

1  
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%

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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%

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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		

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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			

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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 February 1, 1987, through		
27 December 31, 1988	0%	13.88%
28 January 1, 1989, through		
29 December 31, 1989	0%	14.95%



ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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	<del>Effective</del> <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%

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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		

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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	<del>Effective</del> <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:

16

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

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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		

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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	<del>Effective</del> <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%

ENROLLED

1999 Legislature

HB 1883, Second Engrossed

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	<del>Effective</del> <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~~  
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%

31



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.

31

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.

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31