
3 detailing the documentation required to substantiate the
4 error.

5 (f) The employer may not be required to make
6 contributions for prior service credit for any member, except
7 that the employer shall pay the employer portion of
8 contributions for any legislator who elects to withdraw from
9 the Florida Retirement System and later rejoins the system and
10 pays any employee contributions required in accordance with s.
11 121.052(3)(d).

12 Section 11. Paragraph (c) of subsection (4), paragraph
13 (f) of subsection (7), and paragraphs (a) and (i) of
14 subsection (13) of section 121.091, Florida Statutes, 1998
15 Supplement, are amended to read:

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

29 (4) DISABILITY RETIREMENT BENEFIT.--

30 (b) Total and permanent disability.--A member shall be
31 considered totally and permanently disabled if, in the opinion

1 of the administrator, he or she is prevented, by reason of a
2 medically determinable physical or mental impairment, from
3 rendering useful and efficient service as an officer or
4 employee.

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

9 1. Such, ~~which~~ proof shall include the certification
10 of the member's total and permanent disability by two licensed
11 physicians of the state and such other evidence of disability
12 as the administrator may require, including reports from
13 vocational rehabilitation, evaluation, or testing specialists
14 who have evaluated the applicant for employment.

15 2. It must be documented that:

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

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

21 c. The member has not been employed with any other
22 employer after such termination.

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

29 4. The unavailability of an employment position that
30 the member is physically and mentally capable of performing
31

1 will not be considered as proof of total and permanent
2 disability.

3 (7) DEATH BENEFITS.--

4 (f) Notwithstanding any other provisions in this
5 chapter to the contrary and upon application to the
6 administrator, an eligible joint annuitant, of a member whose
7 employment is terminated by death within 1 year of such member
8 satisfying the service requirements for vesting and retirement
9 eligibility, shall be permitted to purchase only the
10 additional service credit necessary to vest and qualify for
11 retirement benefits, not to exceed a total of 1 year of
12 credit, by one or a combination of the following methods:

13 1. Such eligible joint annuitant may use the deceased
14 member's accumulated hours of annual, sick, and compensatory
15 leave to purchase additional creditable service, on an hour by
16 hour basis, provided that such deceased member's accumulated
17 leave is sufficient to cover the additional months required.
18 For each month of service credit needed prior to the final
19 month, credit for the total number of work hours in that month
20 must be purchased, using an equal number of the deceased
21 member's accumulated leave hours. Service credit required for
22 the final month in which the deceased member would have become
23 vested shall be awarded upon the purchase of 1 hour of credit.
24 Such eligible joint annuitant shall pay the contribution rate
25 in effect for the period of time being claimed for ~~at the time~~
26 ~~of purchase of~~ the deceased member's class of membership,
27 multiplied by such member's monthly salary at the time of
28 death, plus 6.5 percent interest compounded annually. The
29 accumulated leave payment used in the average final
30 compensation shall not include that portion of the payment

31

1 that represents any leave hours used in the purchase of such
 2 creditable service.

3 2. Such eligible joint annuitant may purchase
 4 additional months of creditable service, ~~up to a maximum of 1~~
 5 ~~year,~~ for any periods of out-of-state service as provided in
 6 s. 121.1115, and ~~or~~ in-state service as provided in s.
 7 121.1122, that the deceased member would have been eligible to
 8 purchase prior to his or her death.

9
 10 Service purchased under this paragraph shall be added to the
 11 creditable service of the member and used to vest for
 12 retirement eligibility, and shall be used in the calculation
 13 of any benefits which may be payable to the eligible joint
 14 annuitant. Any benefits paid in accordance with this
 15 paragraph shall only be made prospectively.

16 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
 17 and subject to the provisions of this section, the Deferred
 18 Retirement Option Program, hereinafter referred to as the
 19 DROP, is a program under which an eligible member of the
 20 Florida Retirement System may elect to participate, deferring
 21 receipt of retirement benefits while continuing employment
 22 with his or her Florida Retirement System employer. The
 23 deferred monthly benefits shall accrue in the System Trust
 24 Fund on behalf of the participant, plus interest compounded
 25 monthly, for the specified period of the DROP participation,
 26 as provided in paragraph (c). Upon termination of employment,
 27 the participant shall receive the total DROP benefits and
 28 begin to receive the previously determined normal retirement
 29 benefits. Participation in the DROP does not guarantee
 30 employment for the specified period of DROP.

31

1 (a) Eligibility of member to participate in the
2 DROP.--All active Florida Retirement System members in a
3 regularly established position, and all active members of
4 either the Teachers' Retirement System established in chapter
5 238 or the State and County Officers' and Employees'
6 Retirement System established in chapter 122 which systems are
7 consolidated within the Florida Retirement System under s.
8 121.011, are eligible to elect participation in the DROP
9 provided that:

10 1. The member is not a renewed member of the Florida
11 Retirement System under s. 121.122, or a member of the State
12 Community College System Optional Retirement Program under s.
13 121.051, the Senior Management Service Optional Annuity
14 Program under s. 121.055, or the optional retirement program
15 for the State University System under s. 121.35.

16 2. Election to participate is made within 12 months
17 immediately following the date on which the member first
18 reaches normal retirement date, or, for a member who reaches
19 normal retirement date based on service before he or she
20 reaches age 62, or age 55 for Special Risk Class members,
21 election to participate may be deferred to the 12 months
22 immediately following the date the member attains 57, or age
23 52 ~~50~~ for Special Risk Class members. For a member who first
24 reached normal retirement date or the deferred eligibility
25 date described above prior to the effective date of this
26 section, election to participate shall be made within 12
27 months after the effective date of this section. A member who
28 fails to make an election within such 12-month limitation
29 period shall forfeit all rights to participate in the DROP.
30 The member shall advise his or her employer and the division
31 in writing of the date on which the DROP shall begin. Such

1 beginning date may be subsequent to the 12-month election
2 period, but must be within the 60-month limitation period as
3 provided in subparagraph (b)1. When establishing eligibility
4 of the member to participate in the DROP or the 60-month
5 maximum participation period, the member may elect to include
6 or exclude any optional service credit purchased by the member
7 from the total service used to establish the normal retirement
8 date. A member with dual normal retirement dates shall be
9 eligible to elect to participate in DROP within 12 months
10 after attaining normal retirement date in either class.

11 3. The employer of a member electing to participate in
12 the DROP, or employers if dually employed, shall acknowledge
13 in writing to the division the date the member's participation
14 in the DROP begins and the date the member's employment and
15 DROP participation will terminate.

16 4. Simultaneous employment of a participant by
17 additional Florida Retirement System employers subsequent to
18 the commencement of participation in the DROP shall be
19 permissible provided such employers acknowledge in writing a
20 DROP termination date no later than the participant's existing
21 termination date or the 60-month limitation period as provided
22 in subparagraph (b)1.

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

25 a. A change of employment must take place without a
26 break in service so that the member receives salary for each
27 month of continuous DROP participation. If a member receives
28 no salary during a month, DROP participation shall cease
29 unless the employer verifies a continuation of the employment
30 relationship for such participant pursuant to s.
31 121.021(39)(b).

1 b. Such participant and new employer shall notify the
2 division on forms required by the division as to the identity
3 of the new employer.

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

12 (i) Contributions.--

13 1. All employers paying the salary of a DROP
14 participant filling a regularly established position shall
15 contribute 11.56 percent of such participant's gross
16 compensation, which shall constitute the entire employer DROP
17 contribution with respect to such participant. Such
18 contributions, payable to the System Trust Fund in the same
19 manner as required in s. 121.071, shall be made as appropriate
20 for each pay period and are in addition to contributions
21 required for social security and the Retiree Health Insurance
22 Subsidy Trust Fund. Such employer, social security, and
23 health insurance subsidy contributions are not included in the
24 DROP.

25 2. The employer shall, in addition to subparagraph 1.,
26 also withhold one-half of the entire social security
27 contribution required for the participant. Contributions for
28 social security by each participant and each employer, in the
29 amount required for social security coverage as now or
30 hereafter provided by the federal Social Security Act, shall
31 be in addition to contributions specified in subparagraph 1.

1 3. All employers paying the salary of a DROP
2 participant filling a regularly established position shall
3 contribute the ~~0.66~~ percent of such participant's gross
4 compensation required in s. 121.071(4), which shall constitute
5 the employer's health insurance subsidy contribution with
6 respect to such participant. Such contributions shall be
7 deposited by the administrator in the Retiree Health Insurance
8 Subsidy Trust Fund.

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

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

24 (3) Such member shall be entitled to purchase
25 additional retirement credit in the Regular Class or the
26 Senior Management Service Class, as applicable, for any
27 postretirement service performed in a regularly established
28 position as follows:

29 (a) For regular class service prior to July 1, 1991,
30 by paying the Regular Class applicable employee and employer
31 contributions for the period being claimed, plus 4 percent

1 interest compounded annually from first year of service
2 claimed until July 1, 1975, and 6.5 percent interest
3 compounded thereafter, until full payment is made to the
4 Florida Retirement System Trust Fund; or

5 (b) For Senior Management Service Class prior to June
6 1, 1997, as provided in s. 121.055(1)(i)~~(h)~~.

7
8 The contribution for postretirement service between July 1,
9 1985, and July 1, 1991, for which the reemployed retiree
10 contribution was paid, shall be the difference between such
11 contribution and the total applicable contribution for the
12 period being claimed, plus interest. The employer of such
13 member may pay the applicable employer contribution in lieu of
14 the member. If a member does not wish to claim credit for all
15 of the postretirement service for which he or she is eligible,
16 the service the member claims must be the most recent service.

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

20 121.24 Conduct of commission business; legal and other
21 assistance; compensation.--

22 (5) The State Retirement Commission has the authority
23 to adopt rules pursuant to ss. 120.54 and 120.536(1) to
24 implement the provisions of law conferring duties upon the
25 commission.

26 Section 14. Paragraph (a) of subsection (5) of section
27 121.35, Florida Statutes, 1998 Supplement, is amended to read:

28 121.35 Optional retirement program for the State
29 University System.--

30 (5) BENEFITS.--

31

1 (a) Benefits shall be payable under the optional
2 retirement program only to vested participants in the program,
3 or their beneficiaries as designated by the participant in the
4 contract with a provider company, and such benefits shall be
5 paid only by the designated company in accordance with the
6 terms of the annuity contract or contracts applicable to the
7 participant. The participant must be terminated from all
8 employment with all Florida Retirement System employers, as
9 provided in s. 121.021(39), to begin receiving the
10 employer-funded benefit. Benefits funded by employer
11 contributions shall be payable only as a lifetime annuity to
12 the participant, his beneficiary, or his estate, except for:

13 1. A lump-sum payment to the beneficiary upon the
14 death of the participant; or

15 2. A cash-out of a de minimis account upon the request
16 of a former participant who has been terminated for a minimum
17 of 6 months from the employment that entitled him to optional
18 retirement program participation. A de minimis account is an
19 account with a provider company containing employer
20 contributions and accumulated earnings of not more than \$5,000
21 ~~\$3,500~~ made under the provisions of this chapter. Such
22 cash-out must be a complete liquidation of the account balance
23 with that company and is subject to the provisions of the
24 Internal Revenue Code.

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

29 121.40 Cooperative extension personnel at the
30 Institute of Food and Agricultural Sciences; supplemental
31 retirement benefits.--

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

4 (e) The person must not be entitled to any benefit
5 from a state-supported retirement system or from social
6 security based upon service as a cooperative extension
7 employee of the institute. Participation in the Institute of
8 Food and Agricultural Sciences Supplemental Retirement Program
9 shall not constitute membership in the Florida Retirement
10 System.

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

12 ~~(a)~~ Any person who is receiving a supplemental
13 retirement benefit under this section may be reemployed by any
14 private or public employer after retirement and receive
15 supplemental retirement benefits pursuant to this section and
16 compensation from his or her employer, without any
17 limitations. However, if a retired participant who is
18 receiving a supplemental retirement benefit under this section
19 is reemployed at the institute in a position as a cooperative
20 extension employee of the institute, he or she shall forfeit
21 all rights to supplemental retirement benefits in accordance
22 with the eligibility provisions of subsection (4)(e)., except
23 that no person may receive both a salary from reemployment
24 with any agency participating in the Florida Retirement System
25 and supplemental retirement benefits under this section for a
26 period of 12 months immediately subsequent to the date of
27 retirement.

28 ~~(b)~~ Each person to whom the limitation in paragraph
29 ~~(a)~~ applies who violates such reemployment limitation and who
30 is reemployed with any agency participating in the Florida
31 Retirement System prior to completion of the 12-month

1 ~~limitation period shall give timely notice of this fact in~~
2 ~~writing to the employer and to the division and shall have his~~
3 ~~or her supplemental retirement benefits suspended for the~~
4 ~~balance of the 12-month limitation period. Any person~~
5 ~~employed in violation of this subsection and any employing~~
6 ~~agency which knowingly employs or appoints such person without~~
7 ~~notifying the Division of Retirement to suspend retirement~~
8 ~~benefits shall be jointly and severally liable for~~
9 ~~reimbursement to the retirement trust fund of any benefits~~
10 ~~paid during the reemployment limitation period. To avoid~~
11 ~~liability, such employing agency shall have a written~~
12 ~~statement from the retiree that he or she is not retired from~~
13 ~~a state-administered retirement system. Any supplemental~~
14 ~~retirement benefits received while reemployed during this~~
15 ~~reemployment limitation period shall be repaid to the trust~~
16 ~~fund, and supplemental retirement benefits shall remain~~
17 ~~suspended until such repayment has been made. Supplemental~~
18 ~~benefits suspended beyond the reemployment limitation shall~~
19 ~~apply toward repayment of supplemental benefits received in~~
20 ~~violation of the reemployment limitation.~~

21 ~~(c) The reemployment by an employer participating in~~
22 ~~the Florida Retirement System of any person receiving~~
23 ~~supplemental retirement benefits under this section shall have~~
24 ~~no effect on the amount of the supplemental benefit of that~~
25 ~~person. Prior to July 1, 1991, upon employment of any person,~~
26 ~~other than an elected officer as provided in s. 121.053, who~~
27 ~~is receiving supplemental retirement benefits under this~~
28 ~~section, the employer shall pay retirement contributions in an~~
29 ~~amount equal to the unfunded actuarial accrued liability~~
30 ~~portion of the employer contribution which would be required~~
31 ~~for regular members of the Florida Retirement System.~~

1 ~~Effective July 1, 1991, contributions shall be made as~~
 2 ~~provided in s. 121.122 for renewed membership.~~

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

7 (12) CONTRIBUTIONS.--

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

15 (b) The monthly contributions required to be paid
 16 pursuant to paragraph (a) on the gross monthly salaries, from
 17 all sources with respect to such employment, paid to those
 18 employees of the institute who hold both state and federal
 19 appointments and who participate in the federal Civil Service
 20 Retirement System shall be as follows:

22 Dates of Contribution	Percentage
23 Rate Changes	Due
25 July 1, 1985, through December 31, 1988	6.68%
26 January 1, 1989, through December 31, 1993	6.35%
27 January 1, 1994, through December 31, 1994	6.69%
28 January 1, 1995, through June 30, 1996	6.82%
29 July 1, 1996, through June 30, 1998	5.64%
30 Effective July 1, 1998	7.17%

1 Section 16. Subsection (11) of section 413.051,
2 Florida Statutes, 1998 Supplement, as amended by chapter
3 96-423 and subsection (12) of said section, as amended by
4 chapters 96-423 and 98-149, Laws of Florida, are reenacted to
5 read:

6 413.051 Eligible blind persons; operation of vending
7 stands.--

8 (11) Effective July 1, 1996, blind licensees who
9 remain members of the Florida Retirement System pursuant to s.
10 121.051(6)(b)1. shall pay any unappropriated retirement costs
11 from their net profits or from program income. Within 30 days
12 after the effective date of this act, each blind licensee who
13 is eligible to maintain membership in the Florida Retirement
14 System under s. 121.051(6)(b)1., but who elects to withdraw
15 from the system as provided in s. 121.051(6)(b)3., must, on or
16 before July 31, 1996, notify the Division of Blind Services
17 and the Division of Retirement in writing of his or her
18 election to withdraw. Failure to timely notify the divisions
19 shall be deemed a decision to remain a compulsory member of
20 the Florida Retirement System. However, if, at any time after
21 July 1, 1996, sufficient funds are not paid by a blind
22 licensee to cover the required contribution to the Florida
23 Retirement System, that blind licensee shall become ineligible
24 to participate in the Florida Retirement System on the last
25 day of the first month for which no contribution is made or
26 the amount contributed is insufficient to cover the required
27 contribution. For any blind licensee who becomes ineligible
28 to participate in the Florida Retirement System as described
29 in this subsection, no creditable service shall be earned
30 under the Florida Retirement System for any period following
31 the month that retirement contributions ceased to be reported.

1 However, any such person may participate in the Florida
2 Retirement System in the future if employed by a participating
3 employer in a covered position.

4 (12) The Division of Blind Services may adopt rules to
5 permit the division to establish and maintain vending
6 facilities, issue licenses, establish and maintain a vending
7 facility training program, provide vendors access to financial
8 data of the program, set aside funds from net proceeds of the
9 vending facility, provide for the transfer and promotion of
10 vendors, establish a vendors committee, provide for an
11 operation agreement, provide duties and responsibilities of
12 the division with respect to the vending facility program, and
13 provide procedures for newspaper vending sales.

14 Section 17. Paragraph (b) of subsection (1) of section
15 175.071, Florida Statutes, 1998 Supplement, is amended to
16 read:

17 175.071 General powers and duties of board of
18 trustees.--For any municipality, special fire control
19 district, chapter plan, local law municipality, local law
20 special fire control district, or local law plan under this
21 chapter:

22 (1) The board of trustees may:

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

25 1. Time or savings accounts of a national bank, a
26 state bank insured by the Bank Insurance Fund, or a savings,
27 building, and loan association insured by the Savings
28 Association Insurance Fund which is administered by the
29 Federal Deposit Insurance Corporation or a state or federal
30 chartered credit union whose share accounts are insured by the
31 National Credit Union Share Insurance Fund.

1 2. Obligations of the United States or obligations
2 guaranteed as to principal and interest by the government of
3 the United States.

4 3. Bonds issued by the State of Israel.

5 4. Bonds, stocks, or other evidences of indebtedness
6 issued or guaranteed by a corporation organized under the laws
7 of the United States, any state or organized territory of the
8 United States, or the District of Columbia, provided:

9 a. The corporation is listed on any one or more of the
10 recognized national stock exchanges or on the National Market
11 System of the Nasdaq Stock Market and, in the case of bonds
12 only, holds a rating in one of the three highest
13 classifications by a major rating service; and

14 b. The board of trustees shall not invest more than 5
15 percent of its assets in the common stock or capital stock of
16 any one issuing company, nor shall the aggregate investment in
17 any one issuing company exceed 5 percent of the outstanding
18 capital stock of that company or the aggregate of its
19 investments under this subparagraph at cost exceed 50 percent
20 of the assets of the fund.

21
22 This paragraph shall apply to all boards of trustees and
23 participants. However, in the event that a municipality or
24 special fire control district has a duly enacted pension plan
25 pursuant to, and in compliance with, s. 175.351, and the
26 trustees thereof desire to vary the investment procedures
27 herein, the trustees of such plan shall request a variance of
28 the investment procedures as outlined herein only through a
29 municipal ordinance, special act of the Legislature, or
30 resolution by the governing body of the special fire control
31 district; where a special act, or a municipality by ordinance

1 adopted prior to July 1, 1998, permits a greater than
2 50-percent equity investment, such municipality shall not be
3 required to comply with the aggregate equity investment
4 provisions of this paragraph. Notwithstanding any other
5 provision of law to the contrary, nothing in this section may
6 be construed to take away any preexisting legal authority to
7 make equity investments that exceed the requirements of this
8 paragraph. The board of trustees may invest up to 10 percent
9 of plan assets in foreign securities.

10 Section 18. Paragraph (b) of subsection (1) of section
11 185.06, Florida Statutes, 1998 Supplement, is amended to read:

12 185.06 General powers and duties of board of
13 trustees.--For any municipality, chapter plan, local law
14 municipality, or local law plan under this chapter:

15 (1) The board of trustees may:

16 (b) Invest and reinvest the assets of the retirement
17 trust fund in:

18 1. Time or savings accounts of a national bank, a
19 state bank insured by the Bank Insurance Fund, or a savings
20 and loan association insured by the Savings Association
21 Insurance Fund which is administered by the Federal Deposit
22 Insurance Corporation or a state or federal chartered credit
23 union whose share accounts are insured by the National Credit
24 Union Share Insurance Fund.

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

27 3. Bonds issued by the State of Israel.

28 4. Bonds, stocks, or other evidences of indebtedness
29 issued or guaranteed by a corporation organized under the laws
30 of the United States, any state or organized territory of the
31 United States, or the District of Columbia, provided:

1 a. The corporation is listed on any one or more of the
2 recognized national stock exchanges or on the National Market
3 System of the Nasdaq Stock Market and, in the case of bonds
4 only, holds a rating in one of the three highest
5 classifications by a major rating service; and

6 b. The board of trustees shall not invest more than 5
7 percent of its assets in the common stock or capital stock of
8 any one issuing company, nor shall the aggregate investment in
9 any one issuing company exceed 5 percent of the outstanding
10 capital stock of the company or the aggregate of its
11 investments under this subparagraph at cost exceed 50 percent
12 of the fund's assets.

13
14 This paragraph shall apply to all boards of trustees and
15 participants. However, in the event that a municipality has a
16 duly enacted pension plan pursuant to, and in compliance with,
17 s. 185.35 and the trustees thereof desire to vary the
18 investment procedures herein, the trustees of such plan shall
19 request a variance of the investment procedures as outlined
20 herein only through a municipal ordinance or special act of
21 the Legislature; where a special act, or a municipality by
22 ordinance adopted prior to July 1, 1998, permits a greater
23 than 50-percent equity investment, such municipality shall not
24 be required to comply with the aggregate equity investment
25 provisions of this paragraph. Notwithstanding any other
26 provision of law to the contrary, nothing in this section may
27 be construed to take away any preexisting legal authority to
28 make equity investments that exceed the requirements of this
29 paragraph. The board of trustees may invest up to 10 percent
30 of plan assets in foreign securities.

1 Section 19. Section 121.027, Florida Statutes, is
2 repealed.

3 Section 20. The Governor, Comptroller, and Treasurer,
4 sitting as the Board of Trustees of the State Board of
5 Administration, shall review the actuarial valuation report
6 prepared in accordance with the provisions of chapter 121,
7 Florida Statutes. The Board shall review the process by which
8 Florida Retirement System contribution rates are determined
9 and recommend and submit any comments regarding the process to
10 the Legislature.

11 Section 21. Section 112.18, Florida Statutes, is
12 amended to read:

13 112.18 Firefighters and state law enforcement
14 officers; special provisions relative to disability.--

15 (1) Any condition or impairment of health of any
16 Florida state, municipal, county, port authority, special tax
17 district, or fire control district firefighter or state law
18 enforcement officer caused by tuberculosis, heart disease, or
19 hypertension resulting in total or partial disability or death
20 shall be presumed to have been accidental and to have been
21 suffered in the line of duty unless the contrary be shown by
22 competent evidence. However, any such firefighter or state law
23 enforcement officer shall have successfully passed a physical
24 examination upon entering into any such service as a
25 firefighter or state law enforcement officer, which
26 examination failed to reveal any evidence of any such
27 condition. Such presumption shall not apply to benefits
28 payable under or granted in a policy of life insurance or
29 disability insurance, unless the insurer and insured have
30 negotiated for such additional benefits to be included in the
31 policy contract.

1 (2) This section shall be construed to authorize the
2 above governmental entities to negotiate policy contracts for
3 life and disability insurance to include accidental death
4 benefits or double indemnity coverage which shall include the
5 presumption that any condition or impairment of health of any
6 firefighter caused by tuberculosis, heart disease, or
7 hypertension resulting in total or partial disability or death
8 was accidental and suffered in the line of duty, unless the
9 contrary be shown by competent evidence.

10 Section 22. Paragraph (c) is added to subsection (15)
11 of section 121.021, Florida Statutes, 1998 Supplement, to
12 read:

13 121.021 Definitions.--The following words and phrases
14 as used in this chapter have the respective meanings set forth
15 unless a different meaning is plainly required by the context:

16 (15)

17 (c) Effective October 1, 1999, "special risk member"
18 means a member of the Florida Retirement System who is
19 designated as a special risk member by the division in
20 accordance with s. 121.0515. Such member must be employed as
21 a law enforcement officer, a firefighter, a correctional
22 officer, an emergency medical technician, or a paramedic and
23 must meet certain other special criteria as set forth in s.
24 121.0515.

25 Section 23. Subsections (1) and (2) and paragraph (a)
26 of subsection (7) of section 121.0515, Florida Statutes, 1998
27 Supplement, are amended to read:

28 121.0515 Special risk membership; criteria;
29 designation and removal of classification; credits for past
30 service and prior service; retention of special risk normal
31 retirement date.--

1 (1) LEGISLATIVE INTENT.--In creating the Special Risk
 2 Class of membership within the Florida Retirement System, it
 3 is the intent and purpose of the Legislature to recognize that
 4 persons employed in certain categories of law enforcement,
 5 firefighting, ~~and~~ criminal detention, and emergency medical
 6 care positions are required as one of the essential functions
 7 of their positions to perform work that is physically
 8 demanding or arduous, or work that requires extraordinary
 9 agility and mental acuity, and that such persons, because of
 10 diminishing physical and mental faculties, may find that they
 11 are not able, without risk to the health and safety of
 12 themselves, the public, or their coworkers, to continue
 13 performing such duties and thus enjoy the full career and
 14 retirement benefits enjoyed by persons employed in other
 15 positions and that, if they find it necessary, due to the
 16 physical and mental limitations of their age, to retire at an
 17 earlier age and usually with less service, they will suffer an
 18 economic deprivation therefrom. Therefore, as a means of
 19 recognizing the peculiar and special problems of this class of
 20 employees, it is the intent and purpose of the Legislature to
 21 establish a class of retirement membership that awards more
 22 retirement credit per year of service than that awarded to
 23 other employees; however, nothing contained herein shall
 24 require ineligibility for special risk membership upon
 25 reaching age 55.

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

28 (a) The member must be employed as a law enforcement
 29 officer and be certified, or required to be certified, in
 30 compliance with s. 943.1395; however, sheriffs and elected
 31 police chiefs shall be excluded from meeting the certification

1 requirements of this paragraph. In addition, the member's
 2 duties and responsibilities must include the pursuit,
 3 apprehension, and arrest of law violators or suspected law
 4 violators; or the member must be an active member of a bomb
 5 disposal unit whose primary responsibility is the location,
 6 handling, and disposal of explosive devices; or the member
 7 must be the supervisor or command officer of a member or
 8 members who have such responsibilities; provided, however,
 9 administrative support personnel, including, but not limited
 10 to, those whose primary duties and responsibilities are in
 11 accounting, purchasing, legal, and personnel, shall not be
 12 included;

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

25 (c) The member must be employed as a correctional
 26 officer and be certified, or required to be certified, in
 27 compliance with s. 943.1395. In addition, the member's
 28 primary duties and responsibilities must be the custody, and
 29 physical restraint when necessary, of prisoners or inmates
 30 within a prison, jail, or other criminal detention facility,
 31 or while on work detail outside the facility, or while being

1 transported; or the member must be the supervisor or command
2 officer of a member or members who have such responsibilities;
3 provided, however, administrative support personnel,
4 including, but not limited to, those whose primary duties and
5 responsibilities are in accounting, purchasing, legal, and
6 personnel, shall not be included; however, superintendents and
7 assistant superintendents shall participate in the Special
8 Risk Class; or-

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

18 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT
19 DATE.--

20 (a) A special risk member who is moved or reassigned
21 to a nonspecial risk law enforcement, firefighting, ~~or~~
22 correctional, or emergency medical care administrative support
23 position with the same agency, or who is subsequently employed
24 in such a position with any law enforcement, firefighting, ~~or~~
25 correctional, or emergency medical care agency under the
26 Florida Retirement System, shall participate in the Special
27 Risk Administrative Support Class and shall earn credit for
28 such service at the same percentage rate as that earned by a
29 regular member. Notwithstanding the provisions of subsection
30 (4), service in such an administrative support position shall,
31 for purposes of s. 121.091, apply toward satisfaction of the

1 special risk normal retirement date, as defined in s.
 2 121.021(29)(b), provided that, while in such position, the
 3 member remains certified as a law enforcement officer,
 4 firefighter, ~~or~~ correctional officer, emergency medical
 5 technician, or paramedic; remains subject to reassignment at
 6 any time to a position qualifying for special risk membership;
 7 and completes an aggregate of 10 or more years of service as a
 8 designated special risk member prior to retirement.

9 Section 24. The Legislature finds that a proper and
 10 legitimate state purpose is served when employees and retirees
 11 of the state and of its political subdivisions, and the
 12 dependents, survivors, and beneficiaries of such employees and
 13 retirees, are extended the basic protections afforded by
 14 governmental retirement systems that provide fair and adequate
 15 benefits and that are managed, administered, and funded in an
 16 actuarially sound manner, as required by s. 14 of Art. X of
 17 the State Constitution and part VII of chapter 112 of the
 18 Florida Statutes. Therefore, the Legislature hereby
 19 determines and declares that the provisions of this act
 20 fulfill an important state interest.

21 Section 25. It is the intent of the legislature to
 22 review the current benefits provided under the Florida
 23 Retirement System during the 2000 Legislative Session. To this
 24 end, prior to February 1, 2000, the Senate Fiscal Policy
 25 Committee, the Senate Governmental Oversight and Productivity
 26 Committee, the House Governmental Operations Committee and the
 27 House General Appropriations Committee will review the current
 28 Florida Retirement System and make recommendations to the
 29 presiding officers regarding the costs and benefits of
 30 alternative retirement plan options on both the employers and
 31

1 employees. Recommendations shall include a defined
2 contribution plan.

3 Section 26. This act shall take effect upon becoming
4 law, except that the reenactment of subsection (6) of section
5 121.051, paragraph (a) of subsection (7) of section 121.052,
6 paragraph (a) of subsection (3) of section 121.055, subsection
7 (1) of section 121.071, subsection (12) of section 121.40, and
8 subsections (11) and (12) of section 413.051, Florida
9 Statutes, shall operate retroactively to June 7, 1996, and
10 except that the amendments to paragraph (c) of subsection (15)
11 of section 121.021, and subsections (1) and (2) and paragraph
12 (a) of subsection (7) of section 121.0515, Florida Statutes,
13 shall take effect October 1, 1999.

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