

By Representative Sanderson

1                                   A bill to be entitled  
2           An act relating to the Department of Management  
3           Services; amending s. 20.22, F.S.; transferring  
4           functions of the Divisions of State Group  
5           Insurance and Retirement to the department;  
6           abolishing the Florida State Group Insurance  
7           Council; amending ss. 110.1227, 110.123,  
8           110.12315, 110.1232, 110.1234, 110.161, 112.05,  
9           112.3173, 112.352, 112.354, 112.356, 112.358,  
10          112.361, 112.362, 112.363, 112.63, 112.64,  
11          112.658, 112.665, 121.021, 121.025, 121.027,  
12          121.031, 121.051, 121.0511, 121.0515, 121.052,  
13          121.055, 121.071, 121.081, 121.091, 121.101,  
14          121.111, 121.133, 121.135, 121.136, 121.1815,  
15          121.1905, 121.192, 121.193, 121.22, 121.23,  
16          121.24, 121.30, 121.35, 121.40, 121.45, 122.02,  
17          122.03, 122.05, 122.06, 122.07, 122.08, 122.10,  
18          122.12, 122.13, 122.15, 122.16, 122.23, 122.30,  
19          122.34, 122.351, 175.032, 175.111, 175.121,  
20          175.1215, 175.261, 175.341, 175.351, 175.361,  
21          175.401, 185.02, 185.09, 185.10, 185.105,  
22          185.221, 185.23, 185.35, 185.37, 185.50,  
23          189.412, 215.20, 215.28, 215.50, 238.01,  
24          238.02, 238.03, 238.05, 238.07, 238.08, 238.09,  
25          238.10, 238.11, 238.12, 238.14, 238.15,  
26          238.171, 238.181, 238.32, 240.3195, 250.22,  
27          321.17, 321.19, 321.191, 321.202, 321.203,  
28          321.2205, 413.051, 633.382, 650.02, F.S., to  
29          conform to the restructuring of the department  
30          by this act; requiring executive departments to  
31          report information on boards, commissions, and

1 similar entities to the department, along with  
2 recommendations for continuance, abolition, or  
3 revision; requiring the department to report  
4 that information to the Governor and the  
5 Legislature; providing an effective date.  
6

7 Be It Enacted by the Legislature of the State of Florida:  
8

9 Section 1. Section 20.22, Florida Statutes, is amended  
10 to read:

11 20.22 Department of Management Services.--There is  
12 created a Department of Management Services.

13 (1) The head of the Department of Management Services  
14 is the Secretary of Management Services, who shall be  
15 appointed by the Governor, subject to confirmation by the  
16 Senate, and shall serve at the pleasure of the Governor.

17 (2) The following divisions and programs within the  
18 Department of Management Services are established:

19 (a) Facilities Program.

20 (b) Information Technology Program.

21 (c) Workforce Program.

22 (d)1. Support Program.

23 2. Federal Property Assistance Program.

24 (e) Administration Program.

25 (f) Division of Administrative Hearings.

26 (g) Division of Retirement.

27 (h) Division of State Group Insurance.

28 (3) The Information Technology Program shall operate  
29 and manage the Technology Resource Center.

30 (4) The duties of the Office of Labor Relations shall  
31 be determined by the Secretary of Management Services, and

1 must include, but need not be limited to, the representation  
2 of the Governor as the public employer in collective  
3 bargaining negotiations pursuant to the provisions of chapter  
4 447.

5 ~~(5)(a) The Florida State Group Insurance Council is~~  
6 ~~created within the division for the purpose of providing joint~~  
7 ~~and coordinated oversight of the operation and administration~~  
8 ~~of the state group insurance program. The council shall~~  
9 ~~consist of the state budget director; an individual from the~~  
10 ~~private sector with an extensive health administration~~  
11 ~~background, appointed by the Governor; a member of the Florida~~  
12 ~~Senate, appointed by the President of the Senate; a member of~~  
13 ~~the Florida House of Representatives, appointed by the Speaker~~  
14 ~~of the House of Representatives; a representative of the State~~  
15 ~~University System, appointed by the Board of Regents; the~~  
16 ~~State Insurance Commissioner or his designee; the director of~~  
17 ~~the Division of Retirement; and two representatives of~~  
18 ~~employees and retirees, appointed by the Governor. Members of~~  
19 ~~the council appointed by the Governor shall be appointed to~~  
20 ~~serve terms of 4 years each. Each member of the council shall~~  
21 ~~serve until a successor is appointed. Additionally, the~~  
22 ~~director of the Division of State Employee Insurance shall be~~  
23 ~~a nonvoting member of the council.~~

24 ~~(b) Of the two members representing employees, one~~  
25 ~~member must be appointed in such a manner as to represent~~  
26 ~~state employee bargaining units, and one member must be a~~  
27 ~~retired employee. Each member must be a resident of the state.~~

28 ~~(c) The council is assigned to the Division of State~~  
29 ~~Group Insurance for administrative and fiscal accountability~~  
30 ~~purposes, but the council and its staff shall otherwise~~  
31 ~~function independently of the control and direction of the~~

1 ~~division. The Division of State Group Insurance shall furnish~~  
2 ~~dedicated administrative and secretarial assistance to the~~  
3 ~~council, and other assistance to the council as requested.~~  
4 ~~(d) The council shall have the primary functions to:~~  
5 ~~1. Recommend accountability measures and review the~~  
6 ~~implementation of performance-based program budgeting measures~~  
7 ~~under which the Division of State Group Insurance operates.~~  
8 ~~2. Review and recommend procedures and criteria for~~  
9 ~~contract selection before any contract solicitation.~~  
10 ~~3. Review and make recommendations regarding insurance~~  
11 ~~benefit packages.~~  
12 ~~4. Review external audit reports, service organization~~  
13 ~~reports, compliance reviews, or other contractually required~~  
14 ~~management reports relating to third-party administrator~~  
15 ~~activities to determine areas that potentially may require~~  
16 ~~division action.~~  
17 ~~5. Review third-party administrator management reports~~  
18 ~~leading to conclusions regarding report completion, accuracy,~~  
19 ~~validity, and reasonableness.~~  
20 ~~6. Review third-party administrator overpayment and~~  
21 ~~refund collection activities to provide assurances that health~~  
22 ~~plan assets are safeguarded.~~  
23 ~~7. Review use of detailed provider/subscriber surveys~~  
24 ~~designed to detect potential problem areas with the state~~  
25 ~~group insurance program and make recommendations to the~~  
26 ~~director.~~  
27 ~~8. Review reports and make recommendations to~~  
28 ~~safeguard the financial stability of the group insurance~~  
29 ~~program.~~  
30  
31

1           ~~(e) The council or a member thereof may not enter into~~  
2 ~~the day-to-day operation of the division and is specifically~~  
3 ~~prohibited from taking part in:~~  
4           ~~1. The awarding of contracts.~~  
5           ~~2. The selection of a consultant or contractor or the~~  
6 ~~prequalification of any individual consultant or contractor.~~  
7 ~~However, the council may recommend to the director standards~~  
8 ~~and policies governing the procedure for selection and~~  
9 ~~prequalification of consultants and contractors.~~  
10           ~~3. The employment, promotion, demotion, suspension,~~  
11 ~~transfer, or discharge of any division personnel.~~  
12           ~~4. The granting, denial, suspension, or revocation of~~  
13 ~~any license or permit issued by the division.~~  
14           ~~(f)1. The chair and any other officers of the council~~  
15 ~~shall be selected by the council members for a 1-year term but~~  
16 ~~may succeed themselves.~~  
17           ~~2. The council shall hold a minimum of four regular~~  
18 ~~meetings annually, and other meetings may be called by the~~  
19 ~~chair upon giving at least 1 week's notice to all members and~~  
20 ~~the public pursuant to chapter 120. Other meetings may also be~~  
21 ~~held upon the written request of at least four other members~~  
22 ~~of the council, with at least 1 week's notice of such meeting~~  
23 ~~being given to all members and the public by the chair~~  
24 ~~pursuant to chapter 120. Emergency meetings may be held~~  
25 ~~without notice upon the request of all members of the council.~~  
26           ~~3. A majority of the membership of the council~~  
27 ~~constitutes a quorum at any meeting of the council. An action~~  
28 ~~of the council is not considered adopted unless the action is~~  
29 ~~taken pursuant to the affirmative vote of a majority of the~~  
30 ~~members present, but not fewer than four members of the~~  
31

1 ~~council at a meeting held pursuant to subparagraph 2., and the~~  
2 ~~vote is recorded in the minutes of that meeting.~~

3 ~~4. The chair shall cause to be made a complete record~~  
4 ~~of the proceedings of the council. The proceedings of the~~  
5 ~~council shall be open to the public, and the records shall be~~  
6 ~~open for public inspection.~~

7 ~~(g) The meetings of the council shall be held in the~~  
8 ~~central office of the department in Tallahassee unless the~~  
9 ~~chair determines that special circumstances warrant meeting at~~  
10 ~~another location.~~

11 ~~(h) Members of the council are entitled to per diem~~  
12 ~~and travel expenses pursuant to s. 112.061.~~

13 Section 2. Section 110.1227, Florida Statutes, 1998  
14 Supplement, is amended to read:

15 110.1227 Florida Employee Long-Term-Care Plan Act.--

16 (1) The Legislature finds that state expenditures for  
17 long-term-care services continue to increase at a rapid rate  
18 and that the state faces increasing pressure in its efforts to  
19 meet the long-term-care needs of the public.

20 (a) It is the intent of the Legislature that the  
21 Department of Management Services ~~Division of State Group~~  
22 ~~Insurance~~ and the Department of Elderly Affairs implement a  
23 self-funded or fully insured, voluntary, long-term-care plan  
24 for public employees and their families.

25 (b) The Department of Elderly Affairs and the  
26 Department of Management Services ~~Division of State Group~~  
27 ~~Insurance~~ shall jointly design the plan to provide  
28 long-term-care coverage for public employees and family  
29 members of public employees. The Department of Management  
30 Services ~~Division of State Group Insurance~~ and the Department  
31 of Elderly Affairs shall enter into an interagency agreement

1 defining their roles with regard to plan development and  
2 design. Joint planning expenses shall be shared to the extent  
3 that funded planning activities are consistent with the goals  
4 of the departments ~~department and the division~~. Eligible plan  
5 participants must include active and retired officers and  
6 employees of all branches and agencies of state and local  
7 government and their spouses, children, stepchildren, parents,  
8 and parents-in-law; active and retired federal employees  
9 residing in the state and their spouses, children,  
10 stepchildren, parents, and parents-in-law residing in the  
11 state; and the surviving spouses, children, stepchildren,  
12 parents, and parents-in-law of such deceased officers and  
13 employees, whether active or retired at the time of death.

14 (c) This act in no way affects the Department of  
15 Management Services ~~Division of State Group Insurance's~~  
16 authority pursuant to s. 110.123.

17 (2) As used in this section, the term:

18 (a) "Department" means the Department of Elderly  
19 Affairs.

20 ~~(b) "Division" means the Division of State Group~~  
21 ~~Insurance.~~

22 ~~(b)(c)~~ (b) "Self-funded" means that plan benefits and  
23 costs are funded from contributions made by or on behalf of  
24 participants and trust fund investment revenue.

25 ~~(c)(d)~~ (c) "Plan" means the Florida Employee  
26 Long-Term-Care Plan.

27 (3) The Department of Management Services ~~division~~ and  
28 the department shall, in consultation with public employers  
29 and employees and representatives from unions and associations  
30 representing state, university, local government, and other  
31 public employees, establish and supervise the implementation

1 and administration of a self-funded or fully insured  
2 long-term-care plan entitled "Florida Employee Long-Term-Care  
3 Plan."

4 (a) The Department of Management Services division and  
5 the department shall, in consultation with the ~~department, the~~  
6 ~~Department of Management Services,~~ and the Department of  
7 Insurance, contract for actuarial, professional-administrator,  
8 and other services for the Florida Employee Long-Term-Care  
9 Plan.

10 (b) When contracting for a professional administrator,  
11 the Department of Management Services division shall consider,  
12 at a minimum, the entity's previous experience and expertise  
13 in administering group long-term-care self-funded plans or  
14 long-term-care insurance programs; the entity's demonstrated  
15 ability to perform its contractual obligations in the state  
16 and in other jurisdictions; the entity's projected  
17 administrative costs; the entity's capability to adequately  
18 provide service coverage, including a sufficient number of  
19 experienced and qualified personnel in the areas of marketing,  
20 claims processing, recordkeeping, and underwriting; the  
21 entity's accessibility to public employees and other qualified  
22 participants; and the entity's financial soundness and  
23 solvency.

24 (c) Any contract with a professional administrator  
25 entered into by the Department of Management Services division  
26 must require that the state be held harmless and indemnified  
27 for any financial loss caused by the failure of the  
28 professional administrator to comply with the terms of the  
29 contract.

30 (d) The Department of Management Services division  
31 shall explore innovations in long-term-care financing and



1 service delivery with regard to possible future inclusion in  
2 the plan. Such innovative financing and service-delivery  
3 mechanisms may include managed long-term care and plans that  
4 set aside assets with regard to eligibility for  
5 Medicaid-funded long-term-care services in the same proportion  
6 that private long-term-care insurance benefits are used to pay  
7 for long-term care.

8 (4) The Department of Management Services ~~division~~ and  
9 the department shall coordinate, directly or through contract,  
10 marketing of the plan. Expenses related to such marketing  
11 shall be reimbursed from funds of the plan.

12 (5) The Department of Management Services ~~division~~  
13 shall contract with the State Board of Administration for the  
14 investment of funds in the Florida Employee Long-Term-Care  
15 Plan reserve fund. Plan funds are not state funds. The moneys  
16 shall be held by the State Board of Administration on behalf  
17 of enrollees and invested and disbursed in accordance with a  
18 trust agreement approved by the division and the State Board  
19 of Administration and in accordance with the provisions of ss.  
20 215.44-215.53. Moneys in the reserve fund may be used only for  
21 the purposes specified in the agreement.

22 (6) A Florida Employee Long-Term-Care Plan Board of  
23 Directors is created, composed of seven members who shall  
24 serve 2-year terms, to be appointed as follows:

25 (a) The secretary of the Department of Elderly Affairs  
26 shall appoint a member who is a plan participant.

27 (b) The Insurance Commissioner shall appoint an  
28 actuary.

29 (c) The Attorney General shall appoint an attorney  
30 licensed to practice law in this state.

31

1 (d) The Governor shall appoint three members from a  
2 broad cross-section of the residents of this state.

3 (e) The Department of Management Services ~~division~~  
4 shall appoint a member.

5 (7) The board of directors of the Florida  
6 Long-Term-Care Plan shall:

7 (a) Prepare an annual report of the plan, with the  
8 assistance of an actuarial consultant, to be submitted to the  
9 Speaker of the House of Representatives, the President of the  
10 Senate, the Governor, and the Minority Leaders of the Senate  
11 and the House of Representatives.

12 (b) Approve the appointment of an executive director  
13 jointly recommended by the Department of Management Services  
14 ~~division~~ and the department to serve as the chief  
15 administrative and operational officer of the Florida Employee  
16 Long-Term-Care Plan.

17 (c) Approve the terms of the Department of Management  
18 Services'~~division's~~ third-party administrator contract.

19 (d) Implement such other policies and procedures as  
20 necessary to assure the soundness and efficient operation of  
21 the plan.

22 (8) Members of the board may not receive a salary, but  
23 may be reimbursed for travel, per diem, and administrative  
24 expenses related to their duties. Board expenses and costs for  
25 the annual report and other administrative expenses must be  
26 borne by the plan. State funds may not be contributed toward  
27 costs associated with board members or their activities  
28 conducted on behalf of and for the benefit of plan  
29 beneficiaries.

30 Section 3. Section 110.123, Florida Statutes, 1998  
31 Supplement, is amended to read:

1           110.123 State group insurance program.--  
2           (1) TITLE.--This section may be cited as the "State  
3 Group Insurance Program Law."  
4           (2) DEFINITIONS.--As used in this section, the term:  
5           (a) "Department" means the Department of Management  
6 Services.  
7           ~~(b) "Division" means the Division of State Group~~  
8 ~~Insurance in the department.~~  
9           (b)(c) "Enrollee" means all state officers and  
10 employees, retired state officers and employees, and surviving  
11 spouses of deceased state officers and employees enrolled in  
12 an insurance plan offered by the state group insurance  
13 program.  
14           (c)(d) "Full-time state employees" includes all  
15 full-time employees of all branches or agencies of state  
16 government holding salaried positions and paid by state  
17 warrant or from agency funds, and employees paid from regular  
18 salary appropriations for 8 months' employment, including  
19 university personnel on academic contracts, but in no case  
20 shall "state employee" or "salaried position" include persons  
21 paid from other-personal-services (OPS) funds.  
22           (d)(e) "Health maintenance organization" or "HMO"  
23 means an entity certified under part I of chapter 641.  
24           (e)(f) "Part-time state employee" means any employee  
25 of any branch or agency of state government paid by state  
26 warrant from salary appropriations or from agency funds, and  
27 who is employed for less than the normal full-time workweek  
28 established by the department or, if on academic contract or  
29 seasonal or other type of employment which is less than  
30 year-round, is employed for less than 8 months during any  
31 12-month period, but in no case shall "part-time" employee

1 include a person paid from other-personal-services (OPS)  
2 funds.

3 (f)~~(g)~~ "Retired state officer or employee" or  
4 "retiree" means any state officer or state employee who  
5 retires under a state retirement system or a state optional  
6 annuity or retirement program or is placed on disability  
7 retirement, and who was insured under the state group  
8 insurance program at the time of retirement, and who begins  
9 receiving retirement benefits immediately after retirement  
10 from state office or employment.

11 (g)~~(h)~~ "State agency" or "agency" means any branch,  
12 department, or agency of state government.

13 (h)~~(i)~~ "State group health insurance plan" means the  
14 state self-insured health insurance plan offered to state  
15 officers and employees, retired state officers and employees,  
16 and surviving spouses of deceased state officers and employees  
17 pursuant to this section.

18 (i)~~(j)~~ "State group insurance program" or "programs"  
19 means the package of insurance plans offered to state officers  
20 and employees, retired state officers and employees, and  
21 surviving spouses of deceased state officers and employees  
22 pursuant to this section, including the state group health  
23 insurance plan, health maintenance organization plans, and  
24 other plans required or authorized by this section.

25 (j)~~(k)~~ "State officer" means any constitutional state  
26 officer, any elected state officer paid by state warrant, or  
27 any appointed state officer who is commissioned by the  
28 Governor and who is paid by state warrant.

29 (k)~~(l)~~ "Surviving spouse" means the widow or widower  
30 of a deceased state officer, full-time state employee,  
31 part-time state employee, or retiree if such widow or widower

1 was covered as a dependent under the state group health  
2 insurance plan or a health maintenance organization plan  
3 established pursuant to this section at the time of the death  
4 of the deceased officer, employee, or retiree. "Surviving  
5 spouse" also means any widow or widower who is receiving or  
6 eligible to receive a monthly state warrant from a state  
7 retirement system as the beneficiary of a state officer,  
8 full-time state employee, or retiree who died prior to July 1,  
9 1979. For the purposes of this section, any such widow or  
10 widower shall cease to be a surviving spouse upon his or her  
11 remarriage.

12 (3) STATE GROUP INSURANCE PROGRAM.--

13 (a) The Division of State Group Insurance is created  
14 within the Department of Management Services, ~~to be headed by~~  
15 ~~a director who shall be appointed by the Governor and~~  
16 ~~confirmed by the Senate. The division shall be a separate~~  
17 ~~budget entity, and the director shall be its agency head for~~  
18 ~~all purposes. The Department of Management Services shall~~  
19 ~~provide administrative support and service to the division to~~  
20 ~~the extent requested by the director. The division shall not~~  
21 ~~be subject to control, supervision, or direction by the~~  
22 ~~Department of Management Services in any manner, including,~~  
23 ~~but not limited to, personnel, purchasing, transactions~~  
24 ~~involving real or personal property, and budgetary matters,~~  
25 ~~except to the extent as provided in this chapter and chapters~~  
26 ~~216, 255, 282, and 287 for agencies of the executive branch.~~

27 (b) ~~The director shall be a person qualified by~~  
28 ~~training and experience to understand the problems and needs~~  
29 ~~of state employees in the area of health care coverage and~~  
30 ~~insurance issues. The director shall have training and~~  
31 ~~experience in the field of health care reimbursement,~~

1 ~~insurance or self-insurance programs, and the administration~~  
2 ~~of such programs in the public or private sector.~~

3 (b)~~(c)~~ It is the intent of the Legislature to offer a  
4 comprehensive package of health insurance and retirement  
5 benefits and a personnel system for state employees which are  
6 provided in a cost-efficient and prudent manner, and to allow  
7 state employees the option to choose benefit plans which best  
8 suit their individual needs. Therefore, the state group  
9 insurance program is established which may include the state  
10 group health insurance plan, health maintenance organization  
11 plans, group life insurance plans, group accidental death and  
12 dismemberment plans, and group disability insurance plans.  
13 Furthermore, the department ~~division~~ is additionally  
14 authorized to establish and provide as part of the state group  
15 insurance program any other group insurance plans which are  
16 consistent with the provisions of this section.

17 (c)~~(d)~~ Notwithstanding any provision in this section  
18 to the contrary, it is the intent of the Legislature that the  
19 department ~~division~~ shall be responsible for all aspects of  
20 the purchase of health care for state employees under the  
21 state group health insurance plan and the health maintenance  
22 organization plans. Responsibilities shall include, but not be  
23 limited to, the development of requests for proposals for  
24 state employee health services, the determination of health  
25 care benefits to be provided, and the negotiation of contracts  
26 for health care and health care administrative services.  
27 Prior to the negotiation of contracts for health care  
28 services, the Legislature intends that the department ~~division~~  
29 shall develop, ~~in consultation with the Department of~~  
30 ~~Management Services~~ with respect to state collective  
31 bargaining issues, the health benefits and terms to be

1 included in the state group health insurance program. The  
2 department ~~division~~ shall adopt rules necessary to perform its  
3 responsibilities pursuant to this section. It is the intent  
4 of the Legislature that the department ~~division~~ shall be  
5 responsible for the contract management and day-to-day  
6 management of the state employee health insurance program,  
7 including, but not limited to, employee enrollment, premium  
8 collection, payment to health care providers, and other  
9 administrative functions related to the program.

10 (d)~~(e)~~1. Notwithstanding the provisions of chapter 287  
11 and the authority of the department, for the purpose of  
12 protecting the health of, and providing medical services to,  
13 state employees participating in the State Employees' Health  
14 Self-Insurance Plan, the department ~~Division of State Group~~  
15 ~~Insurance~~ may contract to retain the services of professional  
16 administrators for the State Employees' Health Self-Insurance  
17 Plan. The agency shall follow good purchasing practices of  
18 state procurement to the extent practicable under the  
19 circumstances.

20 2. Each vendor in a major procurement, and any other  
21 vendor if the department ~~division~~ deems it necessary to  
22 protect the state's financial interests, shall, at the time of  
23 executing any contract with the department ~~division~~, post an  
24 appropriate bond with the department ~~division~~ in an amount  
25 determined by the department ~~division~~ to be adequate to  
26 protect the state's interests but not higher than the full  
27 amount estimated to be paid annually to the vendor under the  
28 contract.

29 3. Each major contract entered into by the department  
30 ~~division~~ pursuant to this section shall contain a provision  
31 for payment of liquidated damages to the department ~~division~~

1 for material noncompliance by a vendor with a contract  
2 provision. The department ~~division~~ may require a liquidated  
3 damages provision in any contract if the department ~~division~~  
4 deems it necessary to protect the state's financial interests.

5 4. The provisions of s. 120.57(3) apply to the  
6 department's ~~division's~~ contracting process, except:

7 a. A formal written protest of any decision, intended  
8 decision, or other action subject to protest shall be filed  
9 within 72 hours after receipt of notice of the decision,  
10 intended decision, or other action.

11 b. As an alternative to any provision of s. 120.57(3),  
12 the department ~~division~~ may proceed with the bid selection or  
13 contract award process if the director of the department sets  
14 forth, in writing, particular facts and circumstances which  
15 demonstrate the necessity of continuing the procurement  
16 process or the contract award process in order to avoid a  
17 substantial disruption to the provision of any scheduled  
18 insurance services.

19 (e)~~(f)~~ Except as provided for in subparagraph(g)2.  
20 ~~(h)~~2., the percentage of state contribution toward the cost of  
21 any plan in the state group insurance program shall be uniform  
22 with respect to all state employees in state collective  
23 bargaining units participating in the same plan or any similar  
24 plan. Nothing contained within this section prohibits the  
25 development of separate benefit plans for officers and  
26 employees exempt from collective bargaining or the development  
27 of separate benefit plans for each collective bargaining unit.

28 (f)~~(g)~~ Participation by individuals in the program  
29 shall be available to all state officers, full-time state  
30 employees, and part-time state employees; and such  
31 participation in the program or any plan thereof shall be



1 voluntary. Participation in the program shall also be  
2 available to retired state officers and employees who elect at  
3 the time of retirement to continue coverage under the program,  
4 but they may elect to continue all or only part of the  
5 coverage they had at the time of retirement. A surviving  
6 spouse may elect to continue coverage only under the state  
7 group health insurance plan or a health maintenance  
8 organization plan.

9 (g)~~(h)~~1. A person eligible to participate in the state  
10 group health insurance plan may be authorized by rules adopted  
11 by the department ~~division~~, in lieu of participating in the  
12 state group health insurance plan, to exercise an option to  
13 elect membership in a health maintenance organization plan  
14 which is under contract with the state in accordance with  
15 criteria established by this section and by said rules. The  
16 offer of optional membership in a health maintenance  
17 organization plan permitted by this paragraph may be limited  
18 or conditioned by rule as may be necessary to meet the  
19 requirements of state and federal laws.

20 2. The department ~~division~~ shall contract with health  
21 maintenance organizations to participate in the state group  
22 insurance program through a request for proposal based upon a  
23 premium and a minimum benefit package as follows:

24 a. A minimum benefit package to be provided by a  
25 participating HMO shall include: physician services; inpatient  
26 and outpatient hospital services; emergency medical services,  
27 including out-of-area emergency coverage; diagnostic  
28 laboratory and diagnostic and therapeutic radiologic services;  
29 mental health, alcohol, and chemical dependency treatment  
30 services meeting the minimum requirements of state and federal  
31 law; skilled nursing facilities and services; prescription

1 drugs; and other benefits as may be required by the department  
2 ~~division~~. Additional services may be provided subject to the  
3 contract between the department ~~division~~ and the HMO.

4 b. A uniform schedule for deductibles and copayments  
5 may be established for all participating HMOs.

6 c. Based upon the minimum benefit package and  
7 copayments and deductibles contained in sub-subparagraphs a.  
8 and b., the department ~~division~~ shall issue a request for  
9 proposal for all HMOs which are interested in participating in  
10 the state group insurance program. Upon receipt of all  
11 proposals, the department ~~division~~ may, as it deems  
12 appropriate, enter into contract negotiations with HMOs  
13 submitting bids. As part of the request for proposal process,  
14 the department ~~division~~ may require detailed financial data  
15 from each HMO which participates in the bidding process for  
16 the purpose of determining the financial stability of the HMO.

17 d. In determining which HMOs to contract with, the  
18 department ~~division~~ shall, at a minimum, consider: each  
19 proposed contractor's previous experience and expertise in  
20 providing prepaid health benefits; each proposed contractor's  
21 historical experience in enrolling and providing health care  
22 services to participants in the state group insurance program;  
23 the cost of the premiums; the plan's ability to adequately  
24 provide service coverage and administrative support services  
25 as determined by the department ~~division~~; plan benefits in  
26 addition to the minimum benefit package; accessibility to  
27 providers; and the financial solvency of the plan. Nothing  
28 shall preclude the department ~~division~~ from negotiating  
29 regional or statewide contracts with health maintenance  
30 organization plans when this is cost-effective and when the  
31 department ~~division~~ determines the plan has the best overall

1 benefit package for the service areas involved. However, no  
2 HMO shall be eligible for a contract if the HMO's retiree  
3 Medicare premium exceeds the retiree rate as set by the  
4 department ~~division~~ for the state group health insurance plan.

5 e. The department ~~division~~ may limit the number of  
6 HMOs that it contracts with in each service area based on the  
7 nature of the bids the department ~~division~~ receives, the  
8 number of state employees in the service area, and any unique  
9 geographical characteristics of the service area. The  
10 department ~~division~~ shall establish by rule service areas  
11 throughout the state.

12 f. All persons participating in the state group  
13 insurance program who are required to contribute towards a  
14 total state group health premium shall be subject to the same  
15 dollar contribution regardless of whether the enrollee enrolls  
16 in the state group health insurance plan or in an HMO plan.

17 3. The department ~~division~~ is authorized to negotiate  
18 and to contract with specialty psychiatric hospitals for  
19 mental health benefits, on a regional basis, for alcohol, drug  
20 abuse, and mental and nervous disorders. The department  
21 ~~division~~ may establish, subject to the approval of the  
22 Legislature pursuant to subsection (5), any such regional plan  
23 upon completion of an actuarial study to determine any impact  
24 on plan benefits and premiums.

25 4. In addition to contracting pursuant to subparagraph  
26 2., the department ~~division~~ shall enter into contract with any  
27 HMO to participate in the state group insurance program which:

28 a. Serves greater than 5,000 recipients on a prepaid  
29 basis under the Medicaid program;

30 b. Does not currently meet the 25 percent  
31 non-Medicare/non-Medicaid enrollment composition requirement

1 established by the Department of Health ~~and Human Services~~  
2 excluding participants enrolled in the state group insurance  
3 program;

4 c. Meets the minimum benefit package and copayments  
5 and deductibles contained in sub-subparagraphs 2.a. and b.;

6 d. Is willing to participate in the state group  
7 insurance program at a cost of premiums that is not greater  
8 than 95 percent of the cost of HMO premiums accepted by the  
9 department ~~division~~ in each service area; and

10 e. Meets the minimum surplus requirements of s.  
11 641.225.

12  
13 The department ~~division~~ is authorized to contract with HMOs  
14 that meet the requirements of sub-subparagraphs a. through d.  
15 prior to the open enrollment period for state employees. The  
16 department ~~division~~ is not required to renew the contract with  
17 the HMOs as set forth in this paragraph more than twice.  
18 Thereafter, the HMOs shall be eligible to participate in the  
19 state group insurance program only through the request for  
20 proposal process described in subparagraph 2.

21 5. All enrollees in the state group health insurance  
22 plan or any health maintenance organization plan shall have  
23 the option of changing to any other health plan which is  
24 offered by the state within any open enrollment period  
25 designated by the department ~~division~~. Open enrollment shall  
26 be held at least once each calendar year.

27 6. Any HMO participating in the state group insurance  
28 program shall, upon the request of the department ~~division~~,  
29 submit to the department ~~division~~ standardized data for the  
30 purpose of comparison of the appropriateness, quality, and  
31 efficiency of care provided by the HMO. Such standardized data

1 shall include: membership profiles; inpatient and outpatient  
2 utilization by age and sex, type of service, provider type,  
3 and facility; and emergency care experience. Requirements and  
4 timetables for submission of such standardized data and such  
5 other data as the department ~~division~~ deems necessary to  
6 evaluate the performance of participating HMOs shall be  
7 adopted by rule.

8           7. The department ~~division~~ shall, after consultation  
9 with representatives from each of the unions representing  
10 state and university employees, establish a comprehensive  
11 package of insurance benefits including, but not limited to,  
12 supplemental health and life coverage, dental care, long-term  
13 care, and vision care to allow state employees the option to  
14 choose the benefit plans which best suit their individual  
15 needs.

16           a. Based upon a desired benefit package, the  
17 department ~~division~~ shall issue a request for proposal for  
18 health insurance providers interested in participating in the  
19 state group insurance program, and the division shall issue a  
20 request for proposal for insurance providers interested in  
21 participating in the non-health-related components of the  
22 state group insurance program. Upon receipt of all proposals,  
23 the department ~~division~~ may enter into contract negotiations  
24 with insurance providers submitting bids or negotiate a  
25 specially designed benefit package. Insurance providers  
26 offering or providing supplemental coverage as of May 30,  
27 1991, which qualify for pretax benefit treatment pursuant to  
28 s. 125 of the Internal Revenue Code of 1986, with 5,500 or  
29 more state employees currently enrolled may be included by the  
30 department ~~division~~ in the supplemental insurance benefit plan  
31 established by the department ~~division~~ without participating

1 in a request for proposal, submitting bids, negotiating  
2 contracts, or negotiating a specially designed benefit  
3 package. These contracts shall provide state employees with  
4 the most cost-effective and comprehensive coverage available;  
5 however, no state or agency funds shall be contributed toward  
6 the cost of any part of the premium of such supplemental  
7 benefit plans.

8           b. Pursuant to the applicable provisions of s.  
9 110.161, and s. 125 of the Internal Revenue Code of 1986, the  
10 department ~~division~~ shall enroll in the pretax benefit program  
11 those state employees who voluntarily elect coverage in any of  
12 the supplemental insurance benefit plans as provided by  
13 sub-subparagraph a.

14           c. Nothing herein contained shall be construed to  
15 prohibit insurance providers from continuing to provide or  
16 offer supplemental benefit coverage to state employees as  
17 provided under existing agency plans.

18           (h)~~(i)~~ The benefits of the insurance authorized by  
19 this section shall not be in lieu of any benefits payable  
20 under chapter 440, the Workers' Compensation Law. The  
21 insurance authorized by this law shall not be deemed to  
22 constitute insurance to secure workers' compensation benefits  
23 as required by chapter 440.

24           (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE;  
25 LIMITATION ON ACTIONS TO PAY AND COLLECT PREMIUMS.--

26           (a) Except as provided in paragraph (e) with respect  
27 to law enforcement, correctional, and correctional probation  
28 officers, legislative authorization through the appropriations  
29 act is required for payment by a state agency of any part of  
30 the premium cost of participation in any group insurance plan.  
31 However, the state contribution for full-time employees or

1 part-time permanent employees shall continue in the respective  
2 proportions for up to 6 months for any such officer or  
3 employee who has been granted an approved parental or medical  
4 leave of absence without pay.

5 (b) If a state officer or full-time state employee  
6 selects membership in a health maintenance organization as  
7 authorized by paragraph (3)(g), the officer or employee is  
8 entitled to a state contribution toward individual and  
9 dependent membership as provided by the Legislature through  
10 the appropriations act.

11 (c) During each policy or budget year, no state agency  
12 shall contribute a greater percentage of the premium cost for  
13 its officers or employees for any type of coverage under the  
14 state group insurance program than any other agency, nor shall  
15 any greater percentage contribution of premium cost be made  
16 for employees in one state collective bargaining unit than for  
17 those in any other state collective bargaining unit.

18 (d) The state contribution for a part-time permanent  
19 state employee who elects to participate in the program shall  
20 be prorated so that the percentage of the cost contributed for  
21 the part-time permanent employee bears that relation to the  
22 percentage of cost contributed for a similar full-time  
23 employee that the part-time employee's normal workday bears to  
24 a full-time employee's normal workday.

25 (e) No state contribution for the cost of any part of  
26 the premium shall be made for retirees or surviving spouses  
27 for any type of coverage under the state group insurance  
28 program. However, any state agency that employs a full-time  
29 law enforcement officer, correctional officer, or correctional  
30 probation officer who is killed in the line of duty on or  
31 after July 1, 1980, as a result of an act of violence

1 inflicted by another person while the officer is engaged in  
2 the performance of law enforcement duties or as a result of an  
3 assault against the officer under riot conditions shall pay  
4 the entire premium of the state group health insurance plan  
5 for the employee's surviving spouse until remarried, and for  
6 each dependent child of the employee until the child reaches  
7 the age of majority or until the end of the calendar year in  
8 which the child reaches the age of 25 if:

9           1. At the time of the employee's death, the child is  
10 dependent upon the employee for support; and

11           2. The surviving child continues to be a dependent for  
12 support, or the surviving child is a full-time or part-time  
13 student and is dependent for support.

14           (f) Pursuant to the request of each state officer,  
15 full-time or part-time state employee, or retiree  
16 participating in the state group insurance program, and upon  
17 certification of the employing agency approved by the  
18 department ~~Division of State Group Insurance~~, the Comptroller  
19 shall deduct from the salary or retirement warrant payable to  
20 each participant the amount so certified and shall handle such  
21 deductions in accordance with rules established by the  
22 department ~~division~~.

23           (g) No administrative or civil proceeding shall be  
24 commenced to collect an underpayment or refund an overpayment  
25 of premiums collected pursuant to this subsection unless such  
26 claim is filed with the department ~~Division of State Group~~  
27 ~~Insurance~~ within 2 years after the alleged underpayment or  
28 overpayment was made. For purposes of this paragraph, a  
29 payroll deduction, salary reduction, or contribution by an  
30 agency is deemed to be made on the date the salary warrant is  
31 issued.



1           (5) DEPARTMENT ~~DIVISION OF STATE GROUP INSURANCE;~~  
2 POWERS AND DUTIES.--The department ~~division~~ is responsible for  
3 the administration of the state group insurance program. The  
4 department ~~division~~ shall initiate and supervise the program  
5 as established by this section and shall adopt such rules as  
6 are necessary to perform its responsibilities. To implement  
7 this program, the department ~~division~~ shall, with prior  
8 approval by the Legislature:

9           (a) Determine the benefits to be provided and the  
10 contributions to be required for the state group insurance  
11 program. Such determinations, whether for a contracted plan or  
12 a self-insurance plan pursuant to paragraph (c), do not  
13 constitute rules within the meaning of s. 120.52 or final  
14 orders within the meaning of s. 120.52. Any physician's fee  
15 schedule used in the health and accident plan shall not be  
16 available for inspection or copying by medical providers or  
17 other persons not involved in the administration of the  
18 program. However, in the determination of the design of the  
19 program, the department ~~division~~ shall consider existing and  
20 complementary benefits provided by the Florida Retirement  
21 System and the Social Security System.

22           (b) Prepare, in cooperation with the Department of  
23 Insurance, the specifications necessary to implement the  
24 program.

25           (c) Contract on a competitive proposal basis with an  
26 insurance carrier or carriers, or professional administrator,  
27 determined by the Department of Insurance to be fully  
28 qualified, financially sound, and capable of meeting all  
29 servicing requirements. Alternatively, the department  
30 ~~division~~ may self-insure any plan or plans contained in the  
31 state group insurance program subject to approval based on

1 actuarial soundness by the Department of Insurance. The  
2 department ~~division~~ may contract with an insurance company or  
3 professional administrator qualified and approved by the  
4 Department of Insurance to administer such plan. Before  
5 entering into any contract, the department ~~division~~ shall  
6 advertise for competitive proposals, and such contract shall  
7 be let upon the consideration of the benefits provided in  
8 relationship to the cost of such benefits. In determining  
9 which entity to contract with, the department ~~division~~ shall,  
10 at a minimum, consider: the entity's previous experience and  
11 expertise in administering group insurance programs of the  
12 type it proposes to administer; the entity's ability to  
13 specifically perform its contractual obligations in this state  
14 and other governmental jurisdictions; the entity's anticipated  
15 administrative costs and claims experience; the entity's  
16 capability to adequately provide service coverage and  
17 sufficient number of experienced and qualified personnel in  
18 the areas of claims processing, recordkeeping, and  
19 underwriting, as determined by the department ~~division~~; the  
20 entity's accessibility to state employees and providers; the  
21 financial solvency of the entity, using accepted business  
22 sector measures of financial performance. The department  
23 ~~division~~ may contract for medical services which will improve  
24 the health or reduce medical costs for employees who  
25 participate in the state group insurance plan.

26 (d) With respect to the state group health insurance  
27 plan, be authorized to require copayments with respect to all  
28 providers under the plan.

29 (e) Have authority to establish a voluntary program  
30 for comprehensive health maintenance, which may include health  
31 educational components and health appraisals.

1           (f) With respect to any contract with an insurance  
2 carrier or carriers or professional administrator entered into  
3 by the department ~~division~~, require that the state and the  
4 enrollees be held harmless and indemnified for any financial  
5 loss caused by the failure of the insurance carrier or  
6 professional administrator to comply with the terms of the  
7 contract.

8           (g) With respect to any contract with an insurance  
9 carrier or carriers, or professional administrator entered  
10 into by the department ~~division~~, require that the carrier or  
11 professional administrator provide written notice to  
12 individual enrollees if any payment due to any health care  
13 provider of the enrollee remains unpaid beyond a period of  
14 time as specified in the contract.

15           (h) Have authority to establish ~~a voluntary group~~  
16 ~~long-term care program or~~ voluntary programs to be  
17 funded on a pretax contribution basis or on a posttax  
18 contribution basis, as the department ~~division~~ determines.

19           (i) Beginning November 1, 1998, and for the 1998-1999  
20 fiscal year only, continue to process health insurance claims  
21 for the 1996 and 1997 calendar years, subject to the review  
22 and approval process provided in s. 216.177. This paragraph is  
23 repealed on July 1, 1999.

24  
25 Final decisions concerning the existence of coverage or  
26 benefits under the state group health insurance plan shall not  
27 be delegated or deemed to have been delegated by the  
28 department ~~division~~.

29           (6) DEPOSIT OF PREMIUMS AND REFUNDS.--Premium dollars  
30 collected and not required to pay the costs of the program,  
31 prior to being paid to the carrier insurance company, shall be

1 invested, and the earnings from such investment shall be  
2 deposited in a trust fund to be designated in the State  
3 Treasury and utilized for increased benefits or reduced  
4 premiums for the participants or may be used to pay for the  
5 administration of the state group insurance program. Any  
6 refunds paid the state by the insurance carrier from premium  
7 dollar reserves held by the carrier and earned on such refunds  
8 shall be deposited in the trust fund and used for such  
9 purposes.

10 (7) CONTINUATION OF AGENCY INSURANCE PLANS.--Nothing  
11 contained in this section shall require the discontinuation of  
12 any insurance plan provided by any state agency; however, no  
13 state or agency funds shall be contributed toward the cost of  
14 any part of the premium of such agency plans. Such agency  
15 plans shall not be deemed to be included in the state group  
16 insurance program.

17 (8) COVERAGE FOR LEGISLATIVE MEMBERS AND  
18 EMPLOYEES.--The Legislature may provide coverage for its  
19 members and employees under all or any part of the state group  
20 insurance program; may provide coverage for its members and  
21 employees under a legislative group insurance program in lieu  
22 of all or any part of the state group insurance program; and,  
23 notwithstanding the provisions of paragraph (4)(c), may assume  
24 the cost of any group insurance coverage provided to its  
25 members and employees.

26 (9) PUBLIC RECORDS LAW; EXEMPTION.--Patient medical  
27 records and medical claims records of state employees, former  
28 employees, and eligible dependents in the custody or control  
29 of the state group insurance program are confidential and  
30 exempt from the provisions of s. 119.07(1). Such records  
31 shall not be furnished to any person other than the employee

1 or the employee's legal representative, except upon written  
2 authorization of the employee, but may be furnished in any  
3 civil or criminal action, unless otherwise prohibited by law,  
4 upon the issuance of a subpoena from a court of competent  
5 jurisdiction and proper notice to the employee or the  
6 employee's legal representative by the party seeking such  
7 records.

8 (10) STATEMENTS OF PURPOSE AND INTENT AND OTHER  
9 PROVISIONS REQUIRED FOR QUALIFICATION UNDER THE INTERNAL  
10 REVENUE CODE OF THE UNITED STATES.--Any other provisions in  
11 this chapter to the contrary notwithstanding:

12 (a) Any provision in this chapter relating to a state  
13 group insurance program shall be construed and administered to  
14 the extent possible to qualify such program to be a qualified  
15 and nondiscriminatory employee benefit plan under existing or  
16 hereafter-enacted provisions of the Internal Revenue Code of  
17 the United States.

18 (b) The department ~~division~~ may adopt any rule  
19 necessary to accomplish the purposes of this subsection not  
20 inconsistent with this chapter.

21 (c) This subsection is declaratory of the legislative  
22 intent upon the original enactment of this section and is  
23 deemed to have been in effect since that date.

24 (11) NOTICE BY HEALTH CARE PROVIDERS.--Any health care  
25 provider that has entered into a contract with a carrier or  
26 professional administrator that has contracted with the  
27 department ~~division~~ to administer the self-insurance program  
28 under this section shall provide written notification to the  
29 enrollee and the carrier or administrator at least 10 days  
30 before assigning or transferring the responsibility for  
31

1 collecting any payment or debt related to the plan to a  
2 collection agency or to any other third party.

3 Section 4. Section 110.12315, Florida Statutes, is  
4 amended to read:

5 110.12315 Prescription drug program.--

6 (1) Under the state employees' prescription drug  
7 program, copayments must be made as follows:

8 (a) Fifteen-dollar copayment for brand name drug with  
9 card;

10 (b) Five-dollar copayment for generic drug with card;

11 (c) Five-dollar copayment for generic mail order drug;

12 (d) Fifteen-dollar copayment for brand name mail order  
13 drug.

14

15 There shall be a 30-day supply limit for prescription card  
16 purchases; there shall be a 90-day supply limit for mail order  
17 or mail order prescription drug purchases.

18 (2)(a) Notwithstanding provisions of statute or agency  
19 administrative rules that may have been enacted or adopted  
20 prior to April 8, 1992, the Department of Management Services  
21 ~~Division of State Group Insurance~~, in making provision for  
22 reimbursement for prescription medicines dispensed to members  
23 of the State Group Health Insurance Plan and their dependents,  
24 shall allow prescriptions written by health care providers  
25 under the plan to be filled by any licensed pharmacy pursuant  
26 to contractual claims-processing provisions. Retail  
27 pharmacies participating in this program shall be reimbursed  
28 at a uniform rate and subject to uniform conditions, according  
29 to the terms and conditions of the plan established by the  
30 Department of Management Services ~~Division of State Group~~  
31 ~~Insurance~~ and relevant provisions of the annual General

1 Appropriations Act and implementing legislation. Nothing in  
2 this section shall be construed as prohibiting a mail order  
3 prescription drug program distinct from the service provided  
4 by retail pharmacies.

5 (b) The reimbursement schedule developed by the  
6 Department of Management Services ~~Division of State Group~~  
7 ~~Insurance~~ for a prescription pharmaceutical shall be based on  
8 the cost of the generic equivalent drug if a generic  
9 equivalent exists, unless the physician prescribing the  
10 pharmaceutical clearly states on the prescription that the  
11 brand name drug is medically necessary or that the drug  
12 product is included on the formulary of drug products that may  
13 not be interchanged as provided in chapter 465. In cases in  
14 which the physician indicates that a brand name drug is  
15 medically necessary, reimbursement shall be based on the cost  
16 of the brand name drug as specified in the reimbursement plan  
17 adopted by the Department of Management Services ~~Division of~~  
18 ~~State Group Insurance~~.

19 (c) Not later than October 1, 1992, the Department of  
20 Management Services shall implement a prescription utilization  
21 review program. All pharmacies dispensing medicines to  
22 members of the State Group Health Insurance Plan and their  
23 dependents shall be required to make records available for  
24 this review as a condition of participation in the State Group  
25 Health Insurance Plan.

26 (d) The Department of Management Services ~~Division of~~  
27 ~~State Group Insurance~~ shall assure the prompt implementation  
28 of this section and may reject all existing contract bids,  
29 rebid a pharmaceutical contract, or amend any existing  
30 pharmaceutical contract, and exercise any option for  
31 terminating any contract that conflicts with these provisions.

1 The Department of Management Services ~~Division of State Group~~  
2 ~~Insurance~~ shall incorporate additional cost savings and  
3 adjustments required to balance within appropriations  
4 provided, including, but not limited to, a trial or starter  
5 dose program and dispensing of long-term maintenance  
6 medication in lieu of acute therapy medication. This section  
7 does not authorize a reduction in the existing benefit  
8 configuration or allow premiums, deductions, or copayments to  
9 be raised above the levels specified in the 1992-1993 General  
10 Appropriations Act.

11 (3) The current pharmacy dispensing fee shall remain  
12 in effect. Additionally, participating pharmacies are required  
13 to use a point-of-sale device or an on-line computer system to  
14 verify a participant's coverage. The state is not responsible  
15 or liable for payment for the prescription of a person whose  
16 eligibility has not been verified by the state's contracted  
17 administrator or the Department of Management Services  
18 ~~Division of State Group Insurance~~.

19 Section 5. Section 110.1232, Florida Statutes, is  
20 amended to read:

21 110.1232 Health insurance coverage for persons retired  
22 under state-administered retirement systems before January 1,  
23 1976, and for spouses.--Notwithstanding any provisions of law  
24 to the contrary, the Department of Management Services  
25 ~~Division of State Group Insurance~~ shall provide health  
26 insurance coverage in the State Group Health Insurance Plan  
27 for persons who retired prior to January 1, 1976, under any of  
28 the state-administered retirement systems and who are not  
29 covered by social security and for the spouses and surviving  
30 spouses of such retirees who are also not covered by social  
31 security. Such health insurance coverage shall provide the



1 same benefits as provided to other retirees who are entitled  
2 to participate under s. 110.123. The claims experience of this  
3 group shall be commingled with the claims experience of other  
4 members covered under s. 110.123.

5 Section 6. Section 110.1234, Florida Statutes, is  
6 amended to read:

7 110.1234 Health insurance for retirees under the  
8 Florida Retirement System; Medicare supplement and fully  
9 insured coverage.--

10 (1) The Department of Management Services ~~Division of~~  
11 ~~State Group Insurance~~ shall solicit competitive bids from  
12 state-licensed insurance companies to provide and administer a  
13 fully insured Medicare supplement policy for all eligible  
14 retirees of a state or local public employer. Such Medicare  
15 supplement policy shall meet the provisions of ss.  
16 627.671-627.675. For the purpose of this subsection,  
17 "eligible retiree" means any public employee who retired from  
18 a state or local public employer who is covered by Medicare,  
19 Parts A and B. The department shall authorize one company to  
20 offer the Medicare supplement coverage to all eligible  
21 retirees. All premiums shall be paid by the retiree.

22 (2) The Department of Management Services ~~Division of~~  
23 ~~State Group Insurance~~ shall solicit competitive bids from  
24 state-licensed insurance companies to provide and administer  
25 fully insured health insurance coverage for all public  
26 employees who retired from a state or local public employer  
27 who are not covered by Medicare, Parts A and B. The  
28 department ~~division~~ may authorize one company to offer such  
29 coverage if the proposed benefits and premiums are reasonable.  
30 If such coverage is authorized, all premiums shall be paid for  
31 by the retiree.

1           Section 7. Subsections (5), (6), and (7) of section  
2 110.161, Florida Statutes, are amended to read:

3           110.161 State employees; pretax benefits program.--

4           (5) The Department of Management Services ~~Division of~~  
5 ~~State Group Insurance~~ shall develop rules for the pretax  
6 benefits program, which shall specify the benefits to be  
7 offered under the program, the continuing tax-exempt status of  
8 the program, and any other matters deemed necessary by the  
9 department to implement this section. The rules must be  
10 approved by a majority vote of the Administration Commission.

11           (6) The Department of Management Services ~~Division of~~  
12 ~~State Group Insurance~~ is authorized to establish a pretax  
13 benefits program for all employees whereby employees would  
14 receive benefits which are not includable in gross income  
15 under the Internal Revenue Code of 1986. The pretax benefits  
16 program shall be implemented in phases. Phase one shall allow  
17 employee contributions to premiums for the state health  
18 program and state life insurance to be paid on a pretax basis  
19 unless an employee elects not to participate. Phase two shall  
20 allow employees to voluntarily establish expense reimbursement  
21 plans from their salaries on a pretax basis to pay for  
22 qualified medical and dependent care expenses, including  
23 premiums paid by employees for qualified supplemental  
24 insurance. Phase two may also provide for the payment of such  
25 premiums through a pretax payroll procedure as used in phase  
26 one. The Administration Commission and the Department of  
27 Management Services ~~Division of State Group Insurance~~ are  
28 directed to take all actions necessary to preserve the  
29 tax-exempt status of the program.

30           (7) The Legislature recognizes that a substantial  
31 amount of the employer savings realized by the implementation

1 of a pretax benefits program will be the result of diminutions  
2 in the state's employer contribution to the Federal Insurance  
3 Contributions Act tax. There is hereby created the Pretax  
4 Benefits Trust Fund in the Department of Management Services  
5 ~~Division of State Group Insurance~~. Each agency shall transfer  
6 to the Pretax Benefits Trust Fund the employer FICA  
7 contributions saved by the state as a result of the  
8 implementation of the pretax benefits program authorized  
9 pursuant to this section. Any moneys forfeited pursuant to  
10 employees' salary reduction agreements to participate in phase  
11 one or phase two of the program must also be deposited in the  
12 Pretax Benefits Trust Fund. Moneys in the Pretax Benefits  
13 Trust Fund shall be used for the pretax benefits program,  
14 including its administration by the Department of Management  
15 Services or a third-party administrator.

16 Section 8. Paragraph (b) of subsection (4) of section  
17 112.05, Florida Statutes, is amended to read:

18 112.05 Retirement; cost-of-living adjustment;  
19 employment after retirement.--

20 (4)

21 (b) Any person to whom the limitation in paragraph (a)  
22 applies who violates such reemployment limitation and is  
23 reemployed with any agency participating in the Florida  
24 Retirement System prior to completion of the 12-month  
25 limitation period shall give timely notice of this fact in  
26 writing to the employer and to the division; and the person's  
27 retirement benefits shall be suspended for the balance of the  
28 12-month limitation period. Any person employed in violation  
29 of this subsection and any employing agency which knowingly  
30 employs or appoints such person without notifying the  
31 Department of Management Services ~~Division of Retirement~~ to

1 suspend retirement benefits shall be jointly and severally  
2 liable for reimbursement to the retirement trust fund of any  
3 benefits paid during the reemployment limitation period. To  
4 avoid liability, such employing agency shall have a written  
5 statement from the retiree that he or she is not retired from  
6 a state-administered retirement system. Any retirement  
7 benefits received by such person while reemployed during this  
8 limitation period shall be repaid to the retirement trust  
9 fund, and the retirement benefits shall remain suspended until  
10 such repayment has been made. Any benefits suspended beyond  
11 the reemployment limitation period shall apply toward the  
12 repayment of benefits received in violation of the  
13 reemployment limitation.

14 Section 9. Paragraph (d) of subsection (4) of section  
15 112.3173, Florida Statutes, is amended to read:

16 112.3173 Felonies involving breach of public trust and  
17 other specified offenses by public officers and employees;  
18 forfeiture of retirement benefits.--

19 (4) NOTICE.--

20 (d) The Commission on Ethics shall forward any notice  
21 and any other document received by it pursuant to this  
22 subsection to the governing body of the public retirement  
23 system of which the public officer or employee is a member or  
24 from which the public officer or employee may be entitled to  
25 receive a benefit. When called on by the Commission on Ethics,  
26 the Department of Management Services ~~Division of Retirement~~  
27 shall assist the commission in identifying the appropriate  
28 public retirement system.

29 Section 10. Subsection (7) of section 112.352, Florida  
30 Statutes, is amended to read:

31

1           112.352 Definitions.--The following words and phrases  
2 as used in this act shall have the following meaning unless a  
3 different meaning is required by the context:

4           (7) "Department"~~"Division"~~ means the Department of  
5 Management Services ~~Division of Retirement~~.

6           Section 11. Section 112.354, Florida Statutes, is  
7 amended to read:

8           112.354 Eligibility for supplement.--Each retired  
9 member or, if applicable, a joint annuitant, except any person  
10 receiving survivor benefits under the teachers' retirement  
11 system of the state in accordance with s. 238.07(16), shall be  
12 entitled to receive a supplement computed in accordance with  
13 s. 112.355 upon:

14           (1) Furnishing to the Department of Management  
15 Services ~~Division of Retirement~~ evidence from the Social  
16 Security Administration setting forth the retired member's  
17 social security benefit or certifying the noninsured status of  
18 the retired member under the Social Security Act, and

19           (2) Filing written application with the Department of  
20 Management Services ~~Division of Retirement~~ for such  
21 supplement.

22           Section 12. Section 112.356, Florida Statutes, is  
23 amended to read:

24           112.356 Payment of supplement.--Any supplement due and  
25 payable under this act shall be paid by the department  
26 ~~division~~ or under the direction and control of the department  
27 ~~division~~, based on information furnished by the retired  
28 member, or a joint annuitant, and the administrator of the  
29 system under which retirement benefits are being paid,  
30 beginning on the first day of the month coincident with or  
31 next following the later of the effective date of this act and

1 the date of approval of the application for supplement by the  
2 department ~~division~~, and payable thereafter on the first day  
3 of each month in the normal or optional form in which  
4 retirement benefits under the applicable system are being  
5 paid; provided, however, that if application for supplement is  
6 made subsequent to December 31, 1967, not more than 6  
7 retroactive monthly supplements shall be paid.

8 Section 13. Section 112.358, Florida Statutes, is  
9 amended to read:

10 112.358 Administration of system.--The Department of  
11 Management Services ~~Division of Retirement~~ shall make such  
12 rules and regulations as are necessary for the effective and  
13 efficient administration of this act and the cost to pay the  
14 expenses of such administration is hereby appropriated out of  
15 the appropriate retirement fund.

16 Section 14. Paragraph (g) of subsection (2) and  
17 subsections (4), (6), and (8) of section 112.361, Florida  
18 Statutes, are amended to read:

19 112.361 Additional and updated supplemental retirement  
20 benefits.--

21 (2) DEFINITIONS.--As used in this section, unless a  
22 different meaning is required by the context:

23 (g) "Department" ~~"Division"~~ means the Department of  
24 Management Services ~~Division of Retirement~~.

25 (4) ELIGIBILITY FOR SUPPLEMENT.--Each retired member  
26 or, if applicable, a joint annuitant, except any person  
27 receiving survivor's benefits under the Teachers' Retirement  
28 System of the state in accordance with s. 238.07(16), shall  
29 be entitled to receive a supplement computed in accordance  
30 with subsection (5), upon:

31

1           (a) Furnishing to the department ~~division~~ evidence  
2 from the Social Security Administration setting forth the  
3 retired member's social security benefit or certifying the  
4 noninsured status of the retired member under the Social  
5 Security Act, and  
6           (b) Filing written application with the department  
7 ~~division~~ for such supplement.  
8           (6) PAYMENT OF SUPPLEMENT.--Any supplement due and  
9 payable under this section shall be paid by the department  
10 ~~division~~ or under the direction and control of the department  
11 ~~division~~, based on information furnished by the retired  
12 member, or a joint annuitant, and the administrator of the  
13 system under which retirement benefits are being paid,  
14 beginning on the first day of the month coincident with or  
15 next following the later of:  
16           (a) July 1, 1969, or  
17           (b) The date of approval of the application for  
18 supplement by the department ~~division~~,  
19  
20 and payable thereafter on the first day of each month in the  
21 normal or optional form in which retirement benefits under the  
22 applicable system are being paid. However, no retroactive  
23 monthly supplements shall be paid for any period prior to the  
24 date specified in this paragraph.  
25           (8) ADMINISTRATION OF SYSTEM.--The department ~~Division~~  
26 ~~of Retirement~~ shall make such rules ~~and regulations~~ as are  
27 necessary for the effective and efficient administration of  
28 this section, and the cost to pay the expenses of such  
29 administration is hereby appropriated out of the appropriate  
30 fund pursuant to subsection (7).  
31

1           Section 15. Paragraphs (a) and (b) of subsection (4)  
2 of section 112.362, Florida Statutes, are amended to read:

3           112.362 Recomputation of retirement benefits.--

4           (4)(a) Effective July 1, 1980, any person who retired  
5 prior to July 1, 1987, under a state-supported retirement  
6 system with not less than 10 years of creditable service and  
7 who is not receiving or entitled to receive federal social  
8 security benefits shall, upon reaching 65 years of age and  
9 upon application to the Department of Management Services  
10 ~~Division of Retirement~~, be entitled to receive a minimum  
11 monthly benefit equal to \$16.50 multiplied by the member's  
12 total number of years of creditable service and adjusted by  
13 the actuarial factor applied to the original benefit for  
14 optional forms of retirement. Thereafter, the minimum monthly  
15 benefit shall be recomputed as provided in paragraph (5)(a).  
16 Application for this minimum monthly benefit shall include  
17 certification by the retired member that he or she is not  
18 receiving and is not entitled to receive social security  
19 benefits and shall include written authorization for the  
20 Department of Management Services ~~Division of Retirement~~ to  
21 have access to information from the Federal Social Security  
22 Administration concerning the member's entitlement to or  
23 eligibility for social security benefits. The minimum benefit  
24 provided by this paragraph shall not be paid unless and until  
25 the application requirements of this paragraph are satisfied.

26           (b) Effective July 1, 1978, the surviving spouse or  
27 beneficiary who is receiving or entitled to receive a monthly  
28 benefit commencing prior to July 1, 1987, from the account of  
29 any deceased retired member who had completed at least 10  
30 years of creditable service shall, at the time such deceased  
31 retiree would have reached age 65, if living, and, upon



1 application to the Department of Management Services ~~Division~~  
2 ~~of Retirement~~, be entitled to receive the minimum monthly  
3 benefit described in paragraph (a), adjusted by the actuarial  
4 factor applied to the optional form of benefit payable to said  
5 surviving spouse or beneficiary, provided said person is not  
6 receiving or entitled to receive federal social security  
7 benefits. Application for this minimum monthly benefit shall  
8 include certification by the surviving spouse or beneficiary  
9 that he or she is not receiving and is not entitled to receive  
10 social security benefits and shall include written  
11 authorization for the Department of Management Services  
12 ~~Division of Retirement~~ to have access to information from the  
13 Federal Social Security Administration concerning such  
14 person's entitlement to or eligibility for social security  
15 benefits. The minimum benefit provided by this paragraph  
16 shall not be paid unless and until the application  
17 requirements of this paragraph are satisfied.

18 Section 16. Subsections (2), (4), (7), and (8) of  
19 section 112.363, Florida Statutes, 1998 Supplement, are  
20 amended to read:

21 112.363 Retiree health insurance subsidy.--

22 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE  
23 SUBSIDY.--A person who is retired under a state-administered  
24 retirement system, or a beneficiary who is a spouse or  
25 financial dependent entitled to receive benefits under a  
26 state-administered retirement system, is eligible for health  
27 insurance subsidy payments provided under this section; except  
28 that pension recipients under ss. 121.40, 238.07(16)(a), and  
29 250.22, recipients of health insurance coverage under s.  
30 110.1232, or any other special pension or relief act shall not  
31 be eligible for such payments. Payment of the retiree health

1 insurance subsidy shall be made only after coverage for health  
2 insurance for the retiree or beneficiary has been certified in  
3 writing to the Department of Management Services ~~Division of~~  
4 ~~Retirement~~. Participation in a former employer's group health  
5 insurance program is not a requirement for eligibility under  
6 this section. However, participants in the Senior Management  
7 Service Optional Annuity Program as provided in s. 121.055(6)  
8 and the State University System Optional Retirement Program as  
9 provided in s. 121.35 shall not receive the retiree health  
10 insurance subsidy provided in this section. The employer of  
11 such participant shall pay the contributions required in  
12 subsection (8) to the annuity program provided in s.  
13 121.055(6)(d) or s. 121.35(4)(a), as applicable.

14 (4) PAYMENT OF RETIREE HEALTH INSURANCE  
15 SUBSIDY.--Beginning January 1, 1988, any monthly retiree  
16 health insurance subsidy amount due and payable under this  
17 section shall be paid to retired members by the Department of  
18 Management Services ~~Division of Retirement~~ or under the  
19 direction and control of the department ~~division~~.

20 (7) ADMINISTRATION OF SYSTEM.--The Department of  
21 Management Services ~~Division of Retirement~~ may adopt such  
22 rules and regulations as are necessary for the effective and  
23 efficient administration of this section. The cost of  
24 administration shall be appropriated from the trust fund.

25 (8) CONTRIBUTIONS.--For purposes of funding the  
26 insurance subsidy provided by this section:

27 (a) Beginning October 1, 1987, the employer of each  
28 member of a state-administered retirement plan shall  
29 contribute 0.24 percent of gross compensation each pay period.  
30  
31

1 (b) Beginning January 1, 1989, the employer of each  
2 member of a state-administered retirement plan shall  
3 contribute 0.48 percent of gross compensation each pay period.

4 (c) Beginning January 1, 1994, the employer of each  
5 member of a state-administered retirement plan shall  
6 contribute 0.56 percent of gross compensation each pay period.

7 (d) Beginning January 1, 1995, the employer of each  
8 member of a state-administered retirement plan shall  
9 contribute 0.66 percent of gross compensation each pay period.

10 (e) Beginning July 1, 1998, the employer of each  
11 member of a state-administered retirement plan shall  
12 contribute 0.94 percent of gross compensation each pay period.

13  
14 Such contributions shall be submitted to the Department of  
15 Management Services ~~Division of Retirement~~ and deposited in  
16 the Retiree Health Insurance Subsidy Trust Fund.

17 Section 17. Subsections (2) and (4) of section 112.63,  
18 Florida Statutes, are amended to read:

19 112.63 Actuarial reports and statements of actuarial  
20 impact; review.--

21 (2) The frequency of actuarial reports must be at  
22 least every 3 years commencing from the last actuarial report  
23 of the plan or system or October 1, 1980, if no actuarial  
24 report has been issued within the 3-year period prior to  
25 October 1, 1979. The results of each actuarial report shall be  
26 filed with the plan administrator within 60 days of  
27 certification. Thereafter, the results of each actuarial  
28 report shall be made available for inspection upon request.  
29 Additionally, each retirement system or plan covered by this  
30 act which is not administered directly by the Department of  
31 Management Services ~~Division of Retirement~~ shall furnish a

1 copy of each actuarial report to the Department of Management  
2 Services ~~Division of Retirement~~ within 60 days after receipt  
3 from the actuary. The requirements of this section are  
4 supplemental to actuarial valuations necessary to comply with  
5 the requirements of ss. 11.45 and 218.32.

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

1 entity of which the employees are covered by the retirement  
2 system or plan. If the administrative law judge recommends in  
3 favor of the local retirement system and the department  
4 ~~division~~ performs an actuarial review, the cost to the  
5 department division of performing the actuarial review shall  
6 be paid by the department division.

7 Section 18. Subsection (1) of section 112.64, Florida  
8 Statutes, is amended to read:

9 112.64 Administration of funds; amortization of  
10 unfunded liability.--

11 (1) Employee contributions shall be deposited in the  
12 retirement system or plan at least monthly. Employer  
13 contributions shall be deposited at least quarterly; however,  
14 any revenues received from any source by an employer which are  
15 specifically collected for the purpose of allocation for  
16 deposit into a retirement system or plan shall be so deposited  
17 within 30 days of receipt by the employer. All employers and  
18 employees participating in the Florida Retirement System and  
19 other existing retirement systems which are administered by  
20 the Department of Management Services ~~Division of Retirement~~  
21 shall continue to make contributions at least monthly.

22 Section 19. Subsections (1) and (3) of section  
23 112.658, Florida Statutes, are amended to read:

24 112.658 Office of Program Policy Analysis and  
25 Government Accountability to determine compliance of the  
26 Florida Retirement System.--

27 (1) The Office of Program Policy Analysis and  
28 Government Accountability shall determine, through the  
29 examination of actuarial reviews, financial statements, and  
30 the practices and procedures of the Department of Management  
31

1 ~~Services Division of Retirement~~, the compliance of the Florida  
2 Retirement System with the provisions of this act.

3 (3) The Office of Program Policy Analysis and  
4 Government Accountability shall employ the same actuarial  
5 standards to monitor the Department of Management Services  
6 ~~Division of Retirement~~ as the Department of Management  
7 Services Division of Retirement uses to monitor local  
8 governments.

9 Section 20. Section 112.665, Florida Statutes, is  
10 amended to read:

11 112.665 Duties of Department of Management Services  
12 ~~Division of Retirement~~.--

13 (1) The Department of Management Services ~~Division of~~  
14 ~~Retirement~~ shall:

15 (a) Gather, catalog, and maintain complete,  
16 computerized data information on all public employee  
17 retirement systems or plans in the state, based upon a review  
18 of audits, reports, and other data pertaining to the systems  
19 or plans;

20 (b) Receive and comment upon all actuarial reviews of  
21 retirement systems or plans maintained by units of local  
22 government;

23 (c) Cooperate with local retirement systems or plans  
24 on matters of mutual concern and provide technical assistance  
25 to units of local government in the assessment and revision of  
26 retirement systems or plans;

27 (d) Issue, by January 1 annually, a report to the  
28 President of the Senate and the Speaker of the House of  
29 Representatives, which report details division activities,  
30 findings, and recommendations concerning all governmental  
31

1 retirement systems. The report may include legislation  
2 proposed to carry out such recommendations;

3 (e) Issue, by January 1 annually, a report to the  
4 Special District Information Program of the Department of  
5 Community Affairs that includes the participation in and  
6 compliance of special districts with the local government  
7 retirement system provisions in s. 112.63 and the  
8 state-administered retirement system provisions as specified  
9 in chapter 121; and

10 (f) Adopt reasonable rules to administer the  
11 provisions of this part.

12 (2) The department ~~division~~ may subpoena actuarial  
13 witnesses, review books and records, hold hearings, and take  
14 testimony. A witness shall have the right to be accompanied  
15 by counsel.

16 Section 21. Subsections (4), (5), and (32) and  
17 paragraph (a) of subsection (39) of section 121.021, Florida  
18 Statutes, 1998 Supplement, are amended to read:

19 121.021 Definitions.--The following words and phrases  
20 as used in this chapter have the respective meanings set forth  
21 unless a different meaning is plainly required by the context:

22 (4) "Department" ~~"Division"~~ means the Department of  
23 Management Services ~~Division of Retirement~~.

24 (5) "Administrator" means the Secretary ~~director~~ of  
25 the Department of Management Services ~~Division of Retirement~~.

26 (32) "State agency" means the Department of Management  
27 Services ~~Division of Retirement~~ within the provisions and  
28 contemplation of chapter 650.

29 (39)(a) "Termination" occurs, except as provided in  
30 paragraph (b), when a member ceases all employment  
31 relationships with employers under this system, as defined in

1 subsection (10), but in the event a member should be employed  
2 by any such employer within the next calendar month,  
3 termination shall be deemed not to have occurred. A leave of  
4 absence shall constitute a continuation of the employment  
5 relationship, except that a leave of absence without pay due  
6 to disability may constitute termination for a member, if such  
7 member makes application for and is approved for disability  
8 retirement in accordance with s. 121.091(4). The department  
9 ~~division~~ may require other evidence of termination as it deems  
10 necessary.

11 Section 22. Section 121.025, Florida Statutes, is  
12 amended to read:

13 121.025 Administrator; powers and duties.--The  
14 Secretary ~~director~~ of the Department of Management Services  
15 ~~Division of Retirement~~ shall be the administrator of the  
16 retirement and pension systems assigned or transferred to the  
17 Department of Management Services ~~Division of Retirement~~ by  
18 law and shall have the authority to sign the contracts  
19 necessary to carry out the duties and responsibilities  
20 assigned by law to the Department of Management Services  
21 ~~Division of Retirement~~.

22 Section 23. Section 121.027, Florida Statutes, is  
23 amended to read:

24 121.027 Rulemaking authority for ch. 97-180.--The  
25 Department of Management Services ~~Division of Retirement~~ shall  
26 have rulemaking authority for administering all the provisions  
27 of chapter 97-180, Laws of Florida.

28 Section 24. Subsections (1), (2), and (5) of section  
29 121.031, Florida Statutes, are amended to read:

30 121.031 Administration of system; appropriation;  
31 oaths; actuarial studies; public records.--



1           (1) The Department of Management Services ~~Division of~~  
2 ~~Retirement~~ shall make such rules as are necessary for the  
3 effective and efficient administration of this system. The  
4 funds to pay the expenses for such administration are hereby  
5 appropriated from the interest earned on investments made for  
6 the retirement and social security trust funds and the  
7 assessments allowed under chapter 650.

8           (2) The Department of Management Services ~~Division of~~  
9 ~~Retirement~~ is authorized to require oaths, by affidavit or  
10 otherwise, and acknowledgments from persons in connection with  
11 the administration of its duties and responsibilities under  
12 this chapter.

13           (5) The names and addresses of retirees are  
14 confidential and exempt from the provisions of s. 119.07(1) to  
15 the extent that no state or local governmental agency may  
16 provide the names or addresses of such persons in aggregate,  
17 compiled, or list form to any person except to a public agency  
18 engaged in official business. However, a state or local  
19 government agency may provide the names and addresses of  
20 retirees from that agency to a bargaining agent as defined in  
21 s. 447.203(12) or to a retiree organization for official  
22 business use. Lists of names or addresses of retirees may be  
23 exchanged by public agencies, but such lists shall not be  
24 provided to, or open for inspection by, the public. Any  
25 person may view or copy any individual's retirement records at  
26 the Department of Management Services ~~Division of Retirement~~,  
27 one record at a time, or may obtain information by a separate  
28 written request for a named individual for which information  
29 is desired.

30  
31

1           Section 25. Paragraph (c) of subsection (1) and  
2 paragraphs (b) and (f) of subsection (2) of section 121.051,  
3 Florida Statutes, 1998 Supplement, are amended to read:

4           121.051 Participation in the system.--

5           (1) COMPULSORY PARTICIPATION.--

6           (c)1. After June 30, 1983, a member of an existing  
7 system who is reemployed after terminating employment shall  
8 have at the time of reemployment the option of selecting to  
9 remain in the existing retirement system or to transfer to the  
10 Florida Retirement System. Failure to submit such selection  
11 in writing to the Department of Management Services ~~Division~~  
12 ~~of Retirement~~ within 6 months of reemployment shall result in  
13 compulsory membership in the Florida Retirement System.

14           2. After June 30, 1988, the provisions of subparagraph  
15 1. shall not apply to a member of an existing system who is  
16 reemployed within 12 months after terminating employment. Such  
17 member shall continue to have membership in the existing  
18 system upon reemployment and shall not be permitted to become  
19 a member of the Florida Retirement System, except by  
20 transferring to that system as provided in ss. 121.052 and  
21 121.055.

22           (2) OPTIONAL PARTICIPATION.--

23           (b)1. The governing body of any municipality or  
24 special district in the state may elect to participate in the  
25 system upon proper application to the administrator and may  
26 cover all or any of its units as approved by the Secretary of  
27 Health and Human Services and the administrator. Prior to  
28 being approved for participation in the Florida Retirement  
29 System, the governing body of any such municipality or special  
30 district that has a local retirement system shall submit to  
31 the administrator a certified financial statement showing the

1 condition of the local retirement system as of a date within 3  
2 months prior to the proposed effective date of membership in  
3 the Florida Retirement System. The statement must be certified  
4 by a recognized accounting firm that is independent of the  
5 local retirement system. All required documents necessary for  
6 extending Florida Retirement System coverage must be received  
7 by the department ~~division~~ for consideration at least 15 days  
8 prior to the proposed effective date of coverage. If the  
9 municipality or special district does not comply with this  
10 requirement, the department ~~division~~ may require that the  
11 effective date of coverage be changed.

12           2. Any city or special district that has an existing  
13 retirement system covering the employees in the units that are  
14 to be brought under the Florida Retirement System may  
15 participate only after holding a referendum in which all  
16 employees in the affected units have the right to participate.  
17 Only those employees electing coverage under the Florida  
18 Retirement System by affirmative vote in said referendum shall  
19 be eligible for coverage under this chapter, and those not  
20 participating or electing not to be covered by the Florida  
21 Retirement System shall remain in their present systems and  
22 shall not be eligible for coverage under this chapter. After  
23 the referendum is held, all future employees shall be  
24 compulsory members of the Florida Retirement System.

25           3. The governing body of any city or special district  
26 complying with subparagraph 1. may elect to provide, or not  
27 provide, benefits based on past service of officers and  
28 employees as described in s. 121.081(1). However, if such  
29 employer elects to provide past service benefits, such  
30 benefits must be provided for all officers and employees of  
31 its covered group.

1           4. Once this election is made and approved it may not  
2 be revoked, except pursuant to subparagraphs 5. and 6., and  
3 all present officers and employees electing coverage under  
4 this chapter and all future officers and employees shall be  
5 compulsory members of the Florida Retirement System.

6           5. Subject to the conditions set forth in subparagraph  
7 6., the governing body of any hospital licensed under chapter  
8 395 which is governed by the board of a special district as  
9 defined in s. 189.403(1) or by the board of trustees of a  
10 public health trust created under s. 154.07, hereinafter  
11 referred to as "hospital district," and which participates in  
12 the system, may elect to cease participation in the system  
13 with regard to future employees in accordance with the  
14 following procedure:

15           a. No more than 30 days and at least 7 days before  
16 adopting a resolution to partially withdraw from the Florida  
17 Retirement System and establish an alternative retirement plan  
18 for future employees, a public hearing must be held on the  
19 proposed withdrawal and proposed alternative plan.

20           b. From 7 to 15 days before such hearing, notice of  
21 intent to withdraw, specifying the time and place of the  
22 hearing, must be provided in writing to employees of the  
23 hospital district proposing partial withdrawal and must be  
24 published in a newspaper of general circulation in the area  
25 affected, as provided by ss. 50.011-50.031. Proof of  
26 publication of such notice shall be submitted to the  
27 Department of Management Services ~~Division of Retirement~~.

28           c. The governing body of any hospital district seeking  
29 to partially withdraw from the system must, before such  
30 hearing, have an actuarial report prepared and certified by an  
31 enrolled actuary, as defined in s. 112.625(3), illustrating

1 the cost to the hospital district of providing, through the  
2 retirement plan that the hospital district is to adopt,  
3 benefits for new employees comparable to those provided under  
4 the Florida Retirement System.

5 d. Upon meeting all applicable requirements of this  
6 subparagraph, and subject to the conditions set forth in  
7 subparagraph 6., partial withdrawal from the system and  
8 adoption of the alternative retirement plan may be  
9 accomplished by resolution duly adopted by the hospital  
10 district board. The hospital district board must provide  
11 written notice of such withdrawal to the division by mailing a  
12 copy of the resolution to the division, postmarked no later  
13 than December 15, 1995. The withdrawal shall take effect  
14 January 1, 1996.

15 6. Following the adoption of a resolution under  
16 sub-subparagraph 5.d., all employees of the withdrawing  
17 hospital district who were participants in the Florida  
18 Retirement System prior to January 1, 1996, shall remain as  
19 participants in the system for as long as they are employees  
20 of the hospital district, and all rights, duties, and  
21 obligations between the hospital district, the system, and the  
22 employees shall remain in full force and effect. Any employee  
23 who is hired or appointed on or after January 1, 1996, may not  
24 participate in the Florida Retirement System, and the  
25 withdrawing hospital district shall have no obligation to the  
26 system with respect to such employees.

27 (f) Whenever an employer that participates in the  
28 Florida Retirement System undertakes the transfer, merger, or  
29 consolidation of governmental services or functions, the  
30 employer must notify the department ~~division~~ at least 60 days  
31

1 prior to such action and shall provide documentation as  
2 required by the department ~~division~~.

3 Section 26. Subsection (2) of section 121.0511,  
4 Florida Statutes, is amended to read:

5 121.0511 Revocation of election and alternative  
6 plan.--The governing body of any municipality or independent  
7 special district that has elected to participate in the  
8 Florida Retirement System may revoke its election in  
9 accordance with the following procedure:

10 (2) At least 7 days, but not more than 15 days, before  
11 the hearing, notice of intent to revoke, specifying the time  
12 and place of the hearing, must be published in a newspaper of  
13 general circulation in the area affected, as provided by ss.  
14 50.011-50.031. Proof of publication of the notice must be  
15 submitted to the Department of Management Services ~~Division of~~  
16 ~~Retirement~~.

17 Section 27. Paragraph (a) of subsection (3),  
18 subsection (4), and paragraph (c) of subsection (7) of section  
19 121.0515, Florida Statutes, 1998 Supplement, are amended to  
20 read:

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

25 (3) PROCEDURE FOR DESIGNATING.--

26 (a) Any member of the Florida Retirement System  
27 employed by a county, city, or special district who feels that  
28 he or she meets the criteria set forth in this section for  
29 membership in the Special Risk Class may request that his or  
30 her employer submit an application to the department ~~division~~  
31 requesting that the department ~~division~~ designate him or her

1 as a special risk member. If the employer agrees that the  
2 member meets the requirements for special risk membership, the  
3 employer shall submit an application to the department  
4 ~~division~~ in behalf of the employee containing a certification  
5 that the member meets the criteria for special risk membership  
6 set forth in this section and such other supporting  
7 documentation as may be required by administrative rule. The  
8 department ~~division~~ shall, within 90 days, either designate or  
9 refuse to designate the member as a special risk member. If  
10 the employer declines to submit the member's application to  
11 the department ~~division~~ or if the department ~~division~~ does not  
12 designate the member as a special risk member, the member or  
13 the employer may appeal to the State Retirement Commission, as  
14 provided in s. 121.23, for designation as a special risk  
15 member. A member who receives a final affirmative ruling  
16 pursuant to such appeal for special risk membership shall have  
17 special risk membership retroactive to the date such member  
18 would have had special risk membership had such membership  
19 been approved by the employer and the department ~~division~~, as  
20 determined by the department ~~division~~, and the employer  
21 contributions shall be paid in full within 1 year after such  
22 final ruling.

23 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member  
24 who is a special risk member on October 1, 1978, and who fails  
25 to meet the criteria for special risk membership established  
26 by this section shall have his or her special risk designation  
27 removed and thereafter shall be a regular member and shall  
28 earn only regular membership credit. The department ~~division~~  
29 shall have the authority to review the special risk  
30 designation of members to determine whether or not those  
31

1 members continue to meet the criteria for special risk  
2 membership.

3 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT  
4 DATE.--

5 (c) The department ~~division~~ shall adopt such rules as  
6 are required to administer this subsection.

7 Section 28. Paragraph (e) of subsection (3) of section  
8 121.052, Florida Statutes, 1998 Supplement, is amended to  
9 read:

10 121.052 Membership class of elected officers.--

11 (3) PARTICIPATION AND WITHDRAWAL,  
12 GENERALLY.--Effective July 1, 1990, participation in the  
13 Elected State and County Officers' Class shall be compulsory  
14 for elected officers listed in paragraphs (2)(a)-(d) and (f)  
15 assuming office on or after said date, unless the elected  
16 officer elects membership in another class or withdraws from  
17 the Florida Retirement System as provided in paragraphs  
18 (3)(a)-(d):

19 (e) Effective July 1, 1997, the governing body of a  
20 municipality or special district may, by majority vote, elect  
21 to designate all its elected positions for inclusion in the  
22 Elected State and County Officers' Class. Such election shall  
23 be made between July 1, 1997, and December 31, 1997, and shall  
24 be irrevocable. The designation of such positions shall be  
25 effective the first day of the month following receipt by the  
26 department ~~division~~ of the ordinance or resolution passed by  
27 the governing body.

28 Section 29. Paragraphs (b) and (h) of subsection (1)  
29 and paragraphs (d) and (f) of subsection (6) of section  
30 121.055, Florida Statutes, 1998 Supplement, are amended to  
31 read:



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

6           (1)

7           (b)1. Except as provided in subparagraph 2., effective  
8 January 1, 1990, participation in the Senior Management  
9 Service Class shall be compulsory for the president of each  
10 community college, the manager of each participating city or  
11 county, and all appointed district school superintendents.  
12 Effective January 1, 1994, additional positions may be  
13 designated for inclusion in the Senior Management Service  
14 Class of the Florida Retirement System, provided that:

15           a. Positions to be included in the class shall be  
16 designated by the local agency employer. Notice of intent to  
17 designate positions for inclusion in the class shall be  
18 published once a week for 2 consecutive weeks in a newspaper  
19 of general circulation published in the county or counties  
20 affected, as provided in chapter 50.

21           b. One nonelective full-time position may be  
22 designated for each local agency employer reporting to the  
23 Department of Management Services ~~Division of Retirement~~; for  
24 local agencies with 100 or more regularly established  
25 positions, additional nonelective full-time positions may be  
26 designated, not to exceed 1 percent of the regularly  
27 established positions within the agency.

28           c. Each position added to the class must be a  
29 managerial or policymaking position filled by an employee who  
30 is not subject to continuing contract and serves at the  
31

1 pleasure of the local agency employer without civil service  
2 protection, and who:

3 (I) Heads an organizational unit; or

4 (II) Has responsibility to effect or recommend  
5 personnel, budget, expenditure, or policy decisions in his or  
6 her areas of responsibility.

7 2. In lieu of participation in the Senior Management  
8 Service Class, members of the Senior Management Service Class  
9 pursuant to the provisions of subparagraph 1. may withdraw  
10 from the Florida Retirement System altogether and participate  
11 in a lifetime monthly annuity program which may be provided by  
12 the employing agency. The cost to the employer for such  
13 annuity shall equal the normal cost portion of the  
14 contributions required in the Senior Management Service Class.  
15 The employer providing such annuity shall contribute an  
16 additional amount to the Florida Retirement System Trust Fund  
17 equal to the unfunded actuarial accrued liability portion of  
18 the Senior Management Service Class contribution rate. The  
19 decision to participate in such local government annuity shall  
20 be irrevocable for as long as the employee holds a position  
21 eligible for the annuity. Any service creditable under the  
22 Senior Management Service Class shall be retained after the  
23 member withdraws from the Florida Retirement System; however,  
24 additional service credit in the Senior Management Service  
25 Class shall not be earned after such withdrawal. Such members  
26 shall not be eligible to participate in the Senior Management  
27 Service Optional Annuity Program.

28 (h)1. Except as provided in subparagraph 3., effective  
29 January 1, 1994, participation in the Senior Management  
30 Service Class shall be compulsory for the State Courts  
31 Administrator and the Deputy State Courts Administrators, the

1 Clerk of the Supreme Court, the Marshal of the Supreme Court,  
2 the Executive Director of the Justice Administrative  
3 Commission, the Capital Collateral Representative, the clerks  
4 of the district courts of appeals, the marshals of the  
5 district courts of appeals, and the trial court administrator  
6 in each judicial circuit. Effective January 1, 1994,  
7 additional positions in the offices of the state attorney and  
8 public defender in each judicial circuit may be designated for  
9 inclusion in the Senior Management Service Class of the  
10 Florida Retirement System, provided that:

11       a. Positions to be included in the class shall be  
12 designated by the state attorney or public defender, as  
13 appropriate. Notice of intent to designate positions for  
14 inclusion in the class shall be published once a week for 2  
15 consecutive weeks in a newspaper of general circulation  
16 published in the county or counties affected, as provided in  
17 chapter 50.

18       b. One nonelective full-time position may be  
19 designated for each state attorney and public defender  
20 reporting to the Department of Management Services ~~Division of~~  
21 ~~Retirement~~; for agencies with 200 or more regularly  
22 established positions under the state attorney or public  
23 defender, additional nonelective full-time positions may be  
24 designated, not to exceed 0.5 percent of the regularly  
25 established positions within the agency.

26       c. Each position added to the class must be a  
27 managerial or policymaking position filled by an employee who  
28 serves at the pleasure of the state attorney or public  
29 defender without civil service protection, and who:

30           (I) Heads an organizational unit; or  
31

1 (II) Has responsibility to effect or recommend  
2 personnel, budget, expenditure, or policy decisions in his or  
3 her areas of responsibility.

4 2. Participation in this class shall be compulsory,  
5 except as provided in subparagraph 3., for any judicial  
6 employee who holds a position designated for coverage in the  
7 Senior Management Service Class and such participation shall  
8 continue until the employee terminates employment in a covered  
9 position.

10 3. In lieu of participation in the Senior Management  
11 Service Class, such members may participate in the Senior  
12 Management Service Optional Annuity Program as established in  
13 subsection (6).

14 (6)

15 (d) Contributions.--

16 1. Each employer shall contribute on behalf of each  
17 participant in the Senior Management Service Optional Annuity  
18 Program an amount equal to the normal cost portion of the  
19 employer retirement contribution which would be required if  
20 the participant were a Senior Management Service Class member  
21 of the Florida Retirement System, plus the portion of the  
22 contribution rate required in s. 112.363(8) that would  
23 otherwise be assigned to the Retiree Health Insurance Subsidy  
24 Trust Fund, less an amount approved by the Legislature which  
25 shall be deducted by the department ~~division~~ to provide for  
26 the administration of this program. The payment of the  
27 contributions to the optional program which is required by  
28 this subparagraph for each participant shall be made by the  
29 employer to the department ~~division~~ which shall forward the  
30 contributions to the designated company or companies  
31

1 contracting for payment of benefits for the participant under  
2 the program.

3           2. Each employer shall contribute on behalf of each  
4 participant in the Senior Management Service Optional Annuity  
5 Program an amount equal to the unfunded actuarial accrued  
6 liability portion of the employer contribution which would be  
7 required for members of the Senior Management Service Class in  
8 the Florida Retirement System. This contribution shall be  
9 paid to the department ~~division~~ for transfer to the Florida  
10 Retirement System Trust Fund.

11           3. An Optional Annuity Program Trust Fund shall be  
12 established in the State Treasury and administered by the  
13 department ~~division~~ to make payments to provider companies on  
14 behalf of the optional annuity program participants, and to  
15 transfer the unfunded liability portion of the state optional  
16 annuity program contributions to the Florida Retirement System  
17 Trust Fund.

18           4. Contributions required for social security by each  
19 employer and each participant, in the amount required for  
20 social security coverage as now or hereafter may be provided  
21 by the federal Social Security Act shall be maintained for  
22 each participant in the Senior Management Service retirement  
23 program and shall be in addition to the retirement  
24 contributions specified in this paragraph.

25           5. Each participant in the Senior Management Service  
26 Optional Annuity Program may contribute by way of salary  
27 reduction or deduction a percentage amount of the  
28 participant's gross compensation not to exceed the percentage  
29 amount contributed by the employer to the optional annuity  
30 program. Payment of the participant's contributions shall be  
31 made by the employer to the department ~~division~~ which shall

1 forward the contributions to the designated company or  
2 companies contracting for payment of benefits for the  
3 participant under the program.

4 (f) Administration.--

5 1. The Senior Management Service Optional Annuity  
6 Program authorized by this section shall be administered by  
7 the department ~~Division of Retirement~~. The department  
8 ~~division~~ shall designate one or more provider companies from  
9 which annuity contracts may be purchased under the program and  
10 shall approve the form and content of the contracts. The  
11 department ~~division~~ shall sign a contract with each of the  
12 provider companies and shall evaluate the performance of the  
13 provider companies on a continuing basis. The department  
14 ~~division~~ may terminate the services of a provider company for  
15 reasons stated in the contract. The department ~~division~~ shall  
16 adopt rules establishing its responsibilities and the  
17 responsibilities of employers in administering the optional  
18 annuity program.

19 2. Effective July 1, 1997, the State Board of  
20 Administration shall review and make recommendations to the  
21 department ~~division~~ on the acceptability of all investment  
22 products proposed by provider companies of the optional  
23 annuity program before such products are offered through  
24 annuity contracts to the participants and may advise the  
25 department ~~division~~ of any changes deemed necessary to ensure  
26 that the optional annuity program offers an acceptable mix of  
27 investment products. The department ~~division~~ shall make the  
28 final determination as to whether an investment product will  
29 be approved for the program.

30 3. The provisions of each contract applicable to a  
31 participant in the Senior Management Service Optional Annuity

1 Program shall be contained in a written program description  
2 which shall include a report of pertinent financial and  
3 actuarial information on the solvency and actuarial soundness  
4 of the program and the benefits applicable to the participant.  
5 Such description shall be furnished by the company or  
6 companies to each participant in the program and to the  
7 department ~~division~~ upon commencement of participation in the  
8 program and annually thereafter.

9           4. The department ~~division~~ shall ensure that each  
10 participant in the Senior Management Service Optional Annuity  
11 Program is provided an accounting of the total contribution  
12 and the annual contribution made by and on behalf of such  
13 participants.

14           Section 30. Subsection (5) of section 121.071, Florida  
15 Statutes, 1998 Supplement, is amended to read:

16           121.071 Contributions.--Contributions to the system  
17 shall be made as follows:

18           (5) Contributions made in accordance with subsections  
19 (1), (2), (3), and (4) shall be paid by the employer into the  
20 system trust funds in accordance with rules adopted by the  
21 administrator pursuant to chapter 120. Such contributions are  
22 due and payable no later than the 25th day of the month  
23 immediately following the month during which the payroll  
24 period ended. The department ~~division~~ may, by rule, establish  
25 a different due date, which shall supersede the date specified  
26 herein; however, such due date may not be established earlier  
27 than the 20th day of the month immediately following the month  
28 during which the payroll period ended. Effective January 1,  
29 1984, contributions made in accordance with subsection (3)  
30 shall be paid by the employer into the system trust fund in  
31 accordance with rules adopted by the administrator pursuant to

1 chapter 120. For any payroll period ending any day of the  
2 month before the 16th day of the month, such contributions are  
3 due and payable no later than the 20th day of the month; and,  
4 for any payroll periods ending any day of the month after the  
5 15th day of the month, such contributions are due and payable  
6 no later than the 5th day of the next month. Contributions  
7 received in the offices of the department ~~Division of~~  
8 ~~Retirement~~ after the prescribed date shall be considered  
9 delinquent unless, in the opinion of the department ~~division~~,  
10 exceptional circumstances beyond an employer's control  
11 prevented remittance by the prescribed due date  
12 notwithstanding such employer's good faith efforts to effect  
13 delivery; and, with respect to retirement contributions due  
14 under subsections (1) and (4), each employer shall be assessed  
15 a delinquent fee of 1 percent of the contributions due for  
16 each calendar month or part thereof that the contributions are  
17 delinquent. Such a waiver of the delinquency fee by the  
18 department ~~division~~ may be granted an employer only one time  
19 each fiscal year. Delinquent social security contributions  
20 shall be assessed a delinquent fee as authorized by s.  
21 650.05(4). The delinquent fee assessable for an employer's  
22 first delinquency after July 1, 1984, shall be as specified in  
23 s. 650.05(4), and, beginning with the second delinquency in  
24 any fiscal year by the employer subsequent to July 1, 1984,  
25 all subsequent delinquency fees shall be assessed against the  
26 employer at twice the applicable percentage rate specified in  
27 s. 650.05(4).

28 Section 31. Paragraph (h) of subsection (1) and  
29 paragraph (e) of subsection (2) of section 121.081, Florida  
30 Statutes, 1998 Supplement, are amended to read:

31



1           121.081 Past service; prior service;  
2 contributions.--Conditions under which past service or prior  
3 service may be claimed and credited are:  
4           (1)  
5           (h) The following provisions apply to the purchase of  
6 past service:  
7           1. Notwithstanding any of the provisions of this  
8 subsection, past-service credit may not be purchased under  
9 this chapter for any service that is used to obtain a benefit  
10 from any local retirement system.  
11           2. A member may not receive past service credit under  
12 paragraphs (a), (b), (e), or (f) for any leaves of absence  
13 without pay, except that credit for active military service  
14 leaves of absence may be claimed under paragraphs (a), (b),  
15 and (f), in accordance with s. 121.111(1).  
16           3. If a member does not desire to receive credit for  
17 all of his or her past service, the period the member claims  
18 must be the most recent past service prior to his or her  
19 participation in the Florida Retirement System.  
20           4. The cost of past service purchased by an employing  
21 agency for its employees may be amortized over such period of  
22 time as is provided in the agreement, but not to exceed 15  
23 years, calculated in accordance with rule 60S-1.007(5)(f),  
24 Florida Administrative Code.  
25           5. The retirement account of each member for whom past  
26 service is being provided by his or her employer shall be  
27 credited with all past service the employer agrees to purchase  
28 as soon as the agreement between the employer and the  
29 department ~~division~~ is executed. Pursuant thereto:  
30           a. Each such member's account shall also be posted  
31 with the total contribution his or her employer agrees to make

1 in the member's behalf for past service earned prior to  
2 October 1, 1975, excluding those contributions representing  
3 the employer's matching share and the compound interest  
4 calculation on the total contribution. However, a portion of  
5 any contributions paid by an employer for past service credit  
6 earned on and after October 1, 1975, may not be posted to a  
7 member's account.

8           b. A refund of contributions payable after an employer  
9 has made a written agreement to purchase past service for  
10 employees of the covered group shall include contributions for  
11 past service which are posted to a member's account. However,  
12 contributions for past service earned on and after October 1,  
13 1975, are not refundable.

14           (2) Prior service, as defined in s. 121.021(19), may  
15 be claimed as creditable service under the Florida Retirement  
16 System after a member has been reemployed for 12 continuous  
17 months, except as provided in paragraph (c). Service performed  
18 as a participant of the optional retirement program for the  
19 State University System under s. 121.35 or the Senior  
20 Management Service Optional Annuity Program under s. 121.055  
21 may be used to satisfy the 12-continuous-month requirement.  
22 The member shall not be permitted to make any contributions  
23 for prior service until after the 12-month period. The  
24 required contributions for claiming the various types of prior  
25 service are:

26           (e) For service performed under the Florida Retirement  
27 System after December 1, 1970, that was never reported to the  
28 division or the department due to error, retirement credit may  
29 be claimed by a member of the Florida Retirement System. The  
30 department ~~division~~ shall adopt rules establishing criteria  
31

1 for claiming such credit and detailing the documentation  
2 required to substantiate the error.

3 Section 32. Paragraph (b) of subsection (14) of  
4 section 121.091, Florida Statutes, 1998 Supplement, is amended  
5 to read:

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

20 (14) PAYMENT OF BENEFITS.--This subsection applies to  
21 the payment of benefits to a payee (retiree or beneficiary)  
22 under the Florida Retirement System:

23 (b) Subject to approval by the division in accordance  
24 with rule 60S-4.015, Florida Administrative Code, a payee  
25 receiving retirement benefits under the Florida Retirement  
26 System may also have the following payments deducted from his  
27 or her monthly benefit:

28 1. Premiums for life and health-related insurance  
29 policies from approved companies.

30 2. Life insurance premiums for the State Group Life  
31 Insurance Plan, if authorized in writing by the payee and by

1 the Department of Management Services ~~Division of State Group~~  
2 ~~Insurance~~.

3 3. Repayment of overpayments from the Florida  
4 Retirement System Trust Fund, the State Employees' Health  
5 Insurance Trust Fund, or the State Employees' Life Insurance  
6 Trust Fund, upon notification of the payee.

7 4. Payments to an alternate payee for alimony, child  
8 support, or division of marital assets pursuant to a qualified  
9 domestic relations order under s. 222.21 or an income  
10 deduction order under s. 61.1301.

11 5. Payments to the Internal Revenue Service for  
12 federal income tax levies, upon notification of the division  
13 by the Internal Revenue Service.

14 Section 33. Paragraph (b) of subsection (7) of section  
15 121.101, Florida Statutes, is amended to read:

16 121.101 Cost-of-living adjustment of benefits.--

17 (7) The purpose of this subsection is to establish a  
18 supplemental cost-of-living adjustment for certain retirees  
19 and beneficiaries who receive monthly retirement benefits  
20 under the provisions of this chapter and the existing systems  
21 consolidated therein, s. 112.05 for certain state officers and  
22 employees, and s. 238.171 for certain elderly incapacitated  
23 teachers.

24 (b) Application for the supplemental cost-of-living  
25 adjustment provided by this subsection shall include  
26 certification by the retiree or annuitant that he or she is  
27 not receiving, and is not eligible to receive, social security  
28 benefits and shall include written authorization for the  
29 department ~~division~~ to have access to information from the  
30 Social Security Administration concerning his or her  
31 entitlement to, or eligibility for, social security benefits.

1 Such supplemental cost-of-living adjustment shall not be paid  
2 unless and until the application requirements of this  
3 paragraph are met.

4 Section 34. Paragraph (e) of subsection (2) of section  
5 121.111, Florida Statutes, 1998 Supplement, is amended to  
6 read:

7 121.111 Credit for military service.--

8 (2) Any member whose initial date of employment is  
9 before January 1, 1987, who has military service as defined in  
10 s. 121.021(20)(b), and who does not claim such service under  
11 subsection (1) may receive creditable service for such  
12 military service if:

13 (e) Any member claiming credit under this subsection  
14 must certify on the form prescribed by the department ~~division~~  
15 that credit for such service has not and will not be claimed  
16 for retirement purposes under any other federal, state, or  
17 local retirement or pension system where "length of service"  
18 is a factor in determining the amount of compensation  
19 received, except where credit for such service has been  
20 granted in a pension system providing retired pay for  
21 nonregular service as provided in paragraph (d). If the member  
22 dies prior to retirement, the member's beneficiary must make  
23 the required certification before credit may be claimed. If  
24 such certification is not made by the member or the member's  
25 beneficiary, credit for wartime military service shall not be  
26 allowed.

27 Section 35. Section 121.133, Florida Statutes, 1998  
28 Supplement, is amended to read:

29 121.133 Cancellation of uncashed  
30 warrants.--Notwithstanding the provisions of s. 17.26 or s.  
31 717.123 to the contrary, effective July 1, 1998, if any state

1 warrant issued by the Comptroller for the payment of  
2 retirement benefits from the Florida Retirement System Trust  
3 Fund, or any other pension trust fund administered by the  
4 department ~~division~~, is not presented for payment within 1  
5 year after the last day of the month in which it was  
6 originally issued, the Comptroller shall cancel the benefit  
7 warrant and credit the amount of the warrant to the Florida  
8 Retirement System Trust Fund or other pension trust fund  
9 administered by the department ~~division~~, as appropriate. The  
10 department ~~Division of Retirement~~ may provide for issuance of  
11 a replacement warrant when deemed appropriate.

12 Section 36. Section 121.135, Florida Statutes, is  
13 amended to read:

14 121.135 Annual report to Legislature concerning  
15 state-administered retirement systems.--The department  
16 ~~Division of Retirement~~ shall make to each regular session of  
17 the Legislature a written report on the operation and  
18 condition of the state-administered retirement systems.

19 Section 37. Section 121.136, Florida Statutes, is  
20 amended to read:

21 121.136 Annual benefit statement to  
22 members.--Beginning January 1, 1993, and each January  
23 thereafter, the department ~~Division of Retirement~~ shall  
24 provide each active member of the Florida Retirement System  
25 with 5 or more years of creditable service an annual statement  
26 of benefits. Such statement should provide the member with  
27 basic data about the member's retirement account. Minimally,  
28 it shall include the member's retirement plan, the amount of  
29 funds on deposit in the retirement account, and an estimate of  
30 retirement benefits.

31

1           Section 38. Section 121.1815, Florida Statutes, is  
2 amended to read:

3           121.1815 Special pensions to individuals;  
4 administration of laws by Department of Management Services  
5 ~~Division of Retirement~~.--All powers, duties, and functions  
6 related to the administration of laws providing special  
7 pensions to individuals, including chapter 18054, Laws of  
8 Florida, 1937; chapter 26788, Laws of Florida, 1951, as  
9 amended by chapter 57-871, Laws of Florida; chapter 26836,  
10 Laws of Florida, 1951; and chapter 63-953, Laws of Florida,  
11 are vested in the department ~~Division of Retirement~~. All laws  
12 hereinafter enacted by the Legislature pertaining to special  
13 pensions for individuals shall be administered by the  
14 department ~~said division~~, unless contrary provisions are  
15 contained in such law. Upon the death of any person receiving  
16 a monthly pension under this section, the monthly pension  
17 shall be paid through the last day of the month of death and  
18 shall terminate on that date, unless contrary provisions are  
19 contained in the special pension law.

20           Section 39. Section 121.1905, Florida Statutes, is  
21 amended to read:

22           121.1905 Division of Retirement; creation.--

23           (1) There is ~~created~~ the Division of Retirement within  
24 the Department of Management Services, ~~to be headed by a~~  
25 ~~director who shall be appointed by the Governor and confirmed~~  
26 ~~by the Senate. The division shall be a separate budget entity,~~  
27 ~~and the director shall be its agency head for all purposes.~~  
28 ~~The Department of Management Services shall provide~~  
29 ~~administrative support and service to the division to the~~  
30 ~~extent requested by the director. The division shall not be~~  
31 ~~subject to control, supervision, or direction by the~~

1 ~~Department of Management Services in any manner, including,~~  
2 ~~but not limited to, personnel, purchasing, transactions~~  
3 ~~involving real or personal property, and budgetary matters,~~  
4 ~~except to the extent as provided in chapters 110, 216, 255,~~  
5 ~~282, and 287 for agencies of the executive branch.~~

6 (2) The mission of the Division of Retirement is to  
7 provide quality and cost-effective retirement services as  
8 measured by member satisfaction and by comparison with  
9 administrative costs of comparable retirement systems.

10 Section 40. Section 121.192, Florida Statutes, is  
11 amended to read:

12 121.192 State retirement actuary.--The department  
13 ~~Division of Retirement~~ may employ an actuary. Such actuary  
14 shall, together with such other duties as the secretary  
15 ~~director of retirement~~ may assign, be responsible for:

16 (1) Advising the secretary ~~director of retirement~~ on  
17 actuarial matters of the state retirement systems.

18 (2) Making periodic valuations of the retirement  
19 systems.

20 (3) Providing actuarial analyses to the Legislature  
21 concerning proposed changes in the retirement systems.

22 (4) Assisting the secretary ~~director of retirement~~ in  
23 developing a sound and modern retirement system.

24 Section 41. Section 121.193, Florida Statutes, 1998  
25 Supplement, is amended to read:

26 121.193 External compliance audits.--

27 (1) The department ~~division~~ shall conduct audits of  
28 the payroll and personnel records of participating agencies.  
29 These audits shall be made to determine the accuracy of  
30 reports submitted to the department ~~division~~ and to assess the  
31 degree of compliance with applicable statutes, rules, and



1 coverage agreements. Audits shall be scheduled on a regular  
2 basis, as the result of concerns known to exist at an agency,  
3 or as a followup to ensure agency action was taken to correct  
4 deficiencies found in an earlier audit.

5 (2) Upon request, participating agencies shall furnish  
6 the department ~~division~~ with information and documents that  
7 the department ~~division~~ requires to conduct the audit. The  
8 department ~~division~~ may prescribe by rule the documents that  
9 may be requested.

10 (3) The department ~~division~~ shall review the agency's  
11 operations concerning retirement and social security coverage.  
12 Preliminary findings shall be discussed with agency personnel  
13 at the close of the audit. An audit report of findings and  
14 recommendations shall be submitted to department ~~division~~  
15 management and an audit summary letter shall be submitted to  
16 the agency noting any concerns and necessary corrective  
17 action.

18 Section 42. Subsection (1) of section 121.22, Florida  
19 Statutes, is amended to read:

20 121.22 State Retirement Commission; creation;  
21 membership; compensation.--

22 (1) There is created within the Department of  
23 Management Services ~~Division of Retirement~~ a State Retirement  
24 Commission composed of seven members: One member who is  
25 retired under a state-supported retirement system administered  
26 by the department ~~Division of Retirement~~; two members from  
27 different occupational backgrounds who are active members in a  
28 state-supported retirement system that ~~which~~ is administered  
29 by the department ~~Division of Retirement~~; and four members who  
30 are not retirees, beneficiaries, or members of a  
31

1 state-supported retirement system that ~~which~~ is administered  
2 by the department ~~Division of Retirement~~.

3 Section 43. Subsection (1) of section 121.23, Florida  
4 Statutes, is amended to read:

5 121.23 Disability retirement and special risk  
6 membership applications; Retirement Commission; powers and  
7 duties; judicial review.--The provisions of this section apply  
8 to all proceedings in which the administrator has made a  
9 written final decision on the merits respecting applications  
10 for disability retirement, reexamination of retired members  
11 receiving disability benefits, applications for special risk  
12 membership, and reexamination of special risk members in the  
13 Florida Retirement System. The jurisdiction of the State  
14 Retirement Commission under this section shall be limited to  
15 written final decisions of the administrator on the merits.

16 (1) In accordance with the rules of procedure adopted  
17 by the Department of Management Services ~~Division of~~  
18 ~~Retirement~~, the administrator shall:

19 (a) Give reasonable notice of his or her proposed  
20 action, or decision to refuse action, together with a summary  
21 of the factual, legal, and policy grounds therefor.

22 (b) Give affected members, or their counsel, an  
23 opportunity to present to the division written evidence in  
24 opposition to the proposed action or refusal to act or a  
25 written statement challenging the grounds upon which the  
26 administrator has chosen to justify his or her action or  
27 inaction.

28 (c) If the objections of the member are overruled,  
29 provide a written explanation within 21 days.

30 Section 44. Subsections (2), (3), and (4) of section  
31 121.24, Florida Statutes, are amended to read:

1           121.24 Conduct of commission business; legal and other  
2 assistance; compensation.--

3           (2) Legal counsel for the commission may be provided  
4 by the Department of Legal Affairs or by the Department of  
5 Management Services ~~Division of Retirement~~, with the  
6 concurrence of the commission, and shall be paid by the  
7 Department of Management Services ~~Division of Retirement~~ from  
8 the appropriate funds.

9           (3) The Department of Management Services ~~Division of~~  
10 ~~Retirement~~ shall provide timely and appropriate training for  
11 newly appointed members of the commission. Such training shall  
12 be designed to acquaint new members of the commission with the  
13 duties and responsibilities of the commission.

14           (4) The Department of Management Services ~~Division of~~  
15 ~~Retirement~~ shall furnish administrative and secretarial  
16 assistance to the commission and shall provide a place where  
17 the commission may hold its meetings.

18           Section 45. Subsection (9) of section 121.30, Florida  
19 Statutes, 1998 Supplement, is amended to read:

20           121.30 Statements of purpose and intent and other  
21 provisions required for qualification under the Internal  
22 Revenue Code of the United States.--Any other provisions in  
23 this chapter to the contrary notwithstanding, it is  
24 specifically provided that:

25           (9) The department ~~division~~ may adopt any rule  
26 necessary to accomplish the purpose of the section which is  
27 not inconsistent with this chapter.

28           Section 46. Subsection (1), paragraphs (a) and (c) of  
29 subsection (2), paragraphs (c) and (e) of subsection (3),  
30 paragraphs (a), (b), and (c) of subsection (4), and subsection  
31

1 (6) of section 121.35, Florida Statutes, 1998 Supplement, are  
2 amended to read:

3 121.35 Optional retirement program for the State  
4 University System.--

5 (1) OPTIONAL RETIREMENT PROGRAM ESTABLISHED.--The  
6 Department of Management Services ~~Division of Retirement~~ shall  
7 establish an optional retirement program under which contracts  
8 providing retirement and death benefits may be purchased for  
9 eligible members of the State University System who elect to  
10 participate in the program. The benefits to be provided for or  
11 on behalf of participants in such optional retirement program  
12 shall be provided through individual contracts or individual  
13 certificates issued for group annuity contracts, which may be  
14 fixed, variable, or a combination thereof, in accordance with  
15 s. 403(b) of the Internal Revenue Code. Any individual  
16 contract or certificate shall state the annuity plan on its  
17 face page, and shall include, but not be limited to, a  
18 statement of ownership, the contract benefits, annuity income  
19 options, limitations, expense charges, and surrender charges,  
20 if any. The state shall contribute, as provided in this  
21 section, toward the purchase of such optional benefits.

22 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL  
23 PROGRAM.--

24 (a) Participation in the optional retirement program  
25 provided by this section shall be limited to persons who are  
26 otherwise eligible for membership in the Florida Retirement  
27 System; who are employed or appointed for no less than one  
28 academic year; and who are employed in one of the following  
29 State University System positions:

30  
31

1           1. Positions classified as instructional and research  
2 faculty which are exempt from the career service under the  
3 provisions of s. 110.205(2)(d).

4           2. Positions classified as administrative and  
5 professional which are exempt from the career service under  
6 the provisions of s. 110.205(2)(d), provided that only those  
7 positions that are included in the State University System  
8 Executive Service, or those which the department ~~division~~  
9 determines meet the following criteria, shall be eligible to  
10 participate: The duties and responsibilities of the position  
11 shall include either the formulation, interpretation, or  
12 implementation of academic policies, or the performance of  
13 functions which are unique or specialized within higher  
14 education and which frequently involve the support of the  
15 academic mission of the university; and recruiting to fill  
16 vacancies in the position shall be conducted within the  
17 national or regional market. The employer shall submit an  
18 application, including a certification that the position meets  
19 the criteria for eligibility, to the department ~~division~~ for  
20 each administrative and professional position not in the  
21 Executive Service for which it seeks eligibility for the  
22 optional retirement program.

23           3. The Chancellor and the university presidents.

24           (c) For purposes of this section, the Department of  
25 Management Services ~~Division of Retirement~~ is referred to as  
26 the "department." ~~"division."~~

27           (3) ELECTION OF OPTIONAL PROGRAM.--

28           (c) Any employee who becomes eligible to participate  
29 in the optional retirement program on or after January 1,  
30 1993, shall be a compulsory participant of the program unless  
31 such employee elects membership in the Florida Retirement

1 System. Such election shall be made in writing and filed with  
2 the personnel officer of the employer. Any eligible employee  
3 who fails to make such election within the prescribed time  
4 period shall be deemed to have elected to participate in the  
5 optional retirement program.

6 1. Any employee whose optional retirement program  
7 eligibility results from initial employment shall be enrolled  
8 in the program at the commencement of employment. If, within  
9 90 days after commencement of employment, the employee elects  
10 membership in the Florida Retirement System, such membership  
11 shall be effective retroactive to the date of commencement of  
12 employment.

13 2. Any employee whose optional retirement program  
14 eligibility results from a change in status due to the  
15 subsequent designation of the employee's position as one of  
16 those specified in paragraph (2)(a) or due to the employee's  
17 appointment, promotion, transfer, or reclassification to a  
18 position specified in paragraph (2)(a) shall be enrolled in  
19 the optional retirement program upon such change in status and  
20 shall be notified by the employer of such action. If, within  
21 90 days after the date of such notification, the employee  
22 elects to retain membership in the Florida Retirement System,  
23 such continuation of membership shall be retroactive to the  
24 date of the change in status.

25 3. Notwithstanding the provisions of this paragraph,  
26 effective July 1, 1997, any employee who is eligible to  
27 participate in the Optional Retirement Program and who fails  
28 to execute an annuity contract with one of the approved  
29 companies and to notify the department ~~division~~ in writing as  
30 provided in subsection (4) within 90 days of the date of  
31 eligibility shall be deemed to have elected membership in the

1 Florida Retirement System, except as provided in s.  
2 121.051(1)(a). This provision shall also apply to any employee  
3 who terminates employment in an eligible position before  
4 executing the required annuity contract and notifying the  
5 department ~~division~~. Such membership shall be retroactive to  
6 the date of eligibility, and all appropriate contributions  
7 shall be transferred to the Florida Retirement System Trust  
8 Fund and the Health Insurance Subsidy Trust Fund.

9 (e) The election by an eligible employee to  
10 participate in the optional retirement program shall be  
11 irrevocable for so long as the employee continues to meet the  
12 eligibility requirements specified in subsection (2), except  
13 as provided in paragraph (h). In the event that an employee  
14 participates in the optional retirement program for 90 days or  
15 more and is subsequently employed in an administrative or  
16 professional position which has been determined by the  
17 department ~~division~~, under subparagraph (2)(a)2., to be not  
18 otherwise eligible for participation in the optional  
19 retirement program, the employee shall continue participation  
20 in the optional program so long as the employee meets the  
21 other eligibility requirements for the program, except as  
22 provided in paragraph (h).

23 (4) CONTRIBUTIONS.--

24 (a) Each employer shall contribute on behalf of each  
25 participant in the optional retirement program an amount equal  
26 to the normal cost portion of the employer retirement  
27 contribution which would be required if the participant were a  
28 regular member of the Florida Retirement System, plus the  
29 portion of the contribution rate required in s. 112.363(8)  
30 that would otherwise be assigned to the Retiree Health  
31 Insurance Subsidy Trust Fund, less an amount approved by the

1 Legislature which shall be deducted by the department ~~division~~  
2 to provide for the administration of this program. The payment  
3 of the contributions to the optional program which is required  
4 by this paragraph for each participant shall be made by the  
5 employer to the department ~~division~~, which shall forward the  
6 contributions to the designated company or companies  
7 contracting for payment of benefits for the participant under  
8 the program. However, such contributions paid on behalf of an  
9 employee described in paragraph (3)(c) shall not be forwarded  
10 to a company and shall not begin to accrue interest until the  
11 employee has executed an annuity contract and notified the  
12 department ~~division~~.

13 (b) Each employer shall contribute on behalf of each  
14 participant in the optional retirement program an amount equal  
15 to the unfunded actuarial accrued liability portion of the  
16 employer contribution which would be required for members of  
17 the Florida Retirement System. This contribution shall be  
18 paid to the department ~~division~~ for transfer to the Florida  
19 Retirement System Trust Fund.

20 (c) An Optional Retirement Program Trust Fund shall be  
21 established in the State Treasury and administered by the  
22 department ~~Division of Retirement~~ to make payments to the  
23 provider companies on behalf of the optional retirement  
24 program participants, and to transfer the unfunded liability  
25 portion of the state optional retirement program contributions  
26 to the Florida Retirement System Trust Fund.

27 (6) ADMINISTRATION OF PROGRAM.--

28 (a) The optional retirement program authorized by this  
29 section shall be administered by the department ~~division~~. The  
30 department ~~division~~ shall adopt rules establishing the  
31 responsibilities of the Board of Regents and institutions in



1 the State University System in administering the optional  
2 retirement program. The Board of Regents shall, no more than  
3 90 days after July 1, 1983, submit to the department ~~division~~  
4 its recommendations for the annuity contracts to be offered by  
5 the companies chosen by the department ~~division~~. The  
6 recommendations of the board shall include the following:  
7       1. The nature and extent of the rights and benefits in  
8 relation to the required contributions; and  
9       2. The suitability of the rights and benefits to the  
10 needs of the participants and the interests of the  
11 institutions in the recruitment and retention of eligible  
12 employees.  
13       (b) After receiving and considering the  
14 recommendations of the Board of Regents, the department  
15 ~~division~~ shall designate no more than four companies from  
16 which annuity contracts may be purchased under the program and  
17 shall approve the form and content of the optional retirement  
18 program contracts. Upon application by a qualified Florida  
19 domestic company, the department ~~division~~ shall give  
20 reasonable notice to all other such companies that it intends  
21 to designate one of such companies as a fifth company from  
22 which annuity contracts may be purchased pursuant to this  
23 section and that they may apply for such designation prior to  
24 the deadline established by said notice. At least 60 days  
25 after giving such notice and upon receipt of the  
26 recommendation of the Board of Regents, the department  
27 ~~division~~ shall so designate one of such companies as the fifth  
28 company from which such contracts may be purchased.  
29       (c) Effective July 1, 1997, the State Board of  
30 Administration shall review and make recommendations to the  
31 department ~~division~~ on the acceptability of all investment

1 products proposed by provider companies of the optional  
2 retirement program before they are offered through annuity  
3 contracts to the participants and may advise the department  
4 ~~division~~ of any changes necessary to ensure that the optional  
5 retirement program offers an acceptable mix of investment  
6 products. The department ~~division~~ shall make the final  
7 determination as to whether an investment product will be  
8 approved for the program.

9 (d) The provisions of each contract applicable to a  
10 participant in the optional retirement program shall be  
11 contained in a written program description which shall include  
12 a report of pertinent financial and actuarial information on  
13 the solvency and actuarial soundness of the program and the  
14 benefits applicable to the participant. Such description  
15 shall be furnished by the companies to each participant in the  
16 program and to the department ~~division~~ upon commencement of  
17 participation in the program and annually thereafter.

18 (e) The department ~~division~~ shall ensure that each  
19 participant in the optional retirement program is provided an  
20 accounting of the total contribution and the annual  
21 contribution made by and on behalf of such participant.

22 Section 47. Paragraph (b) of subsection (3), paragraph  
23 (b) of subsection (11), and paragraphs (a) and (b) of  
24 subsection (14) of section 121.40, Florida Statutes, 1998  
25 Supplement, are amended to read:

26 121.40 Cooperative extension personnel at the  
27 Institute of Food and Agricultural Sciences; supplemental  
28 retirement benefits.--

29 (3) DEFINITIONS.--The definitions provided in s.  
30 121.021 shall not apply to this section except when  
31 specifically cited. For the purposes of this section, the

1 following words or phrases have the respective meanings set  
2 forth:

3 (b) "Department"~~"Division"~~ means the Department of  
4 Management Services ~~Division of Retirement~~.

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

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

30 (14) ADMINISTRATION OF SYSTEM.--

31

1           (a) The department ~~division~~ shall make such rules as  
2 are necessary for the effective and efficient administration  
3 of this system. The secretary ~~director~~ of the department  
4 ~~division~~ shall be the administrator of the system. The funds  
5 to pay the expenses for such administration shall be  
6 appropriated from the interest earned on investments made for  
7 the trust fund.

8           (b) The department ~~division~~ is authorized to require  
9 oaths, by affidavit or otherwise, and acknowledgments from  
10 persons in connection with the administration of its duties  
11 and responsibilities under this section.

12           Section 48. Subsection (3) of section 121.45, Florida  
13 Statutes, is amended to read:

14           121.45 Interstate compacts relating to pension  
15 portability.--

16           (3) ESTABLISHMENT OF COMPACTS.--

17           (a) The Department of Management Services ~~Division of~~  
18 ~~Retirement~~ is authorized and directed to survey other state  
19 retirement systems to determine if such retirement systems are  
20 interested in developing an interstate compact with Florida.

21           (b) If any such state is interested in pursuing the  
22 matter, the department ~~division~~ shall confer with the other  
23 state and the consulting actuaries of both states, and shall  
24 present its findings to the committees having jurisdiction  
25 over retirement matters in the Legislature, and to  
26 representatives of affected certified bargaining units, in  
27 order to determine the feasibility of developing a portability  
28 compact, what groups should be covered, and the goals and  
29 priorities which should guide such development.

30           (c) Upon a determination that such a compact is  
31 feasible and upon request of the Legislature, the department

1 ~~division~~, together with its consulting actuaries, shall, in  
2 accordance with said goals and priorities, develop a proposal  
3 under which retirement credit may be transferred to or from  
4 Florida in an actuarially sound manner.

5 (d) Once a proposal has been developed, the department  
6 ~~division~~ shall contract with its consulting actuaries to  
7 conduct an actuarial study of the proposal to determine the  
8 cost to the Florida Retirement System Trust Fund and the State  
9 of Florida.

10 (e) After the actuarial study has been completed, the  
11 department ~~division~~ shall present its findings and the  
12 actuarial study to the Legislature for consideration. If  
13 either house of the Legislature elects to enter into such a  
14 compact, it shall be introduced in the form of a proposed  
15 committee bill to the full Legislature during the same or next  
16 regular session.

17 Section 49. Subsections (1) and (6) of section 122.02,  
18 Florida Statutes, are amended to read:

19 122.02 Definitions.--The following words and phrases  
20 as used in this chapter shall have the following meaning  
21 unless a different meaning is plainly required by the context:

22 (1) "State and county officers and employees" shall  
23 include all full-time officers or employees who receive  
24 compensation for services rendered from state or county funds,  
25 or from funds of drainage districts or mosquito control  
26 districts of a county or counties, or from funds of the State  
27 Board of Administration or from funds of closed bank  
28 receivership accounts or from funds of any state institution  
29 or who receive compensation for employment or service from any  
30 agency, branch, department, institution or board of the state,  
31 or any county of the state, for service rendered the state or

1 county from funds from any source provided for their  
2 employment or service regardless of whether the same is paid  
3 by state or county warrant or not; provided that such  
4 compensation in whatever form paid shall be specified in terms  
5 of fixed monthly salaries by the employing state or county  
6 agency or state or county official and shall not include  
7 amounts allowed for professional employees for special or  
8 particular service or for subsistence or travel expenses;  
9 provided further the department ~~division~~ shall prescribe  
10 appropriate procedure for contribution deduction out of such  
11 compensation in accordance with the provisions of this  
12 chapter, provided further that such officers and employees  
13 defined herein shall not include those officers and employees  
14 excepted from the provisions by s. 122.18 of this law.

15 (6) "Department" ~~"Division"~~ means the Department of  
16 Management Services ~~Division of Retirement~~.

17 Section 50. Paragraph (d) of subsection (6) and  
18 subsection (9) of section 122.03, Florida Statutes, are  
19 amended to read:

20 122.03 Contributions; participants; prior service  
21 credit.--

22 (6) Any officer or employee who held office or was  
23 employed by the state or a county of the state continuously  
24 from May 1, 1959, and who has not previously received credit  
25 for, or is not eligible to claim credit for, prior years of  
26 service under subsection (2); or any officer or employee who  
27 holds office or is employed by the state or a county of the  
28 state on June 1, 1961, and is continuously employed; or any  
29 officer or employee who holds office or is employed by the  
30 state or county of the state after June 1, 1961, and who is  
31

1 continuously employed for 3 years, during which period of time  
2 no back payments may be made:

3 (d) Prior service allowance may be made only for those  
4 periods in which state or county records of service and salary  
5 are available, or at least three affidavits and such other  
6 information as might be required by the department ~~division~~ to  
7 meet the provisions of this law.

8 (9) The surviving spouse or other dependent of any  
9 member whose employment is terminated by death shall, upon  
10 application to the department ~~director of the Division of~~  
11 ~~Retirement~~, be permitted to pay the required contributions for  
12 any service performed by the member which could have been  
13 claimed by the member at the time of death. Such service  
14 shall be added to the creditable service of the member and  
15 shall be used in the calculation of any benefits which may be  
16 payable to the surviving spouse or other surviving dependent.

17 Section 51. Subsection (2) of section 122.05, Florida  
18 Statutes, is amended to read:

19 122.05 Legislator services included.--

20 (2) The department ~~division~~ and state officials  
21 administering said retirement system shall make the  
22 contribution deductions required by law from the compensation  
23 hereafter received by any of the said participating members of  
24 the Legislature for service rendered the State Legislature in  
25 the same manner as in the case of other state employment.

26 Section 52. Subsection (2) of section 122.06, Florida  
27 Statutes, is amended to read:

28 122.06 Legislative employee services included.--

29 (2) The department ~~division~~ and other state officials  
30 administering said retirement system shall make the  
31 contribution deductions required by law from the compensation

1 hereafter received by any of the said participating attaches  
2 for service rendered the State Legislature in the same manner  
3 as in the case of other state employment.

4 Section 53. Subsection (2) of section 122.07, Florida  
5 Statutes, is amended to read:

6 122.07 Seasonal state employment included; time limit  
7 and procedure for claiming.--

8 (2) Any state employee as described in subsection (1)  
9 in the classification set forth in s. 122.01 may elect to  
10 receive credit as a state employee under the State and County  
11 Officers and Employees' Retirement System by providing to the  
12 department ~~division~~ a statement from the state in which he or  
13 she was employed, listing days employed and monthly earnings  
14 and such other information as may, in the opinion of the  
15 department ~~division~~, be necessary or appropriate in the  
16 carrying out of this section. Credit shall be granted upon  
17 payment to the department ~~division~~ by such employee of an  
18 amount equal to the total retirement contribution that would  
19 have been required had the member worked in this state during  
20 the period based on the salary drawn by such employee during  
21 his or her last full month of employment by the state or any  
22 department thereof for each month during said fiscal year for  
23 which such employee was not employed by the state or any  
24 department thereof, but was employed by some other state, plus  
25 interest compounded annually each June 30 from the date of the  
26 service in another state to the date of payment at the rate of  
27 4 percent until July 1, 1975, and 6.5 percent thereafter. The  
28 member shall have until his or her date of retirement to claim  
29 and purchase credit for such employment in another state.

30  
31



1           Section 54. Paragraph (a) of subsection (1), paragraph  
2 (b) of subsection (4), and subsections (5) and (9) of section  
3 122.08, Florida Statutes, are amended to read:

4           122.08 Requirements for retirement;  
5 classifications.--There shall be two retirement  
6 classifications for all state and county officers and  
7 employees participating herein as hereafter provided in this  
8 section:

9           (1)(a) Any state or county officer or employee who has  
10 attained normal retirement age, which shall be age 60 for a  
11 person who had become a member prior to July 1, 1963, and age  
12 62 for a person who had or shall become a member on or after  
13 July 1, 1963, and has accumulated at least 10 years' service  
14 in the aggregate within the contemplation of this law, and who  
15 has made or makes contributions to the State and County  
16 Officers and Employees' Retirement Trust Fund for 5 or more  
17 years as prescribed in this law, may voluntarily retire from  
18 office or employment and be entitled to receive retirement  
19 compensation, the amount of which shall be 2 percent for each  
20 year of service rendered, based upon the average final  
21 compensation, payable in equal monthly installments, upon his  
22 or her own requisition. Requisition requirements shall be set  
23 by the department division.

24           (4)

25           (b) A member who elects an option in paragraph (a)  
26 shall on a form provided for that purpose designate his or her  
27 spouse as beneficiary to receive the benefits which continue  
28 to be payable upon the death of the member. After such  
29 benefits have commenced under an option in paragraph (a), the  
30 retired member may change the designation of his or her spouse  
31 as beneficiary only twice. If such a retired member remarries

1 and wishes to make such a change, he or she may do so by  
2 filing with the department ~~division~~ a notarized change of  
3 spouse designation form and shall notify the former spouse in  
4 writing of such change. Upon receipt of a completed change of  
5 spouse designation form, the department ~~division~~ shall adjust  
6 the member's monthly benefit by the application of actuarial  
7 tables and calculations developed to ensure that the benefit  
8 paid is the actuarial equivalent of the present value of the  
9 member's current benefit. The consent of a retired member's  
10 formerly designated spouse as beneficiary to any such change  
11 shall not be required.

12 (5) Tables for computing the actuarial equivalent  
13 shall be approved by the department ~~division~~.

14 (9) Notwithstanding any other provision in this  
15 chapter to the contrary, the following provisions shall apply  
16 to any officer or employee who has accumulated at least 10  
17 years of service and dies:

18 (a) If the deceased member's surviving spouse has  
19 previously received a refund of the member's contributions  
20 made to the retirement trust fund, such spouse may pay to the  
21 department ~~division~~ an amount equal to the sum of the amount  
22 of the deceased member's contributions previously refunded and  
23 interest at 3 percent compounded annually on the amount of  
24 such refunded contributions from the date of refund until July  
25 1, 1975, and thereafter at the rate of 6.5 percent interest  
26 compounded annually to the date of payment to the department  
27 ~~division~~, and by so doing be entitled to receive the monthly  
28 retirement benefit provided in paragraph (c).

29 (b) If the deceased member's surviving spouse has not  
30 received a refund of the deceased member's contributions, such  
31 spouse shall, upon application to the department ~~division~~,

1 receive the monthly retirement benefit provided in paragraph  
2 (c).

3 (c) The monthly benefit payable to the spouse  
4 described in paragraph (a) or paragraph (b) shall be the  
5 amount which would have been payable to the deceased member's  
6 spouse, assuming that the member retired on the date of death  
7 and had selected the option in subsection (4) which would  
8 afford the surviving spouse the greatest amount of benefits,  
9 such benefit to be based on the ages of the spouse and member  
10 as of the date of death of the member. Such benefit shall  
11 commence on the first day of the month following the payment  
12 of the aforesaid amount to the department ~~division~~, if  
13 paragraph (a) is applicable, or on the first day of the month  
14 following the receipt of the spouse's application by the  
15 department ~~division~~, if paragraph (b) is applicable.

16 Section 55. Subsection (4) of section 122.10, Florida  
17 Statutes, is amended to read:

18 122.10 Separation from service; refund of  
19 contributions.--

20 (4) Should any officer or employee elect to receive a  
21 refund as provided in this section, his or her application for  
22 refund shall be submitted in the manner prescribed by the  
23 regulations adopted by the department ~~division~~ and shall  
24 accompany the payroll certification, submitted to the  
25 department ~~division~~, on which he or she was last paid prior to  
26 termination. The department ~~division~~ shall pay the entire  
27 refund due within 45 days after the first day of the month  
28 subsequent to receipt of such application for refund and said  
29 payroll certification.

30 Section 56. Subsection (1) of section 122.12, Florida  
31 Statutes, is amended to read:

1           122.12 Designation of beneficiary; death of  
2 participant; forfeiture of contributions after benefits paid;  
3 survivor benefits.--

4           (1) Any officer or employee may file, in writing, a  
5 designation of beneficiary and it shall be the duty of the  
6 department ~~division~~ to refund 100 percent, without interest,  
7 of the contributions made to the retirement trust fund by such  
8 deceased officer or employee to such designated beneficiary.  
9 The officer or employee shall have the privilege of changing,  
10 in writing, the designated beneficiary at any time. Upon  
11 failure to designate a beneficiary, the refund shall be made  
12 to the persons in the same order as designated in s. 222.15,  
13 for wages due deceased employees. If the deceased officer or  
14 employee has received any benefits under this law, no refund  
15 shall be made unless such officer or employee has elected to  
16 accept benefits under s. 122.08(3) or (4).

17           Section 57. Section 122.13, Florida Statutes, is  
18 amended to read:

19           122.13 Administration of law; appropriation.--The  
20 department ~~Division of Retirement~~ shall make such rules ~~and~~  
21 ~~regulations~~ as are necessary for the effective administration  
22 of this chapter, and the cost is hereby annually appropriated  
23 and shall be paid into the State and County Officers and  
24 Employees' Retirement Trust Fund out of the Intangible Tax  
25 Fund in the State Treasury in the amount necessary to  
26 administer efficiently the state and county retirement law.  
27 At the end of each fiscal year, beginning with fiscal year  
28 1959-1960, the administrative cost of the state and county  
29 retirement system for the fiscal year just ended shall be  
30 refunded to the General Revenue Fund from interest earned on  
31 investments made subsequent to June 30, 1959.

1           Section 58. Subsection (2) of section 122.15, Florida  
2 Statutes, is amended to read:

3           122.15 Benefits exempt from taxes and execution.--

4           (2) This subsection shall have no effect upon this  
5 section except that the department ~~division~~ may, upon written  
6 request from the retired member, deduct premiums for group  
7 hospitalization insurance from the retirement benefit paid  
8 such retired member.

9           Section 59. Paragraph (b) of subsection (2) of section  
10 122.16, Florida Statutes, is amended to read:

11           122.16 Employment after retirement.--

12           (2)

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

1 the retirement trust fund, and his or her retirement benefits  
2 shall remain suspended until such repayment has been made. Any  
3 benefits suspended beyond the reemployment limitation period  
4 shall apply toward the repayment of benefits received in  
5 violation of the reemployment limitation.

6 Section 60. Subsections (3) and (5) of section 122.23,  
7 Florida Statutes, are amended to read:

8 122.23 Definitions.--In addition to those definitions  
9 set forth in s. 122.02 the following words and phrases used in  
10 ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the  
11 respective meanings set forth:

12 (3) "Department"~~"Division"~~ means the Department of  
13 Management Services ~~Division of Retirement~~.

14 (5) "State agency" means the Department of Management  
15 Services ~~Division of Retirement~~ within the provisions and  
16 contemplation of chapter 650.

17 Section 61. Subsections (1) and (5) of section 122.30,  
18 Florida Statutes, are amended to read:

19 122.30 Appropriations.--

20 (1) There is hereby annually appropriated from the  
21 intangible tax fund of the state to the department ~~division~~ as  
22 the state agency designated in chapter 650, a sum not to  
23 exceed \$10,000 to defray the expenses of such agency in  
24 connection with its continuing duties in relation to the  
25 social security coverage provided by this law.

26 (5) In addition to amounts appropriated by other  
27 provisions of this chapter or other laws to defray cost of  
28 administration of this system, there is hereby appropriated  
29 out of the Intangible Tax Fund of the state for use of the  
30 department ~~division~~ in its administration of the two divisions  
31

1 of this system, the sum of \$100,000, or so much thereof as may  
2 be required for that purpose.

3 Section 62. Paragraphs (b) and (c) of subsection (1)  
4 of section 122.34, Florida Statutes, are amended to read:

5 122.34 Special provisions for certain sheriffs and  
6 full-time deputy sheriffs.--

7 (1)

8 (b) Only those members who are full-time criminal law  
9 enforcement officers or agents, as certified by the employing  
10 authority, who perform duties according to rule, order, or  
11 established custom as full-time criminal law enforcement  
12 officers or agents shall be certified to the department  
13 ~~division~~ as high hazard members, and only such members will be  
14 approved by the department ~~division~~.

15 (c) The department ~~Division of Retirement~~ shall make  
16 such rules ~~and regulations~~ as are necessary for the effective  
17 administration of the intent of this section.

18 Section 63. Section 122.351, Florida Statutes, is  
19 amended to read:

20 122.351 Funding by local agencies.--Commencing on July  
21 1, 1969, all county and local agencies covered under the  
22 provisions of s. 122.35 shall accumulate and be responsible  
23 for the payment of social security and retirement matching  
24 costs as required under s. 122.35, from the intangible tax  
25 allocation of that county and any other source available to  
26 the local governmental units, except that all agencies, other  
27 than the school boards, shall be given credit for 50 percent  
28 of their 1967-1969 actual employer matching cost, actual cost  
29 being that cost in cash actually paid by the employer for  
30 matching retirement and social security into the fund by the  
31 agency for said biennium. The above credit of 50 percent shall

1 be calculated by the department ~~director of the Division of~~  
2 ~~Retirement.~~

3 Section 64. Subsection (3) of section 175.032, Florida  
4 Statutes, is amended to read:

5 175.032 Definitions.--The following words and phrases  
6 used in this chapter shall have the following meanings, unless  
7 a different meaning is plainly required by the context:

8 (3) "Department"~~"Division"~~ means the Department of  
9 Management Services ~~Division of Retirement.~~

10 Section 65. Section 175.111, Florida Statutes, is  
11 amended to read:

12 175.111 Certified copy of ordinance or resolution  
13 filed; insurance companies' annual report of premiums;  
14 duplicate files; book of accounts.--Whenever any municipality  
15 passes an ordinance, or whenever any special fire control  
16 district passes a resolution, assessing and imposing the taxes  
17 authorized in s. 175.101, a certified copy of such ordinance  
18 or resolution shall be deposited with the Department of  
19 Management Services ~~division~~. Thereafter every insurance  
20 company, association, corporation, or other insurer carrying  
21 on the business of property insurance on real or personal  
22 property, on or before the succeeding March 1 after date of  
23 the passage of the ordinance or resolution, shall report fully  
24 in writing and under oath to the Department of Management  
25 Services ~~division~~ and the Department of Revenue a just and  
26 true account of all premiums by such insurer received for  
27 property insurance policies covering or insuring any real or  
28 personal property located within the corporate limits of each  
29 such municipality or special fire control district during the  
30 period of time elapsing between the date of the passage of the  
31 ordinance or resolution and the succeeding March 1. The



1 report shall include the code designation as prescribed by the  
2 Department of Management Services ~~division~~ for each piece of  
3 insured property, real or personal, located within the  
4 corporate limits of each municipality and within the legally  
5 defined boundaries of each special fire control district. The  
6 aforesaid insurer shall annually thereafter, on March 1, file  
7 with the Department of Management Services ~~division~~ and the  
8 Department of Revenue a similar report covering the preceding  
9 year's premium receipts, and every such insurer at the same  
10 time of making such reports shall pay to the Department of  
11 Revenue the amount of the tax hereinbefore mentioned. Every  
12 insurer engaged in carrying on such insurance business in the  
13 state shall keep accurate books of accounts of all such  
14 business done by it within the corporate limits of each such  
15 municipality and within the legally defined boundaries of each  
16 such special fire control district, and in such manner as to  
17 be able to comply with the provisions of this chapter. Based  
18 on the insurers' reports of premium receipts, the Department  
19 of Management Services ~~division~~ shall prepare a consolidated  
20 premium report and shall furnish to any municipality or  
21 special fire control district requesting the same a copy of  
22 the relevant section of that report.

23 Section 66. Section 175.121, Florida Statutes, is  
24 amended to read:

25 175.121 Department of Revenue and Department of  
26 Management Services ~~Division of Retirement~~ to keep accounts of  
27 deposits; disbursements.--

28 (1) The Department of Revenue shall keep a separate  
29 account of all moneys collected for each municipality and each  
30 special fire control district under the provisions of this  
31 chapter. All moneys so collected must be transferred to the

1 Police and Firefighters' Premium Tax Trust Fund and shall be  
2 separately accounted for by the Department of Management  
3 Services division. The moneys budgeted as necessary to pay the  
4 expenses of the Department of Management Services division for  
5 the daily oversight and monitoring of the firefighters'  
6 pension plans under this chapter and for the oversight and  
7 actuarial reviews conducted under part VII of chapter 112 are  
8 annually appropriated from the interest and investment income  
9 earned on the moneys collected for each municipality or  
10 special fire control district and deposited in the Police and  
11 Firefighters' Premium Tax Trust Fund. Interest and investment  
12 income remaining thereafter in the trust fund which is  
13 unexpended and otherwise unallocated by law shall revert to  
14 the General Revenue Fund on June 30 of each year.

15 (2) The Comptroller shall, on or before June 1 of each  
16 year, and at such other times as authorized by the division,  
17 draw his or her warrants on the full net amount of money then  
18 on deposit in the Police and Firefighters' Premium Tax Trust  
19 Fund pursuant to this chapter, specifying the municipalities  
20 and special fire control districts to which the moneys must be  
21 paid and the net amount collected for and to be paid to each  
22 municipality or special fire control district, respectively,  
23 subject to the limitation on disbursement under s. 175.122.  
24 The sum payable to each municipality or special fire control  
25 district is appropriated annually out of the Police and  
26 Firefighters' Premium Tax Trust Fund. The warrants of the  
27 Comptroller shall be payable to the respective municipalities  
28 and special fire control districts entitled to receive them  
29 and shall be remitted annually by the Department of Management  
30 Services division to the respective municipalities and special  
31 fire control districts. In order for a municipality or special

1 fire control district and its pension fund to participate in  
2 the distribution of premium tax moneys under this chapter, all  
3 the provisions shall be complied with annually, including  
4 state acceptance pursuant to part VII of chapter 112.

5 (3)(a) All moneys not distributed to municipalities  
6 and special fire control districts under this section as a  
7 result of the limitation on disbursement contained in s.  
8 175.122, or as a result of any municipality or special fire  
9 control district not having qualified in any given year, or  
10 portion thereof, shall be transferred to the Firefighters'  
11 Supplemental Compensation Trust Fund administered by the  
12 Department of Revenue, as provided in s. 633.382.

13 (b)1. Moneys transferred under paragraph (a) but not  
14 needed to support the supplemental compensation program in a  
15 given year shall be redistributed pro rata to those  
16 participating municipalities and special fire control  
17 districts that transfer any portion of their funds to support  
18 the supplemental compensation program in that year. Such  
19 additional moneys shall be used to cover or offset costs of  
20 the retirement plan.

21 2. To assist the Department of Revenue, the Department  
22 of Management Services ~~division~~ shall identify those  
23 municipalities and special fire control districts that are  
24 eligible for redistribution as provided in s. 633.382(4)(c)2.,  
25 by listing the municipalities and special fire control  
26 districts from which funds were transferred under paragraph  
27 (a) and specifying the amount transferred by each.

28 Section 67. Section 175.1215, Florida Statutes, is  
29 amended to read:

30 175.1215 Police and Firefighters' Premium Tax Trust  
31 Fund.--The Police and Firefighters' Premium Tax Trust Fund is

1 created, to be administered by the ~~Division of Retirement of~~  
2 ~~the~~ Department of Management Services. Funds credited to the  
3 trust fund, as provided in chapter 95-250, Laws of Florida, or  
4 similar legislation, shall be expended for the purposes set  
5 forth in that legislation.

6 Section 68. Section 175.261, Florida Statutes, is  
7 amended to read:

8 175.261 Annual report to Department of Management  
9 Services ~~Division of Retirement~~; actuarial reports.--

10 (1) Each year, by February 1, the chair or secretary  
11 of the board of trustees of each firefighters' pension trust  
12 fund shall file a report with the department ~~division~~ which  
13 contains:

14 (a) A statement of whether in fact the municipality or  
15 special fire control district is within the provisions of s.  
16 175.041.

17 (b) An independent audit by a certified public  
18 accountant if the fund has \$100,000 or more in assets, or a  
19 certified statement of accounting if the fund has less than  
20 \$100,000 or more in assets, for the most recent fiscal year of  
21 the municipality or special fire control district, showing a  
22 detailed listing of assets and methods used to value them and  
23 a statement of all income and disbursements during the year.  
24 Such income and disbursements shall be reconciled with the  
25 assets at the beginning of and end of the year.

26 (c) A statistical exhibit showing the total number of  
27 firefighters on the force, the number included in the  
28 retirement plan and the number ineligible, classified  
29 according to the reason for their being ineligible, and the  
30 number of disabled firefighters and retired firefighters and  
31 their beneficiaries receiving pension payments and the amounts

1 of annual retirement income or pension payments being received  
2 by them.

3 (d) A statement of the amount the municipality or  
4 special fire control district, or other income source, has  
5 contributed to the retirement fund for the most recent fiscal  
6 year and the amount the municipality or special fire control  
7 district will contribute to the retirement fund during its  
8 current fiscal year.

9 (e) If any benefits are insured with a commercial  
10 insurance company, the report should include a statement of  
11 the relationship of the insured benefits to the benefits  
12 provided by this chapter as well as the name of the insurer  
13 and information about the basis of premium rates, mortality  
14 table, interest rates, and method used in valuing retirement  
15 benefits.

16 (2) By February 1 of each triennial year, beginning  
17 with February 1, 1986, and at least every 3 years commencing  
18 from the last actuarial report of the plan or system or from  
19 February 1, 1987, if no actuarial report has been issued  
20 within the 3-year period prior to February 1, 1986, the chair  
21 of each firefighters' pension trust fund shall report to the  
22 division such data that it needs to complete an actuarial  
23 valuation of each fund. The forms for each municipality and  
24 special fire control district shall be supplied by the  
25 department ~~division~~. The expense of this actuarial valuation  
26 shall be borne by the firefighters' pension trust fund  
27 established by ss. 175.041 and 175.121. The requirements of  
28 this section are supplemental to the actuarial valuations  
29 necessary to comply with ss. 11.45 and 218.32.

30 Section 69. Section 175.341, Florida Statutes, 1998  
31 Supplement, is amended to read:

1           175.341 Duties of Department of Management Services  
2 ~~Division of Retirement~~; rulemaking authority; investments by  
3 the State Board of Administration.--

4           (1) The Department of Management Services ~~division~~  
5 shall be responsible for the daily oversight and monitoring  
6 for actuarial soundness of the firefighters' pension plans  
7 established under this chapter, for receiving and holding the  
8 premium tax moneys collected under this chapter, and for  
9 disbursing those moneys to the firefighters' pension plans.  
10 The funds necessary to pay expenses for such administration  
11 shall be annually appropriated from the interest and  
12 investment income earned on moneys deposited in the trust  
13 fund.

14           (2) The department ~~division~~ has authority to adopt  
15 rules pursuant to ss. 120.536(1) and 120.54 to implement the  
16 provisions of this chapter.

17           (3) The State Board of Administration shall invest and  
18 reinvest the moneys in the trust fund collected under this  
19 chapter in accordance with ss. 215.44-215.53. Costs incurred  
20 by the board in carrying out the provisions of this subsection  
21 shall be deducted from the interest and investment income  
22 accruing to the trust fund.

23           Section 70. Paragraphs (a), (b), and (d) of subsection  
24 (9) and subsections (11) and (13) of section 175.351, Florida  
25 Statutes, are amended to read:

26           175.351 Municipalities and special fire control  
27 districts having their own pension plans for firefighters.--In  
28 order for municipalities and special fire control districts  
29 with their own pension plans for firefighters or for  
30 firefighters and other employees to participate in the  
31 distribution of the tax fund established in ss.

1 175.101-175.121 and 175.131-175.151, their pension funds must  
2 meet each of the following standards:

3 (9) An actuarial valuation of the retirement plan must  
4 be made at least once every 5 years commencing December 31,  
5 1968, and at least every 3 years commencing from the last  
6 actuarial report of the plan or system or from October 1,  
7 1986, if no actuarial report has been issued within the 3  
8 years prior to October 1, 1983. Such valuation shall be  
9 prepared by an enrolled actuary. Such valuation shall be  
10 subject to the following:

11 (a) The assets shall be valued at cost or market or on  
12 such other basis as may be approved by the department  
13 ~~division~~.

14 (b) Minimum actuarial assumptions and methods to be  
15 used in valuing the liabilities shall be provided by the  
16 department ~~division~~ and revised from time to time by it. The  
17 valuation must be on basis and methods not less conservative  
18 than those set forth by the department ~~division~~.

19 (d) A report of the valuation, including actuarial  
20 assumptions and type and basis of funding, shall be made to  
21 the department ~~division~~ within 3 months after the date of  
22 valuation. If any benefits are insured with a commercial  
23 insurance company, the report should include a statement of  
24 the relationship of the retirement plan benefits to the  
25 insured benefits and, in addition, the name of the insurer,  
26 basis of premium rates, mortality table, interest rate, and  
27 method used in valuing the retirement benefits.

28 (11) No retirement plan or amendment to a retirement  
29 plan shall be proposed unless the proposed plan or amendment  
30 contains an actuarial estimate of the costs involved. No such  
31 proposed plan change shall be adopted without the approval of

1 the municipality or special fire control district. Copies of  
2 the proposed change and the actuarial impact statement of the  
3 proposed change shall be furnished to the department ~~division~~  
4 prior to the last public hearing thereon. Such statement  
5 shall also indicate whether the proposed change is in  
6 compliance with s. 14, Art. X of the State Constitution and  
7 those provisions of part VII of chapter 112 which are not  
8 expressly provided in this chapter.

9 (13) If a municipality or special fire control  
10 district has a firefighters' retirement fund which, in the  
11 opinion of the department ~~division~~, meets the standards set  
12 forth in subsections (1) through (12), the board of trustees  
13 of the pension fund, as approved by a majority of firefighters  
14 of the municipality or special fire control district affected,  
15 or the official pension committee, as approved by a majority  
16 of firefighters of the municipality or special fire control  
17 district affected, may place the income from the premium tax  
18 in s. 175.101 in its existing pension fund for the sole and  
19 exclusive use of its firefighters (or for firefighters and  
20 police officers where included), where it shall become an  
21 integral part of that fund, or may use such income to pay  
22 extra benefits to the firefighters included in the fund.

23 Section 71. Section 175.361, Florida Statutes, is  
24 amended to read:

25 175.361 Termination of plan and distribution of  
26 fund.--Upon termination of the plan by the municipality or  
27 special fire control district for any reason, or upon written  
28 notice by the municipality or special fire control district to  
29 the board of trustees that contributions under the plan are  
30 being permanently discontinued, the fund shall be apportioned  
31 and distributed in accordance with the following procedures:



1           (1) The board of trustees shall determine the date of  
2 distribution and the asset value to be distributed, after  
3 taking into account the expenses of such distribution.

4           (2) The board of trustees shall determine the method  
5 of distribution of the asset value, that is, whether  
6 distribution shall be by payment in cash, by the maintenance  
7 of another or substituted trust fund, by the purchase of  
8 insured annuities, or otherwise, for each firefighter entitled  
9 to benefits under the plan as specified in subsection (3).

10          (3) The board of trustees shall apportion the asset  
11 value as of the date of termination in the manner set forth in  
12 this subsection, on the basis that the amount required to  
13 provide any given retirement income shall mean the actuarially  
14 computed single-sum value of such retirement income, except  
15 that if the method of distribution determined under subsection  
16 (2) involves the purchase of an insured annuity, the amount  
17 required to provide the given retirement income shall mean the  
18 single premium payable for such annuity.

19          (a) Apportionment shall first be made in respect of  
20 each retired firefighter receiving a retirement income  
21 hereunder on such date, each person receiving a retirement  
22 income on such date on account of a retired (but since  
23 deceased) firefighter, and each firefighter who has, by such  
24 date, become eligible for normal retirement but has not yet  
25 retired, in the amount required to provide such retirement  
26 income, provided that, if such asset value is less than the  
27 aggregate of such amounts, such amounts shall be  
28 proportionately reduced so that the aggregate of such reduced  
29 amounts will be equal to such asset value.

30          (b) If there is any asset value remaining after the  
31 apportionment under paragraph (a), apportionment shall next be

1 made in respect of each firefighter in the service of the  
2 municipality or special fire control district on such date who  
3 has completed at least 10 years of credited service, who has  
4 contributed to the firefighters' pension trust fund for at  
5 least 10 years, and who is not entitled to an apportionment  
6 under paragraph (a), in the amount required to provide the  
7 actuarial equivalent of the accrued normal retirement income,  
8 based on the firefighter's credited service and earnings to  
9 such date, and each former participant then entitled to a  
10 benefit under the provisions of s. 175.211 who has not by such  
11 date reached his or her normal retirement date, in the amount  
12 required to provide the actuarial equivalent of the accrued  
13 normal retirement income to which he or she is entitled under  
14 s. 175.211; provided that, if such remaining asset value is  
15 less than the aggregate of the amounts apportioned hereunder,  
16 such latter amounts shall be proportionately reduced so that  
17 the aggregate of such reduced amounts will be equal to such  
18 remaining asset value.

19 (c) If there is any asset value after the  
20 apportionments under paragraphs (a) and (b), apportionment  
21 shall lastly be made in respect of each firefighter in the  
22 service of the municipality or special fire control district  
23 on such date who is not entitled to an apportionment under  
24 paragraphs (a) and (b) in the amount equal to the  
25 firefighter's total contributions to the plan to date of  
26 termination; provided that, if such remaining asset value is  
27 less than the aggregate of the amounts apportioned hereunder,  
28 such latter amounts shall be proportionately reduced so that  
29 the aggregate of such reduced amounts will be equal to such  
30 remaining asset value.

31

1           (d) In the event that there is asset value remaining  
2 after the full apportionment specified in paragraphs (a), (b),  
3 and (c), such excess shall be returned to the municipality or  
4 special fire control district, less return to the state of the  
5 state's contributions, provided that, if the excess is less  
6 than the total contributions made by the municipality or  
7 special fire control district and the state to date of  
8 termination of the plan, such excess shall be divided  
9 proportionately to the total contributions made by the  
10 municipality or special fire control district and the state.

11           (4) The board of trustees shall distribute, in  
12 accordance with the manner of distribution determined under  
13 subsection (2), the amounts apportioned under subsection (3).  
14

15 If, after a period of 24 months after the date on which the  
16 plan terminated or the date on which the board received  
17 written notice that the contributions thereunder were being  
18 permanently discontinued, the municipality or special fire  
19 control district or the board of trustees of the firefighters'  
20 pension trust fund affected has not complied with all the  
21 provisions in this section, the department ~~division~~ shall  
22 effect the termination of the fund in accordance with this  
23 section.

24           Section 72. Paragraphs (a) and (b) of subsection (10)  
25 of section 175.401, Florida Statutes, are amended to read:

26           175.401 Retiree health insurance subsidy.--Under the  
27 broad grant of home rule powers under the Florida Constitution  
28 and chapter 166, municipalities have the authority to  
29 establish and administer locally funded health insurance  
30 subsidy programs. In addition, special fire control districts  
31

1 may, by resolution, establish and administer locally funded  
2 health insurance subsidy programs. Pursuant thereto:

3 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;  
4 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of  
5 the firefighters' pension trust fund, or the plan trustees in  
6 the case of local plans established under s. 175.351, shall be  
7 solely responsible for administering the health insurance  
8 subsidy trust fund. Pursuant thereto:

9 (a) As part of its administrative duties, no less  
10 frequently than every 3 years, the board shall have an  
11 actuarial valuation of the firefighters' retiree health  
12 insurance subsidy trust fund prepared as provided in s. 112.63  
13 by an enrolled actuary, covering the same reporting period or  
14 plan year used for the firefighters' pension plan, and shall  
15 submit a report of the valuation, including actuarial  
16 assumptions and type and basis of funding, to the department  
17 division.

18 (b) By February 1 of each year, the trustees shall  
19 file a report with the department ~~division~~, containing an  
20 independent audit by a certified public accountant if the fund  
21 has \$100,000 or more in assets, or a certified statement of  
22 accounting if the fund has less than \$100,000 in assets, for  
23 the most recent fiscal year of the municipality or special  
24 fire control district, showing a detailed listing of assets  
25 and methods used to value them and a statement of all income  
26 and disbursements during the year. Such income and  
27 disbursements shall be reconciled with the assets at the  
28 beginning of and end of the year.

29 Section 73. Subsection (4) of section 185.02, Florida  
30 Statutes, is amended to read:

31

1           185.02 Definitions.--The following words and phrases  
2 as used in this chapter shall have the following meanings,  
3 unless a different meaning is plainly required by the context:

4           (4) "Department"~~"Division"~~ means the Department of  
5 Management Services ~~Division of Retirement~~.

6           Section 74. Section 185.09, Florida Statutes, is  
7 amended to read:

8           185.09 Report of premiums paid; date tax  
9 payable.--Whenever any municipality passes an ordinance  
10 assessing and imposing the tax authorized in s. 185.08, a  
11 certified copy of such ordinance shall be deposited with the  
12 Department of Management Services ~~division~~; and thereafter  
13 every insurance company, corporation, or other insurer  
14 carrying on the business of casualty insuring, on or before  
15 the succeeding March 1 after date of the passage of the  
16 ordinance, shall report fully in writing to the Department of  
17 Management Services ~~division~~ and the Department of Revenue a  
18 just and true account of all premiums received by such insurer  
19 for casualty insurance policies covering or insuring any  
20 property located within the corporate limits of such  
21 municipality during the period of time elapsing between the  
22 date of the passage of the ordinance and the succeeding March  
23 1. The aforesaid insurer shall annually thereafter, on March  
24 1, file with the Department of Management Services ~~division~~  
25 and the Department of Revenue a similar report covering the  
26 preceding year's premium receipts. Every such insurer shall,  
27 at the time of making such report, pay to the Department of  
28 Revenue the amount of the tax heretofore mentioned. Every  
29 insurer engaged in carrying on a general casualty insurance  
30 business in the state shall keep accurate books of account of  
31 all such business done by it within the limits of such

1 incorporated municipality in such a manner as to be able to  
2 comply with the provisions of this chapter. Based on the  
3 insurers' reports of premium receipts, the Department of  
4 Management Services ~~division~~ shall prepare a consolidated  
5 premium report and shall furnish to any municipality  
6 requesting the same a copy of the relevant section of that  
7 report.

8 Section 75. Section 185.10, Florida Statutes, is  
9 amended to read:

10 185.10 Department of Revenue and Department of  
11 Management Services ~~Division of Retirement~~ to keep accounts of  
12 deposits; disbursements.--

13 (1) The Department of Revenue shall keep a separate  
14 account of all moneys collected for each municipality under  
15 the provisions of this chapter. All moneys so collected must  
16 be transferred to the Police and Firefighters' Premium Tax  
17 Trust Fund and shall be separately accounted for by the  
18 Department of Management Services ~~division~~. The moneys  
19 budgeted as necessary to pay the expenses of the Department of  
20 Management Services ~~division~~ for the daily oversight and  
21 monitoring of the police officers' retirement plans under this  
22 chapter and for the oversight and actuarial reviews conducted  
23 under part VII of chapter 112 are annually appropriated from  
24 the interest and investment income earned on the moneys  
25 collected for each municipality or special fire control  
26 district and deposited in the Police and Firefighters' Premium  
27 Tax Trust Fund. Interest and investment income remaining  
28 thereafter in the trust fund which is unexpended and otherwise  
29 unallocated by law shall revert to the General Revenue Fund on  
30 June 30 of each year.

31

1           (2) The Comptroller shall, on or before June 1 of each  
2 year, and at such other times as authorized by the Department  
3 of Management Services ~~division~~, draw his or her warrants on  
4 the full net amount of money then on deposit pursuant to this  
5 chapter in the Police and Firefighters' Premium Tax Trust  
6 Fund, specifying the municipalities to which the moneys must  
7 be paid and the net amount collected for and to be paid to  
8 each municipality, respectively. The sum payable to each  
9 municipality is appropriated annually out of the Police and  
10 Firefighters' Premium Tax Trust Fund. The warrants of the  
11 Comptroller shall be payable to the respective municipalities  
12 entitled to receive them and shall be remitted annually by the  
13 Department of Management Services ~~division~~ to the respective  
14 municipalities. In order for a municipality and its retirement  
15 fund to participate in the distribution of premium tax moneys  
16 under this chapter, all the provisions shall be complied with  
17 annually, including state acceptance pursuant to part VII of  
18 chapter 112.

19           Section 76. Section 185.105, Florida Statutes, is  
20 amended to read:

21           185.105 Police and Firefighters' Premium Tax Trust  
22 Fund.--The Police and Firefighters' Premium Tax Trust Fund is  
23 created, to be administered by the ~~Division of Retirement of~~  
24 ~~the~~ Department of Management Services. Funds credited to the  
25 trust fund, as provided in chapter 95-250, Laws of Florida, or  
26 similar legislation, shall be expended for the purposes set  
27 forth in that legislation.

28           Section 77. Section 185.221, Florida Statutes, is  
29 amended to read:

30           185.221 Annual report to Department of Management  
31 Services ~~Division of Retirement~~; actuarial reports.--

1           (1) Each year by February 1, the chair or secretary of  
2 each municipal police officers' retirement trust fund shall  
3 file a report with the department ~~division~~ which contains:

4           (a) A statement of whether in fact the municipality is  
5 within the provisions of s. 185.03.

6           (b) An independent audit by a certified public  
7 accountant if the fund has \$100,000 or more in assets, or a  
8 certified statement of accounting if the fund has less than  
9 \$100,000 in assets, for the most recent fiscal year of the  
10 municipality, showing a detailed listing of assets and methods  
11 used to value them and a statement of all income and  
12 disbursements during the year. Such income and disbursements  
13 shall be reconciled with the assets at the beginning and end  
14 of the year.

15           (c) A statistical exhibit showing the total number of  
16 police officers on the force of the municipality, the number  
17 included in the retirement plan and the number ineligible  
18 classified according to the reasons for their being  
19 ineligible, and the number of disabled and retired police  
20 officers and their beneficiaries receiving pension payments  
21 and the amounts of annual retirement income or pension  
22 payments being received by them.

23           (d) A statement of the amount the municipality has  
24 contributed to the retirement plan for the year ending with  
25 the preceding December 31 and the amount the municipality will  
26 contribute to the retirement plan for the current calendar  
27 year.

28           (e) If any benefits are insured with a commercial  
29 insurance company, the report shall include a statement of the  
30 relationship of the insured benefits to the benefits provided  
31 by this chapter. This report shall also contain information



1 about the insurer, basis of premium rates and mortality table,  
2 interest rate and method used in valuing retirement benefits.

3 (2) By February 1 of each triennial year beginning  
4 with February 1, 1986, and at least every 3 years commencing  
5 from the last actuarial report of the plan or system or from  
6 February 1, 1987, if no actuarial report has been issued  
7 within the 3-year period prior to February 1, 1986, the chair  
8 of each municipal police officers' retirement trust fund shall  
9 report to the department ~~division~~ such data that the  
10 department ~~division~~ needs to complete an actuarial valuation  
11 of each fund. The forms for each municipality shall be  
12 supplied by the department ~~division~~. The expense of the  
13 actuarial valuation shall be borne by the municipal police  
14 officers' retirement trust fund established by s. 185.10. The  
15 requirements of this section are supplemental to the actuarial  
16 valuations necessary to comply with ss. 11.45 and 218.32.

17 Section 78. Section 185.23, Florida Statutes, 1998  
18 Supplement, is amended to read:

19 185.23 Duties of Department of Management Services  
20 ~~Division of Retirement~~; rulemaking; investment by State Board  
21 of Administration.--

22 (1) The department ~~division~~ shall be responsible for  
23 the daily oversight and monitoring for actuarial soundness of  
24 the municipal police officers' retirement plans established  
25 under this chapter, for receiving and holding the premium tax  
26 moneys collected under this chapter, and for disbursing those  
27 moneys to the municipal police officers' retirement plans.  
28 The funds to pay the expenses for such administration shall be  
29 annually appropriated from the interest and investment income  
30 earned on moneys deposited in the trust fund.

31

1           (2) The department ~~division~~ has authority to adopt  
2 rules pursuant to ss. 120.536(1) and 120.54 to implement the  
3 provisions of this chapter.

4           (3) The State Board of Administration shall invest and  
5 reinvest the moneys in the trust fund in accordance with ss.  
6 215.44-215.53. Costs incurred by the board in carrying out  
7 the provisions of this section shall be deducted from the  
8 interest and investment income accruing to the trust fund.

9           Section 79. Paragraphs (j) and (k) of subsection (1)  
10 and subsection (2) of section 185.35, Florida Statutes, are  
11 amended to read:

12           185.35 Municipalities having their own pension plans  
13 for police officers.--

14           (1) In order for municipalities with their own pension  
15 plans for police officers or for police officers and other  
16 employees to participate in the distribution of the tax fund  
17 established in ss. 185.07, 185.08, and 185.09, their  
18 retirement funds must meet each of the following standards:

19           (j) No retirement plan or amendment to a retirement  
20 plan shall be proposed unless the proposed plan or amendment  
21 contains an actuarial estimate of the costs involved. No such  
22 proposed plan change shall be adopted without the approval of  
23 the municipality. Copies of the proposed change and the  
24 actuarial impact statement of the proposed change shall be  
25 furnished to the department ~~division~~ prior to the last public  
26 hearing thereon. Such statement shall also indicate whether  
27 the proposed change is in compliance with s. 14, Art. X of the  
28 State Constitution and those provisions of part VII of chapter  
29 112 which are not expressly provided in this chapter.

30           (k) Each year on or before March 15, the trustees of  
31 the retirement plan must submit the following information to

1 the department ~~division~~ in order for the retirement plan of  
2 such municipality to receive a share of state funds for the  
3 then-current calendar year; when any of these items would be  
4 identical with the corresponding item submitted for a previous  
5 year, it is not necessary for the trustees to submit duplicate  
6 information if they make reference to the item in such  
7 previous year's report:

8         1. A certified copy of each and every instrument  
9 constituting or evidencing the plan.

10         2. An independent audit by a certified public  
11 accountant if the fund has \$100,000 or more in assets, or a  
12 certified statement of accounting if the fund has less than  
13 \$100,000 in assets, for the most recent fiscal year of the  
14 municipality showing a detailed listing of assets and a  
15 statement of all income and disbursements during the year.  
16 Such income and disbursements must be reconciled with the  
17 assets at the beginning and end of the year.

18         3. A certified statement listing the investments of  
19 the plan and a description of the methods used in valuing the  
20 investments.

21         4. A statistical exhibit showing the total number of  
22 police officers, the number included in the plan, and the  
23 number ineligible classified according to the reasons for  
24 their being ineligible.

25         5. A statement of the amount the municipality and  
26 other income sources have contributed toward the plan or will  
27 contribute toward the plan for the current calendar year.

28         (2) If a municipality has a police officers'  
29 retirement plan which, in the opinion of the department  
30 ~~division~~, meets the standards set forth in subsection (1), the  
31 board of trustees of the pension plan, as approved by a

1 majority of the police officers of the municipality affected,  
2 or the official pension committee, as approved by a majority  
3 of the police officers of the municipality affected, may place  
4 the income from the premium tax in s. 185.08 in its existing  
5 pension fund for the sole and exclusive use of its police  
6 officers (or for firefighters and police officers where  
7 included), where it shall become an integral part of that  
8 fund, or may use the income to pay extra benefits to the  
9 police officers included in the fund.

10 Section 80. Section 185.37, Florida Statutes, is  
11 amended to read:

12 185.37 Termination of plan and distribution of  
13 fund.--Upon termination of the plan by the municipality for  
14 any reason, or upon written notice to the board of trustees by  
15 the municipality that contributions under the plan are being  
16 permanently discontinued, the fund shall be apportioned and  
17 distributed in accordance with the following procedures:

18 (1) The board of trustees shall determine the date of  
19 distribution and the asset value to be distributed, after  
20 taking into account the expenses of such distribution.

21 (2) The board of trustees shall determine the method  
22 of distribution of the asset value, that is, whether  
23 distribution shall be by payment in cash, by the maintenance  
24 of another or substituted trust fund, by the purchase of  
25 insured annuities, or otherwise, for each police officer  
26 entitled to benefits under the plan, as specified in  
27 subsection (3).

28 (3) The board of trustees shall apportion the asset  
29 value as of the date of termination in the manner set forth in  
30 this subsection, on the basis that the amount required to  
31 provide any given retirement income shall mean the actuarially

1 computed single-sum value of such retirement income, except  
2 that if the method of distribution determined under subsection  
3 (2) involves the purchase of an insured annuity, the amount  
4 required to provide the given retirement income shall mean the  
5 single premium payable for such annuity.

6 (a) Apportionment shall first be made in respect of  
7 each retired police officer receiving a retirement income  
8 hereunder on such date, each person receiving a retirement  
9 income on such date on account of a retired (but since  
10 deceased) police officer, and each police officer who has, by  
11 such date, become eligible for normal retirement but has not  
12 yet retired, in the amount required to provide such retirement  
13 income, provided that, if such asset value is less than the  
14 aggregate of such amounts, such amounts shall be  
15 proportionately reduced so that the aggregate of such reduced  
16 amounts will be equal to such asset value.

17 (b) If there is any asset value remaining after the  
18 apportionment under paragraph (a), apportionment shall next be  
19 made in respect of each police officer in the service of the  
20 municipality on such date who has completed at least 10 years  
21 of credited service, who has contributed to the municipal  
22 police officers' retirement trust fund for at least 10 years,  
23 and who is not entitled to an apportionment under paragraph  
24 (a), in the amount required to provide the actuarial  
25 equivalent of the accrued normal retirement income, based on  
26 the police officer's credited service and earnings to such  
27 date, and each former participant then entitled to a benefit  
28 under the provisions of s. 185.19 who has not by such date  
29 reached his or her normal retirement date, in the amount  
30 required to provide the actuarial equivalent of the accrued  
31 normal retirement income to which he or she is entitled under

1 s. 185.19, provided that, if such remaining asset value is  
2 less than the aggregate of the amounts apportioned hereunder,  
3 such latter amounts shall be proportionately reduced so that  
4 the aggregate of such reduced amounts will be equal to such  
5 remaining asset value.

6 (c) If there is an asset value after the  
7 apportionments under paragraphs (a) and (b), apportionment  
8 shall lastly be made in respect of each police officer in the  
9 service of the municipality on such date who is not entitled  
10 to an apportionment under paragraphs (a) and (b) in the amount  
11 equal to the police officer's total contributions to the plan  
12 to date of termination, provided that, if such remaining asset  
13 value is less than the aggregate of the amounts apportioned  
14 hereunder, such latter amounts shall be proportionately  
15 reduced so that the aggregate of such reduced amounts will be  
16 equal to such remaining asset value.

17 (d) In the event that there is asset value remaining  
18 after the full apportionment specified in paragraphs (a), (b),  
19 and (c), such excess shall be returned to the municipality,  
20 less return to the state of the state's contributions,  
21 provided that, if the excess is less than the total  
22 contributions made by the municipality and the state to date  
23 of termination of the plan, such excess shall be divided  
24 proportionately to the total contributions made by the  
25 municipality and the state.

26 (4) The board of trustees shall distribute, in  
27 accordance with the manner of distribution determined under  
28 subsection (2), the amounts apportioned under subsection (3).

29  
30 If, after a period of 24 months after the date on which the  
31 plan terminated or the date on which the board received

1 written notice that the contributions thereunder were being  
2 permanently discontinued, the municipality or the board of  
3 trustees of the municipal police officers' retirement trust  
4 fund affected has not complied with all the provisions in this  
5 section, the department ~~division~~ shall effect the termination  
6 of the fund in accordance with this section.

7 Section 81. Paragraph (b) of subsection (2) and  
8 paragraphs (a) and (b) of subsection (10) of section 185.50,  
9 Florida Statutes, are amended to read:

10 185.50 Retiree health insurance subsidy.--Under the  
11 broad grant of home rule powers under the Florida Constitution  
12 and chapter 166, municipalities have the authority to  
13 establish and administer locally funded health insurance  
14 subsidy programs. Pursuant thereto:

15 (2) MUNICIPAL RETIREE HEALTH INSURANCE SUBSIDY TRUST  
16 FUNDS; ESTABLISHMENT AND TERMINATION.--

17 (b) Prior to the second reading of the ordinance  
18 before the municipal legislative body, an actuarial valuation  
19 must be performed by an enrolled actuary as defined in s.  
20 185.02, and copies of the valuation and the proposed  
21 implementing ordinance shall be furnished to the department  
22 ~~division~~.

23 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;  
24 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of  
25 the police officers' pension trust fund, or the plan trustees  
26 in the case of local plans established under s. 185.35, shall  
27 be solely responsible for administering the health insurance  
28 subsidy trust fund. Pursuant thereto:

29 (a) As part of its administrative duties, no less  
30 frequently than every 3 years, the board shall have an  
31 actuarial valuation of the municipal police officers' retiree

1 health insurance subsidy trust fund prepared as provided in s.  
2 112.63 by an enrolled actuary, covering the same reporting  
3 period or plan year used for the municipal police officers'  
4 pension plan, and shall submit a report of the valuation,  
5 including actuarial assumptions and type and basis of funding,  
6 to the department division.

7 (b) By February 1 of each year, the trustees shall  
8 file a report with the department division, containing an  
9 independent audit by a certified public accountant if the fund  
10 has \$100,000 or more in assets, or a certified statement of  
11 accounting if the fund has less than \$100,000 in assets, for  
12 the most recent fiscal year of the municipality, showing a  
13 detailed listing of assets and methods used to value them and  
14 a statement of all income and disbursements during the year.  
15 Such income and disbursements shall be reconciled with the  
16 assets at the beginning of and end of the year.

17 Section 82. Subsection (1) of section 189.412, Florida  
18 Statutes, is amended to read:

19 189.412 Special District Information Program; duties  
20 and responsibilities.--The Special District Information  
21 Program of the Department of Community Affairs is created and  
22 has the following special duties:

23 (1) The collection and maintenance of special district  
24 compliance status reports from the Auditor General, the  
25 Department of Banking and Finance, the Division of Bond  
26 Finance of the State Board of Administration, the Department  
27 of Management Services ~~Division of Retirement~~, the Department  
28 of Revenue, and the Commission on Ethics for the reporting  
29 required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149,  
30 112.63, 200.068, 218.32, 218.34, 218.38, and 280.17 and  
31 chapter 121 and from state agencies administering programs



1 that distribute money to special districts. The special  
2 district compliance status reports must consist of a list of  
3 special districts used in that state agency and a list of  
4 which special districts did not comply with the reporting  
5 statutorily required by that agency.

6 Section 83. Paragraph (ii) of subsection (4) of  
7 section 215.20, Florida Statutes, 1998 Supplement, is amended  
8 to read:

9 215.20 Certain income and certain trust funds to  
10 contribute to the General Revenue Fund.--

11 (4) The income of a revenue nature deposited in the  
12 following described trust funds, by whatever name designated,  
13 is that from which the deductions authorized by subsection (3)  
14 shall be made:

15 (ii) The Police and Firefighters' Premium Tax Trust  
16 Fund established within the ~~Division of Retirement of the~~  
17 Department of Management Services.

18  
19 The enumeration of the foregoing moneys or trust funds shall  
20 not prohibit the applicability thereto of s. 215.24 should the  
21 Governor determine that for the reasons mentioned in s. 215.24  
22 the money or trust funds should be exempt herefrom, as it is  
23 the purpose of this law to exempt income from its force and  
24 effect when, by the operation of this law, federal matching  
25 funds or contributions or private grants to any trust fund  
26 would be lost to the state.

27 Section 84. Subsection (3) of section 215.28, Florida  
28 Statutes, is amended to read:

29 215.28 United States securities, purchase by state and  
30 county officers and employees; deductions from salary.--

31

1           (3) All deductions so made by any such disbursing  
2 authority shall be deposited in a trust account separate and  
3 apart from the funds of the state, county, or subordinate  
4 agency. Such account will be subject to withdrawal only for  
5 the purchase of United States securities on behalf of officers  
6 and employees, or for refunds to such persons in accordance  
7 with the provisions of this law. Whenever the sum of \$18.75  
8 or the purchase price of the security requested to be  
9 purchased is accumulated from deductions so made from the  
10 salaries or wages of an officer or employee, such disbursing  
11 agent shall arrange the purchase of the bond or security  
12 applied for and have it registered in the name or names  
13 requested in the deduction authorization. Securities so  
14 purchased will be delivered in such manner as may be  
15 convenient for the issuing agent and the purchaser. Any  
16 interest earned on moneys in such account while awaiting the  
17 accumulation of the purchase price of the security shall be  
18 transferred to the Florida Retirement System Trust Fund as  
19 reimbursement for administrative costs incurred by the  
20 Department of Management Services ~~Division of Retirement~~ under  
21 this section.

22           Section 85. Subsection (3) of section 215.50, Florida  
23 Statutes, 1998 Supplement, is amended to read:

24           215.50 Custody of securities purchased; income.--

25           (3) The Treasurer, as custodian of securities owned by  
26 the Florida Retirement System Trust Fund and the Florida  
27 Survivor Benefit Trust Fund, shall collect the interest,  
28 dividends, prepayments, maturities, proceeds from sales, and  
29 other income accruing from such assets. As such income is  
30 collected by the Treasurer, it shall be deposited directly  
31 into a commercial bank to the credit of the State Board of

1 Administration. Such bank accounts as may be required for  
2 this purpose shall offer satisfactory collateral security as  
3 provided by chapter 280. In the event funds so deposited  
4 according to the provisions of this section are required for  
5 the purpose of paying benefits or other operational needs, the  
6 State Board of Administration shall remit to the Florida  
7 Retirement System Trust Fund in the State Treasury such  
8 amounts as may be requested by the Department of Management  
9 Services ~~director of the Division of Retirement.~~

10 Section 86. Subsections (2), (3), (11), and (13) of  
11 section 238.01, Florida Statutes, are amended to read:

12 238.01 Definitions.--The following words and phrases  
13 as used in this chapter shall have the following meanings  
14 unless a different meaning is plainly required by the context:

15 (2) "Department" ~~"Division"~~ means the Department of  
16 Management Services ~~Division of Retirement.~~

17 (3) "Teacher" means any member of the teaching or  
18 professional staff and any certificated employee of any public  
19 free school, of any district school system and vocational  
20 school, any member of the teaching or professional staff of  
21 the Florida School for the Deaf and Blind, child training  
22 schools of the Department of Health and Rehabilitative  
23 Services, the Department of Corrections, and any tax-supported  
24 institution of higher learning of the state, and any member  
25 and any certified employee of the Department of Education, any  
26 certified employee of the retirement system, any full-time  
27 employee of any nonprofit professional association or  
28 corporation of teachers functioning in Florida on a statewide  
29 basis, which seeks to protect and improve public school  
30 opportunities for children and advance the professional and  
31 welfare status of its members, any person now serving as

1 superintendent, or who was serving as county superintendent of  
2 public instruction on July 1, 1939, and any hereafter duly  
3 elected or appointed superintendent, who holds a valid Florida  
4 teachers' certificate. In all cases of doubt the Department of  
5 Management Services ~~division~~ shall determine whether any  
6 person is a teacher as defined herein.

7 (11) "Regular interest" means interest at such rate as  
8 may be set from time to time by the Department of Management  
9 Services ~~division~~.

10 (13) "Earnable compensation" means the full  
11 compensation payable to a teacher working the full working  
12 time for his or her position. In respect to plans A, B, C, and  
13 D only, in cases where compensation includes maintenance, the  
14 Department of Management Services ~~division~~ shall fix the value  
15 of that part of the compensation not paid in money; provided  
16 that all members shall from July 1, 1955, make contributions  
17 to the retirement system on the basis of "earnable  
18 compensation" as defined herein and all persons who are  
19 members on July 1, 1955, may, upon application, have their  
20 "earnable compensation" for the time during which they have  
21 been members prior to that date determined on the basis of  
22 "earnable compensation" as defined in this law, upon paying to  
23 the retirement system, on or before the date of retirement, a  
24 sum equal to the additional contribution with accumulated  
25 regular interest thereon they would have made if "earnable  
26 compensation" had been defined, at the time they became  
27 members, as it is now defined. However, earnable compensation  
28 for all plan years beginning on or after July 1, 1990, shall  
29 not include any amounts in excess of the compensation  
30 limitation (originally \$200,000) established by s. 401(a)(17)  
31 of the Internal Revenue Code prior to the Omnibus Budget

1 Reconciliation Act of 1993, which limitation shall be adjusted  
2 for changes in the cost of living since 1989, in the manner  
3 provided by s. 401(a)(17) of the Internal Revenue Code of  
4 1991. This limitation, which has been part of the Teachers'  
5 Retirement System since plan years beginning on or after July  
6 1, 1990, shall be adjusted as required by federal law for  
7 qualified government plans.

8 Section 87. Section 238.02, Florida Statutes, is  
9 amended to read:

10 238.02 Name and date of establishment.--A retirement  
11 system is established and placed under the management of the  
12 Department of Management Services ~~Division of Retirement~~ for  
13 the purpose of providing retirement allowances and other  
14 benefits for teachers of the state. The retirement system  
15 shall begin operations on July 1, 1939. It has such powers  
16 and privileges of a corporation as may be necessary to carry  
17 out effectively the provisions of this chapter and shall be  
18 known as the "Teachers' Retirement System of the State," and  
19 by such name all of its business shall be transacted, all of  
20 its funds invested, and all of its cash and securities and  
21 other property held in trust for the purpose for which  
22 received.

23 Section 88. Section 238.03, Florida Statutes, is  
24 amended to read:

25 238.03 Administration.--

26 (1) The general administration and the responsibility  
27 for the proper operation of the retirement system and for  
28 making effective the provisions of this chapter are vested in  
29 the Department of Management Services ~~Division of Retirement~~.  
30 Subject to the limitation of this chapter, the department  
31 ~~division~~ shall, from time to time, establish rules and

1 regulations for the administration and transaction of the  
2 business of the retirement system and shall perform such other  
3 functions as are required for the execution of this chapter.

4 (2) The department ~~division~~ shall keep in convenient  
5 form such data as shall be necessary for actuarial valuation  
6 of the various funds created by this chapter and for checking  
7 the experience of the retirement system.

8 (3) The Department of Legal Affairs shall be the legal  
9 adviser of the department ~~division~~.

10 (4) The department ~~division~~ shall employ such agents,  
11 servants and employees as in its judgment may be necessary to  
12 carry out the terms and provisions of this chapter and shall  
13 provide for their compensation. Among the employees of the  
14 department ~~division~~ shall be an actuary who shall be the  
15 technical adviser of the department ~~division~~ on matters  
16 regarding the operation of the funds created by the provisions  
17 of this chapter and who shall perform such other duties as are  
18 required in connection therewith.

19 (5) In the year 1943 and at least once in each 5-year  
20 period thereafter, the actuary shall make an actuarial  
21 investigation of the mortality, service and salary experience  
22 of the members and beneficiaries as defined in this chapter,  
23 and shall make a valuation of the various funds created by the  
24 chapter, and having regard to such investigation and  
25 valuation, the department ~~division~~ shall adopt such mortality  
26 and service tables as shall be deemed necessary, and shall  
27 certify the rates of contribution payable under the provisions  
28 of this chapter.

29 (6) The actuary shall make an annual valuation of the  
30 assets and liabilities of the funds of the retirement system  
31 on the basis of the tables adopted by the department ~~division~~

1 in accordance with the requirements of this section, and shall  
2 prepare an annual statement of the amounts to be contributed  
3 by the state in accordance with s. 238.09.

4 (7) The department ~~division~~ shall publish annually the  
5 valuation, as certified by the actuary, of the assets and  
6 liabilities of the various funds created by this chapter, a  
7 statement as to the receipts and disbursements of the funds,  
8 and a statement as to the accumulated cash and securities of  
9 the funds.

10 (8) The department ~~division~~ shall keep a record of all  
11 of its proceedings and such record shall be open to inspection  
12 by the public.

13 (9) The department ~~division~~ is authorized to  
14 photograph and reduce to microfilm as a permanent record, its  
15 ledger sheets showing the salary and contributions of members  
16 of the retirement system, also the records of deceased members  
17 of the system and thereupon to destroy the documents from  
18 which such films are photographed.

19 Section 89. Paragraph (b) of subsection (1),  
20 paragraphs (a) and (b) of subsection (3), and subsection (4)  
21 of section 238.05, Florida Statutes, are amended to read:

22 238.05 Membership.--

23 (1) The membership of the retirement system shall  
24 consist of the following:

25 (b) All persons who became or who become teachers on  
26 or after July 1, 1939, except as provided in paragraph (a) and  
27 subsection (5) hereof, shall become members of the retirement  
28 system by virtue of their appointment as teachers. However,  
29 employees who are not members of the teaching or professional  
30 staff shall only become members of the retirement system by  
31

1 filing a notice with the department ~~division~~ of their election  
2 to become members.

3 (3) Except as otherwise provided in s. 238.07(9),  
4 membership of any person in the retirement system will cease  
5 if he or she is continuously unemployed as a teacher for a  
6 period of more than 5 consecutive years, or upon the  
7 withdrawal by the member of his or her accumulated  
8 contributions as provided in s. 238.07(13), or upon  
9 retirement, or upon death; provided that the adjustments  
10 prescribed below are to be made for persons who enter the  
11 Armed Forces of the United States during a period of war or  
12 national emergency and for persons who are granted leaves of  
13 absence. Any member of the retirement system who within 1  
14 year before the time of entering the Armed Forces of the  
15 United States was a teacher, as defined in s. 238.01, or was  
16 engaged in other public educational work within the state, and  
17 member of the Teachers' Retirement System at the time of  
18 induction, or who has been or is granted leave of absence,  
19 shall be permitted to elect to continue his or her membership  
20 in the Teachers' Retirement System; and membership service  
21 shall be allowed for the period covered by service in the  
22 Armed Forces of the United States or by leave of absence under  
23 the following conditions:

24 (a) A person who has been granted leave of absence  
25 shall file with the department ~~division~~ before his or her next  
26 contribution is due an application to continue his or her  
27 membership during the period covered by the person's leave of  
28 absence and, if such application is filed, shall make his or  
29 her contribution to the retirement system on the basis of his  
30 or her last previous annual salary as a teacher, and shall,  
31 prior to retirement, pay in full to the system such



1 contributions with accumulated regular interest. Such  
2 contributions with interest may be paid at one time or in  
3 monthly, quarterly, semiannual, or annual payments in the  
4 person's discretion.

5 (b) A person who enters or who has entered the Armed  
6 Forces of the United States may either continue his or her  
7 membership according to the plan outlined under paragraph (a)  
8 or, in lieu thereof, may file with the department ~~division~~ at  
9 any time following the close of his or her military service an  
10 application that his or her membership be continued and that  
11 membership service be allowed for not more than 5 years of his  
12 or her period of service in the Armed Forces of the United  
13 States during any period of war or national emergency;  
14 provided that any such person shall, prior to retirement, pay  
15 in full his or her contributions with accumulated regular  
16 interest to the retirement system for the period for which he  
17 or she is entitled to membership service on the basis of his  
18 or her last previous annual salary as a teacher. Such  
19 contributions with interest may be paid to the department  
20 ~~division~~ at one time or in monthly, quarterly, semiannual, or  
21 annual payments in the person's discretion.

22 (4) The department ~~division~~ may in its discretion deny  
23 the right to become members to any class of teachers who are  
24 serving on a temporary or any other than a per annum basis,  
25 and it may also in its discretion make optional with members  
26 in any such class their individual entrance into membership.

27 Section 90. Subsections (3) and (10), paragraphs (a)  
28 and (b) of subsection (12), subsections (13) and (15A), and  
29 paragraphs (a) and (d) of subsection (16) of section 238.07,  
30 Florida Statutes, are amended to read:

31 238.07 Regular benefits; survivor benefits.--

1           (3) Any member who, prior to July 1, 1955, elected to  
2 retire under one of plans A, B, C, or D may elect, prior to  
3 retirement, to retire under plan E in accordance with the  
4 terms hereof. Any person who became a member on or after July  
5 1, 1955, shall retire under plan E, except as provided for  
6 under s. 238.31. With respect to plans A, B, C, or D, any  
7 member shall have the right at any time to change to a plan of  
8 retirement requiring a lower rate of contribution. The  
9 Department of Management Services ~~Division of Retirement~~ shall  
10 also notify the member of the rate of contribution such member  
11 must make from and after selecting such plan of retirement.  
12 Any member in service may retire upon reaching the age of  
13 retirement formerly selected by him or her, upon the member's  
14 written application to the department ~~division~~ setting forth  
15 at which time, not more than 90 days subsequent to the  
16 execution and filing of such application, it is his or her  
17 desire to retire notwithstanding that during such period of  
18 notification he or she may have separated from service. Upon  
19 receipt of such application for retirement, the department  
20 ~~division~~ shall retire such member not more than 90 days  
21 thereafter. Before such member may retire he or she must file  
22 with the department ~~division~~ his or her written selection of  
23 one of the optional benefits provided in s. 238.08.

24           (10) Any member in service, who has 10 or more years  
25 of creditable service, may upon the application of his or her  
26 employer or upon his or her own application, be retired by the  
27 department ~~division~~ not less than 30 nor more than 90 days  
28 next following the date of filing such application, on a  
29 disability retirement allowance; provided that a physician  
30 licensed by this state examines and certifies that such member  
31 is mentally or physically incapacitated for the further

1 performance of duty, that such incapacity is likely to be  
2 permanent, and that such member should be retired, and the  
3 department ~~division~~ concurs. In making the determination, the  
4 department ~~division~~ may require other evidence of disability  
5 as deemed appropriate.

6 (12)(a) Once each year during the first 5 years  
7 following the retirement of a member on a disability  
8 retirement allowance, and once in every 3-year period  
9 thereafter, the department ~~division~~ may require any disability  
10 beneficiary who has not yet attained his or her minimum  
11 service retirement age to undergo a medical examination by a  
12 physician licensed by this state and to submit any other  
13 evidence of disability as required by the department ~~division~~.  
14 Should a disability beneficiary who has not yet attained his  
15 or her minimum service retirement age refuse to submit to any  
16 such medical examination, his or her retirement allowance  
17 shall be discontinued until his or her withdrawal of such  
18 refusal, and should such refusal continue for 1 year, all of  
19 the disability beneficiary's rights in and to his or her  
20 pension shall be forfeited.

21 (b) If the department ~~division~~ finds that a disability  
22 beneficiary is engaged in or is able to engage in a gainful  
23 occupation paying more than the difference between his or her  
24 disability retirement allowance and his or her average final  
25 compensation, the amount of the beneficiary's pension shall be  
26 reduced to an amount which, together with his or her annuity  
27 and the amount earnable by him or her, shall equal the amount  
28 of his or her average final compensation. Should the  
29 beneficiary's earning capacity later be changed, the amount of  
30 his or her pension may be further modified; provided that the  
31 pension so modified shall not exceed the amount of the pension

1 allowable under subsection (11), at the time of retirement,  
2 nor an amount which, when added to the amount earnable by the  
3 beneficiary, together with his or her annuity, equals the  
4 amount of his or her average final compensation. A  
5 beneficiary restored to active service at a salary less than  
6 the average final compensation upon the basis of which he or  
7 she was retired shall not become a member of the retirement  
8 system at that time.

9 (13) Should a member cease to be a teacher except by  
10 death or by retirement under the provisions of this chapter,  
11 the member shall be paid the amount of his or her accumulated  
12 contributions. Should a member die before retirement, the  
13 amount of his or her accumulated contributions shall be paid  
14 to such person, if any, as he or she shall have nominated by  
15 written designation duly executed and filed with the  
16 department ~~division~~; otherwise, to his or her executors or  
17 administrators.

18 (15A)(a) Any member of the Teachers' Retirement System  
19 who has heretofore, or who hereafter, retires with no less  
20 than 10 years of creditable service and who has passed his or  
21 her 65th birthday, may, upon application to the department  
22 ~~division~~, have his or her retirement allowance redetermined  
23 and thereupon shall be entitled to a monthly service  
24 retirement allowance which shall be equal to \$4 multiplied by  
25 the number of years of the member's creditable service which  
26 shall be payable monthly during his or her retirement;  
27 provided, that the amount of retirement allowance as  
28 determined hereunder, shall be reduced by an amount equal to:

29 1. Any social security benefits received by the  
30 member, and  
31

1           2. Any social security benefits that the member is  
2 eligible to receive by reason of his or her own right or  
3 through his or her spouse.

4           (b) No payment shall be made to a member of the  
5 Teachers' Retirement System under this act, until the  
6 department ~~division~~ has determined the social security status  
7 of such member.

8           (c) Eligibility of a member of the Teachers'  
9 Retirement System shall be determined under the social  
10 security laws and regulations; provided, however, that a  
11 member shall be considered eligible if the member or the  
12 member's spouse has reached 65 years of age and would draw  
13 social security if the member or the member's spouse were not  
14 engaged in activity that results in the member or the member's  
15 spouse receiving income that would make him or her ineligible  
16 to receive social security benefits. A member of the  
17 Teachers' Retirement System shall be deemed to be eligible for  
18 social security benefits if the member has this eligibility in  
19 his or her own right or through his or her spouse.

20           (d) The department ~~division~~ shall review, at least  
21 annually, the social security status of all members of the  
22 Teachers' Retirement System receiving payment under this act  
23 and shall increase or decrease payments to such members as  
24 shall be necessary to carry out the intent of this act.

25           (e) No member of the Teachers' Retirement System shall  
26 have his or her retirement allowance reduced or any of his or  
27 her rights impaired by reason of this act.

28           (f) This subsection shall take effect on January 1,  
29 1962.

30           (16)(a) Definitions under survivor benefits are:  
31

1           1. A dependent is a child, widow, widower, or parent  
2 of the deceased member who was receiving not less than  
3 one-half of his or her support from the deceased member at the  
4 time of the death of such member.

5           2. A child is a natural or legally adopted child of a  
6 member, who:

7           a. Is under 18 years of age, or

8           b. Is over 18 years of age but not over 22 years of  
9 age and is enrolled as a student in an accredited educational  
10 institution, or

11           c. Is 18 years of age or older and is physically or  
12 mentally incapable of self-support, when such mental and  
13 physical incapacity occurred prior to such child obtaining the  
14 age of 18 years. Such person shall cease to be regarded as a  
15 child upon the termination of such physical or mental  
16 disability. The determination as to such physical or mental  
17 incapability shall be vested in the department ~~division~~.

18  
19 No person shall be considered a child who has married or,  
20 except as provided in sub-subparagraph 2.b. or as to a child  
21 who is physically or mentally incapable of self-support as  
22 hereinbefore set forth, has become 18 years of age.

23           3. A parent is a natural parent of a member and  
24 includes a lawful spouse of a natural parent.

25           4. A beneficiary is a person who is entitled to  
26 benefits under this subsection by reason of his or her  
27 relation to a deceased member during the lifetime of such  
28 member.

29           (d) Limitations on rights of beneficiary are:

30           1. The person named as beneficiary in paragraph (b)  
31 shall, in no event, be entitled to receive the benefits set

1 out in such paragraph unless the death of the member under  
2 whom such beneficiary claims occurs within the period of time  
3 after the member has served in Florida as follows:

4	5	6	7	8	9
	Minimum number of years		Period after serving in		
	of service in Florida		Florida in which		
			death of member		
			occurs		

10	3 to 5.....	2 years
11	6 to 9.....	5 years
12	10 or more.....	10 years

13  
14 2. Upon the death of a member, the department ~~division~~  
15 shall make a determination of the beneficiary or beneficiaries  
16 of the deceased member and shall pay survivor benefits to such  
17 beneficiary or beneficiaries beginning 1 month immediately  
18 following the death of the member except where the beneficiary  
19 has not reached the age required to receive benefits under  
20 paragraph (b), in which event the payment of survivor benefits  
21 shall begin as of the month immediately following the month in  
22 which the beneficiary reaches the required age. When required  
23 by the department ~~division~~, the beneficiary or beneficiaries  
24 shall file an application for survivor benefits upon forms  
25 prescribed by the department ~~division~~.

26 3. The beneficiaries of a member to receive survivor  
27 benefits are fixed by this subsection, and a member may not  
28 buy or otherwise change such benefits. He or she may,  
29 however, designate the beneficiary to receive the \$500 death  
30 benefits. If a member fails to make this designation, the

31

1 \$500 death benefits shall be paid to his or her executor or  
2 administrator.

3 4. The beneficiary or beneficiaries of a member whose  
4 death occurs while he or she is in service or while he or she  
5 is receiving a disability allowance under subsection (11),  
6 shall receive survivor benefits under this subsection  
7 determined by the years of service in Florida of the deceased  
8 member as set out in paragraph (b). The requirement that the  
9 death of a member must occur within a certain period of time  
10 after service in Florida as set out in subparagraph (d)1.  
11 shall not apply to a member receiving a disability benefit at  
12 the time of his or her death.

13 Section 91. Subsection (2), paragraph (b) of  
14 subsection (5), and subsections (6) and (7) of section 238.08,  
15 Florida Statutes, are amended to read:

16 238.08 Optional benefits.--A member may elect to  
17 receive his or her benefits under the terms of this chapter  
18 according to the provisions of any one of the following  
19 options:

20 (2) Option two. A member may elect to receive on  
21 retirement the actuarial equivalent (at that time) of his or  
22 her retirement allowance in a reduced retirement allowance  
23 payable throughout life, with the provisions that if the  
24 member dies before he or she has received in payment of his or  
25 her annuity the amount of his or her accumulated  
26 contributions, as they were at the time of his or her  
27 retirement, the balance shall be paid to such person, if any,  
28 as he or she shall nominate by written designation duly  
29 acknowledged and filed with the department ~~division~~;  
30 otherwise, to his or her executors or administrators.

31 (5)



1           (b) A member who elects Option three or Option four  
2 shall, on a form provided for that purpose, designate his or  
3 her spouse as beneficiary to receive the benefits which  
4 continue to be payable upon the death of the member. After  
5 such benefits have commenced under Option three or Option  
6 four, the retired member may change the designation of his or  
7 her spouse as beneficiary only twice. If such a retired  
8 member remarries and wishes to make such a change, he or she  
9 may do so by filing with the department ~~division~~ a notarized  
10 change of spouse designation form and shall notify the former  
11 spouse in writing of such change. Upon receipt of a completed  
12 change of spouse designation form, the department ~~division~~  
13 shall adjust the member's monthly benefit by the application  
14 of actuarial tables and calculations developed to ensure that  
15 the benefit paid is the actuarial equivalent of the present  
16 value of the member's current benefit. The consent of a  
17 retired member's formerly designated spouse as beneficiary to  
18 any such change shall not be required.

19           (6) Notwithstanding any provision in this chapter to  
20 the contrary, the following provisions shall apply to any  
21 member of the retirement system who has accumulated at least  
22 10 years of service and dies prior to retirement:

23           (a) If the deceased member's surviving spouse has  
24 previously received a refund of the member's accumulated  
25 contributions made to the retirement system, such spouse may  
26 pay to the department ~~Division of Retirement~~ an amount equal  
27 to the sum of the amount of the deceased member's  
28 contributions previously refunded and regular interest  
29 compounded annually on the amount of such refunded  
30 contributions from the date of refund to the date of payment  
31 to the department ~~division~~, and by so doing be entitled to

1 receive the monthly retirement benefit provided in paragraph  
2 (c).

3 (b) If the deceased member's surviving spouse has not  
4 received a refund of the deceased member's accumulated  
5 contributions, such spouse shall, upon application to the  
6 department division within 30 days of the death of the member,  
7 receive the monthly retirement benefit provided in paragraph  
8 (c).

9 (c) The monthly benefit payable to the spouse  
10 described in paragraph (a) or paragraph (b) shall be the  
11 amount which would have been payable to the deceased member's  
12 spouse, assuming that the member retired on the date of his or  
13 her death and had selected the option in subsection (3), such  
14 benefit to be based on the ages of the spouse and member as of  
15 the date of death of the member. The benefit shall commence on  
16 the first day of the month following the payment of the  
17 aforesaid amount to the department division, if paragraph (a)  
18 is applicable, or on the first day of the month following the  
19 receipt of the spouse's application by the department  
20 division, if paragraph (b) is applicable.

21 (7) The surviving spouse or other dependent of any  
22 member whose employment is terminated by death shall, upon  
23 application to the department ~~director of the Division of~~  
24 ~~Retirement~~, be permitted to pay the required contributions for  
25 any service performed by the member which could have been  
26 claimed by the member at the time of his or her death. Such  
27 service shall be added to the creditable service of the member  
28 and shall be used in the calculation of any benefits which may  
29 be payable to the surviving spouse or other surviving  
30 dependent.

31

1           Section 92. Paragraphs (a), (c), and (d) of subsection  
2 (1), paragraphs (b), (c), and (e) of subsection (3), and  
3 paragraph (b) of subsection (5) of section 238.09, Florida  
4 Statutes, are amended to read;

5           238.09 Method of financing.--All of the assets of the  
6 retirement system shall be credited, according to the purposes  
7 for which they are held, to one of four funds; namely, the  
8 Annuity Savings Trust Fund, the Pension Accumulation Trust  
9 Fund, the Expense Trust Fund, and the Survivors' Benefit Trust  
10 Fund.

11           (1) The Annuity Savings Trust Fund shall be a fund in  
12 which shall be accumulated contributions made from the  
13 salaries of members under the provisions of paragraph (c) or  
14 paragraph (f). Contribution to, payments from, the Annuity  
15 Savings Trust Fund shall be made as follows:

16           (a) With respect to plan A, B, C, or D, upon the basis  
17 of such tables as the Department of Management Services  
18 ~~Division of Retirement~~ shall adopt, and regular interest, the  
19 actuary of the retirement system shall determine for each  
20 member the proportion of earnable compensation which, when  
21 deducted from each payment of his or her prospective earnable  
22 annual compensation prior to his or her minimum service  
23 retirement age, and accumulated at regular interest until such  
24 age, shall be computed to provide at such age:

25           1. An annuity equal to one one-hundred-fortieth of his  
26 or her average final compensation multiplied by the number of  
27 his or her years of membership in the case of each member  
28 electing to retire under the provisions of plan A or B.

29           2. An annuity equal to one one-hundred-twentieth of  
30 his or her average final compensation multiplied by the number  
31

1 of his or her years of membership service in the case of each  
2 member electing to retire under the provisions of plan C.

3 3. An annuity equal to one one-hundredth of his or her  
4 average final compensation multiplied by the number of his or  
5 her years of membership service in the case of each member  
6 electing to retire under the provisions of plan D.

7  
8 In the case of any member who has attained his or her minimum  
9 service retirement age prior to becoming a member, the  
10 proportion of salary applicable to such member, with respect  
11 to plan A, B, C, or D, shall be the proportion computed for  
12 the age 1 year younger than his or her minimum service  
13 retirement age.

14 (c) The department ~~Division of Retirement~~ shall  
15 certify to each employer the proportion of the earnable  
16 compensation of each member who is compensated by the  
17 employer, and the employer shall cause to be deducted from the  
18 salary of each member on each and every payroll for each and  
19 every payroll period an amount equal to the proportion of the  
20 member's earnable compensation so computed. With respect to  
21 plan A, B, C, or D, the employer shall not make any deduction  
22 for annuity purposes from the compensation of a member who has  
23 attained the age of 60 years, if such member elects not to  
24 contribute.

25 (d) In determining the amount earnable by a member in  
26 a payroll period, the department ~~division~~ may consider the  
27 rate of compensation payable to such member on the first day  
28 of the payroll period as continuing throughout such payroll  
29 period, and it may omit deductions from compensation for any  
30 period less than a full payroll period if a teacher was not a  
31 member on the first day of the payroll period, and to

1 facilitate the making of deductions, it may modify any  
2 deduction required of any member by such an amount as shall  
3 not exceed one-tenth of 1 percent of the annual salary from  
4 which said deduction is to be made.

5 (3) The Pension Accumulation Trust Fund shall be the  
6 fund in which shall be accumulated all reserves for the  
7 payment of all annuities or benefits in lieu of annuities on  
8 retired members and all pensions and other benefits payable  
9 from contributions made by the members and by the employers,  
10 from which annuities, pensions and benefits in lieu thereof  
11 shall be paid. Contributions to, and payments from, the  
12 Pension Accumulation Trust Fund, other than as set forth in  
13 subsections (2) and (3) herein, shall be made as follows:

14 (b) On the basis of regular interest and of such  
15 mortality and other tables as shall be adopted by the  
16 department ~~division~~, the actuary engaged by the department  
17 ~~division~~ to make each valuation required by this chapter  
18 shall, during the period over which the accrued liability  
19 contribution is payable, determine, immediately after making  
20 such valuation, the uniform and constant percentage of the  
21 earnable compensation of the average new entrant, which, if  
22 contributed on the basis of his or her compensation throughout  
23 his or her entire period of service, would be sufficient to  
24 provide for the payment of any pension payable by the state on  
25 his or her account. The rate percent so determined shall be  
26 known as the normal contribution rate. After the accrued  
27 liability contribution has ceased to be payable, the normal  
28 contribution rate shall be the rate percent of the earnable  
29 compensation of all members, obtained by deducting from the  
30 total liabilities of the Pension Accumulation Trust Fund the  
31 amount of the funds in hand to the credit of that fund and

1 dividing the remainder by 1 percent of the present value of  
2 the prospective future salaries of all members as computed on  
3 the basis of the mortality and service tables adopted by the  
4 department ~~division~~ and on the basis of regular interest. The  
5 normal rate of contribution shall be determined and certified  
6 to the department ~~division~~ by the actuary after each valuation  
7 and shall continue in force until a new valuation and  
8 certification are made.

9 (c) Immediately succeeding the first valuation, the  
10 actuary engaged by the department ~~division~~ shall compute the  
11 rate percent of the total earnable compensation of all members  
12 which is equivalent to 4 percent of the amount of the total  
13 liability for pensions on account of all members and  
14 beneficiaries and not dischargeable by the present assets of  
15 the Pension Accumulation Trust Fund and by the aforesaid  
16 normal contribution if made on account of such members during  
17 the remainder of their active service. The rate percent,  
18 originally so determined, shall be known as the accrued  
19 liability contribution rate.

20 (e) The accrued liability contribution shall be  
21 discontinued as soon as the accumulated reserve in the Pension  
22 Accumulation Trust Fund shall equal the present value, as  
23 actuarially computed and approved by the department ~~division~~,  
24 of the total liability of such fund less the present value,  
25 computed on the basis of the normal contribution rate, then in  
26 force of the prospective normal contributions to be received  
27 on account of persons who are at that time members.

28 (5)

29 (b) The department ~~division~~ shall annually certify to  
30 each employer, at the time it makes the certification to the  
31 employer under paragraph (1)(c), the rate of

1 twenty-five-hundredths percent to be applied by the employer  
2 to the salary of each member who is compensated by the  
3 employer, and the employer shall cause to be deducted from the  
4 salary of each member on each and every payroll for each and  
5 every payroll period an amount equal to twenty-five-hundredths  
6 percent of the member's salary paid by the employer and the  
7 employer shall remit monthly such deducted amounts to the  
8 department ~~division~~ which shall place the same in the  
9 Survivors' Benefit Trust Fund of the Teachers' Retirement  
10 System of the state. The amount of contributions by a member  
11 to the Survivors' Benefit Trust Fund shall, in no event, be  
12 refundable to the member or his or her beneficiaries.

13 Section 93. Section 238.10, Florida Statutes, is  
14 amended to read:

15 238.10 Management of funds.--The Department of  
16 Management Services ~~Division of Retirement~~, annually, shall  
17 allow regular interest on the amount for the preceding year to  
18 the credit of each of the funds of the retirement system, and  
19 to the credit of the individual account therein, if any, with  
20 the exception of the expense fund, from the interest and  
21 dividends earned from investments.

22 Section 94. Paragraph (b) of subsection (1), paragraph  
23 (b) of subsection (2), and subsection (3) of section 238.11,  
24 Florida Statutes, are amended to read:

25 238.11 Collection of contributions.--

26 (1) The collection of contributions shall be as  
27 follows:

28 (b) Each employer shall transmit monthly to the  
29 Department of Management Services ~~Division of Retirement~~ a  
30 warrant for the total amount of such deductions. Each employer  
31 shall also transmit monthly to the department ~~division~~ a

1 warrant for such employer contribution set aside as provided  
2 for in paragraph (a) of this subsection. The department  
3 ~~division~~, after making records of all such warrants, shall  
4 transmit them to the Department of Banking and Finance for  
5 delivery to the Treasurer of the state who shall collect them.

6 (2) The collection of the state contribution shall be  
7 made as follows:

8 (b) The Department of Management Services ~~division~~  
9 shall certify one-fourth of the amount so ascertained for each  
10 year to the Comptroller on or before the last day of July,  
11 October, January, and April of each year. The Comptroller  
12 shall, on or before the first day of August, November,  
13 February, and May of each year, draw his or her warrant or  
14 warrants on the Treasurer for the respective amounts due the  
15 several funds of the retirement system. On the receipt of the  
16 warrant or warrants of the Comptroller, the Treasurer shall  
17 immediately transfer to the several funds of the retirement  
18 system the amounts due.

19 (3) All collection of contributions of a nonprofit  
20 professional association or corporation of teachers as  
21 referred to in s. 238.01(3) and (5) shall be made by such  
22 association or corporation in the following manner:

23 (a) On April 1 of each year, the Department of  
24 Management Services ~~division~~ shall certify to any such  
25 nonprofit professional association or corporation of teachers  
26 the amounts which will become due and payable during the  
27 ensuing fiscal year to each of the funds of the retirement  
28 system to which such contributions are payable as set forth in  
29 this law.

30 (b) The Department of Management Services ~~division~~  
31 shall certify one-fourth of the amount so ascertained for each



1 year to the nonprofit professional association or corporation  
2 of teachers on or before the last day of July, October,  
3 January, and April of each year. The nonprofit professional  
4 association or corporation of teachers shall, on or before the  
5 first day of August, November, February, and May of each year,  
6 draw its check payable to the department ~~division~~ for the  
7 respective amounts due the several funds of the retirement  
8 system. Upon receipt of the check, the department ~~division~~  
9 shall immediately transfer to the several funds of the  
10 retirement system the amounts due, provided, however, that the  
11 amounts due the several funds of the retirement system from  
12 any such association or corporation for creditable service  
13 accruing to any such member before July 1, 1947, shall be paid  
14 prior to the retirement of any such member.

15 Section 95. Section 238.12, Florida Statutes, is  
16 amended to read:

17 238.12 Duties of employers.--

18 (1) Each employer shall keep such records and, from  
19 time to time, shall furnish such information as the Department  
20 of Management Services ~~Division of Retirement~~ may require in  
21 the discharge of its duties. Upon the employment of any  
22 teacher to whom this chapter may apply, the teacher shall be  
23 informed by his or her employer of his or her duties and  
24 obligations in connection with the retirement system as a  
25 condition of his or her employment. Every teacher accepting  
26 employment shall be deemed to consent and agree to any  
27 deductions from his or her compensation required in this  
28 chapter and to all other provisions of this chapter.

29 (2) During September of each year, or at such other  
30 time as the department ~~division~~ shall approve, each employer  
31

1 shall certify to the department ~~division~~ the names of all  
2 teachers to whom this chapter applies.

3 (3) Each employer shall, on the first day of each  
4 calendar month, or at such less frequent intervals as the  
5 department ~~division~~ may approve, notify the department  
6 ~~division~~ of the employment of new teachers, removals,  
7 withdrawals and changes in salary of members that have  
8 occurred during the preceding month, or the period covered  
9 since the last notification.

10 Section 96. Section 238.14, Florida Statutes, is  
11 amended to read:

12 238.14 Protection against fraud.--Any person who shall  
13 knowingly make any false statement, or shall falsify or permit  
14 to be falsified any record or records of this retirement  
15 system in any attempt to defraud such system as a result of  
16 such act, shall be guilty of a misdemeanor of the second  
17 degree, punishable as provided in s. 775.082 or s. 775.083.  
18 Should any change or error in records result in any member or  
19 beneficiary receiving from the retirement system more or less  
20 than he or she would have been entitled to receive had the  
21 records been correct, then on discovery of any such error the  
22 department ~~division~~ shall correct such error, and, as far as  
23 practicable, shall adjust the payments in such a manner that  
24 the actuarial equivalent of the benefit, to which such member  
25 or beneficiary was correctly entitled, shall be paid.

26 Section 97. Section 238.15, Florida Statutes, is  
27 amended to read:

28 238.15 Exemption of funds from taxation, execution,  
29 and assignment.--The pensions, annuities or any other benefits  
30 accrued or accruing to any person under the provisions of this  
31 chapter and the accumulated contributions and cash securities

1 in the funds created under this chapter are exempted from any  
2 state, county or municipal tax of the state, and shall not be  
3 subject to execution or attachment or to any legal process  
4 whatsoever, and shall be unassignable, except:

5 (1) That any teacher who has retired shall have the  
6 right and power to authorize in writing the Department of  
7 Management Services ~~Division of Retirement~~ to deduct from his  
8 or her monthly retirement allowance money for the payment of  
9 the premiums on group insurance for hospital, medical and  
10 surgical benefits, under a plan or plans for such benefits  
11 approved in writing by the Insurance Commissioner and  
12 Treasurer of the state, and upon receipt of such request the  
13 department ~~division~~ shall make the monthly payments as  
14 directed; and

15 (2) As may be otherwise specifically provided for in  
16 this chapter.

17 Section 98. Paragraph (b) of subsection (3) of section  
18 238.171, Florida Statutes, is amended to read:

19 238.171 Monthly allowance; when made.--

20 (3)

21 (b) On July 1, 1975, and each July 1 thereafter, the  
22 Department of Management Services ~~director~~ shall adjust the  
23 monthly allowance being paid on said date. The percentage of  
24 such adjustment shall be equal to the percentage change in the  
25 average cost-of-living index during the preceding 12-month  
26 period, April 1 through March 31, ignoring changes in the  
27 cost-of-living index which are greater than 3 percent during  
28 the preceding fiscal year.

29 Section 99. Paragraphs (b), (c), (d), (e), and (f) of  
30 subsection (2) of section 238.181, Florida Statutes, are  
31 amended to read:

1           238.181 Reemployment after retirement; conditions and  
2 limitations.--  
3           (2)  
4           (b) Any person to whom the limitation in paragraph (a)  
5 applies who violates such reemployment limitation and who is  
6 reemployed with any agency participating in the Florida  
7 Retirement System before completion of the 12-month limitation  
8 period shall give timely notice of this fact in writing to his  
9 or her employer and to the Department of Management Services  
10 ~~division~~ and shall have his or her retirement benefits  
11 suspended for the balance of the 12-month limitation period.  
12 Any person employed in violation of this paragraph and any  
13 employing agency which knowingly employs or appoints such  
14 person without notifying the department ~~Division of Retirement~~  
15 to suspend retirement benefits shall be jointly and severally  
16 liable for reimbursement to the retirement trust fund of any  
17 benefits paid during the reemployment limitation period. To  
18 avoid liability, such employing agency shall have a written  
19 statement from the retiree that he or she is not retired from  
20 a state-administered retirement system. Any retirement  
21 benefits received while reemployed during this reemployment  
22 limitation period shall be repaid to the retirement trust  
23 fund, and retirement benefits shall remain suspended until  
24 such repayment has been made. Benefits suspended beyond the  
25 reemployment limitation shall apply toward repayment of  
26 benefits received in violation of the reemployment limitation.  
27           (c) A district school board may reemploy a retired  
28 member as a substitute or hourly teacher on a noncontractual  
29 basis after he or she has been retired for 1 calendar month,  
30 in accordance with s. 121.021(39). Any retired member who is  
31 reemployed within 1 calendar month after retirement shall void

1 his or her application for retirement benefits. District  
2 school boards reemploying such teachers are subject to the  
3 retirement contribution required by paragraph (g).  
4 Reemployment of a retired member as a substitute or hourly  
5 teacher is limited to 780 hours during the first 12 months of  
6 his or her retirement. Any retired member reemployed for more  
7 than 780 hours during his or her first 12 months of retirement  
8 shall give timely notice in writing to his or her employer and  
9 to the department ~~division~~ of the date he or she will exceed  
10 the limitation. The department ~~division~~ shall suspend his or  
11 her retirement benefits for the remainder of his or her first  
12 12 months of retirement. Any person employed in violation of  
13 this paragraph and any employing agency which knowingly  
14 employs or appoints such person without notifying the  
15 department ~~Division of Retirement~~ to suspend retirement  
16 benefits shall be jointly and severally liable for  
17 reimbursement to the retirement trust fund of any benefits  
18 paid during the reemployment limitation period. To avoid  
19 liability, such employing agency shall have a written  
20 statement from the retiree that he or she is not retired from  
21 a state-administered retirement system. Any retirement  
22 benefits received by a retired member while reemployed in  
23 excess of 780 hours during his or her first 12 months of  
24 retirement shall be repaid to the Retirement System Trust  
25 Fund, and his or her retirement benefits shall remain  
26 suspended until repayment is made. Benefits suspended beyond  
27 the end of the retired member's first 12 months of retirement  
28 shall apply toward repayment of benefits received in violation  
29 of the 780-hour reemployment limitation.  
30 (d) A community college board of trustees may reemploy  
31 a retired member as an adjunct instructor, that is, an

1 instructor who is noncontractual and part time, or as a  
2 participant in a phased retirement program within a community  
3 college, after he or she has been retired for 1 calendar  
4 month, in accordance with s. 121.021(39). Any retired member  
5 who is reemployed within 1 calendar month after retirement  
6 shall void his or her application for retirement benefits.  
7 Boards of trustees reemploying such instructors are subject to  
8 the retirement contribution required in paragraph (g). A  
9 retired member may be reemployed as an adjunct instructor for  
10 no more than 780 hours during the first 12 months of his or  
11 her retirement. Any retired member reemployed for more than  
12 780 hours during his or her first 12 months of retirement  
13 shall give timely notice in writing to his or her employer and  
14 to the department ~~division~~ of the date he or she will exceed  
15 the limitation. The department ~~division~~ shall suspend his or  
16 her retirement benefits for the remainder of his or her first  
17 12 months of retirement. Any person employed in violation of  
18 this paragraph and any employing agency which knowingly  
19 employs or appoints such person without notifying the  
20 department ~~Division of Retirement~~ to suspend retirement  
21 benefits shall be jointly and severally liable for  
22 reimbursement to the retirement trust fund of any benefits  
23 paid during the reemployment limitation period. To avoid  
24 liability, such employing agency shall have a written  
25 statement from the retiree that he or she is not retired from  
26 a state-administered retirement system. Any retirement  
27 benefits received by a retired member while reemployed in  
28 excess of 780 hours during his or her first 12 months of  
29 retirement shall be repaid to the Retirement System Trust  
30 Fund, and retirement benefits shall remain suspended until  
31 repayment is made. Benefits suspended beyond the end of the

1 retired member's first 12 months of retirement shall apply  
2 toward repayment of benefits received in violation of the  
3 780-hour reemployment limitation.

4 (e) The Board of Trustees of the Florida School for  
5 the Deaf and the Blind may reemploy a retired member as a  
6 substitute teacher, substitute residential instructor, or  
7 substitute nurse on a noncontractual basis after he or she has  
8 been retired for 1 calendar month, in accordance with s.  
9 121.021(39). Any retired member who is reemployed within 1  
10 calendar month after retirement shall void his or her  
11 application for retirement benefits. The Board of Trustees of  
12 the Florida School for the Deaf and the Blind reemploying such  
13 teachers, residential instructors, or nurses is subject to the  
14 retirement contribution required by paragraph (g).  
15 Reemployment of a retired member as a substitute teacher,  
16 substitute residential instructor, or substitute nurse is  
17 limited to 780 hours during the first 12 months of his or her  
18 retirement. Any retired member reemployed for more than 780  
19 hours during his or her first 12 months of retirement shall  
20 give timely notice in writing to his or her employer and to  
21 the department ~~division~~ of the date he or she will exceed the  
22 limitation. The department ~~division~~ shall suspend his or her  
23 retirement benefits for the remainder of his or her first 12  
24 months of retirement. Any person employed in violation of  
25 this paragraph and any employing agency which knowingly  
26 employs or appoints such person without notifying the  
27 department ~~Division of Retirement~~ to suspend retirement  
28 benefits shall be jointly and severally liable for  
29 reimbursement to the retirement trust fund of any benefits  
30 paid during the reemployment limitation period. To avoid  
31 liability, such employing agency shall have a written

1 statement from the retiree that he or she is not retired from  
2 a state-administered retirement system. Any retirement  
3 benefits received by a retired member while reemployed in  
4 excess of 780 hours during his or her first 12 months of  
5 retirement shall be repaid to the Retirement System Trust  
6 Fund, and his or her retirement benefits shall remain  
7 suspended until payment is made. Benefits suspended beyond  
8 the end of the retired member's first 12 months of retirement  
9 shall apply toward repayment of benefits received in violation  
10 of the 780-hour reemployment limitation.

11 (f) The State University System may reemploy a retired  
12 member as an adjunct faculty member or as a participant in a  
13 phased retirement program within the State University System  
14 after the retired member has been retired for 1 calendar  
15 month, in accordance with s. 121.021(39). Any retired member  
16 who is reemployed within 1 calendar month after retirement  
17 shall void his or her application for retirement benefits. The  
18 State University System is subject to the retired contribution  
19 required in paragraph (g), as appropriate. A retired member  
20 may be reemployed as an adjunct faculty member or a  
21 participant in a phased retirement program for no more than  
22 780 hours during the first 12 months of his or her retirement.  
23 Any retired member reemployed for more than 780 hours during  
24 his or her first 12 months of retirement shall give timely  
25 notice in writing to his or her employer and to the department  
26 ~~division~~ of the date he or she will exceed the limitation.  
27 The department ~~division~~ shall suspend his or her retirement  
28 benefits for the remainder of his or her first 12 months of  
29 retirement. Any person employed in violation of this  
30 paragraph and any employing agency which knowingly employs or  
31 appoints such person without notifying the department ~~Division~~



1 ~~of Retirement~~ to suspend retirement benefits shall be jointly  
2 and severally liable for reimbursement to the retirement trust  
3 fund of any benefits paid during the reemployment limitation  
4 period. To avoid liability, such employing agency shall have  
5 a written statement from the retiree that he or she is not  
6 retired from a state-administered retirement system. Any  
7 retirement benefits received by a retired member while  
8 reemployed in excess of 780 hours during his or her first 12  
9 months of retirement shall be repaid to the Retirement System  
10 Trust Fund, and retirement benefits shall remain suspended  
11 until repayment is made. Benefits suspended beyond the end of  
12 the retired member's first 12 months of retirement shall apply  
13 toward repayment of benefits received in violation of the  
14 780-hour reemployment limitation.

15 Section 100. Section 238.32, Florida Statutes, is  
16 amended to read:

17 238.32 Service credit in disputed cases.--The  
18 Department of Management Services ~~Division of Retirement~~ may  
19 in its discretion allow or deny a member service credit in  
20 disputed or doubtful cases for employment in Florida and  
21 out-of-state schools in order to serve the best interests of  
22 the state and the member, subject to the membership dates set  
23 forth in s. 238.06(4).

24 Section 101. Paragraph (c) of subsection (1),  
25 paragraphs (a), (b), and (f) of subsection (3), paragraph (b)  
26 of subsection (4), and paragraph (b) of subsection (6) of  
27 section 240.3195, Florida Statutes, are amended to read:

28 240.3195 State Community College System Optional  
29 Retirement Program.--Each community college may implement an  
30 optional retirement program, if such program is established  
31 therefor pursuant to s. 240.319(3)(r), under which annuity

1 contracts providing retirement and death benefits may be  
2 purchased by, and on behalf of, eligible employees who  
3 participate in the program. Except as otherwise provided  
4 herein, this retirement program, which shall be known as the  
5 State Community College System Optional Retirement Program,  
6 may be implemented and administered only by an individual  
7 community college or by a consortium of community colleges.

8 (1) As used in this section, the term:

9 (c) "Department" ~~"Division"~~ means the ~~Division of~~  
10 ~~Retirement of the~~ Department of Management Services.

11 (3)(a) With respect to any employee who is eligible to  
12 participate in the optional retirement program by reason of  
13 qualifying employment commencing before the program's  
14 activation:

15 1. The employee may elect to participate in the  
16 optional retirement program in lieu of participation in the  
17 Florida Retirement System. To become a program participant,  
18 the employee must file with the personnel officer of the  
19 college, within 60 days after the program's activation, both a  
20 written election on a form provided by the department ~~division~~  
21 and a completed application for an individual contract or  
22 certificate.

23 2. An employee's participation in the optional  
24 retirement program commences on the first day of the next full  
25 calendar month following the filing of the election and  
26 completed application with the program administrator and  
27 receipt of such election by the department ~~division~~. An  
28 employee's membership in the Florida Retirement System  
29 terminates on this same date.

30 3. Any such employee who fails to make an election to  
31 participate in the optional retirement program within 60 days

1 after its activation has elected to retain membership in the  
2 Florida Retirement System.

3 (b) With respect to any employee who becomes eligible  
4 to participate in an optional retirement program by reason of  
5 qualifying employment commencing on or after the program's  
6 activation:

7 1. The employee may elect to participate in the  
8 optional retirement program in lieu of participation in the  
9 Florida Retirement System. To become a program participant,  
10 the employee must file with the personnel officer of the  
11 college, within 60 days after commencing qualifying  
12 employment, both a written election on a form provided by the  
13 department ~~division~~ and a completed application for an  
14 individual contract or certificate.

15 2. An employee's participation in the optional  
16 retirement program commences on the first day of the next full  
17 calendar month following the filing of the election and  
18 completed application with the program administrator and  
19 receipt of such election by the department ~~division~~. An  
20 employee's membership in the Florida Retirement System  
21 terminates on this same date.

22 3. If the employee makes an election to participate in  
23 the optional retirement program before the community college  
24 submits its initial payroll for the employee, participation in  
25 the optional retirement program commences on the first date of  
26 employment.

27 4. Any such employee who fails to make an election to  
28 participate in the optional retirement program within 60 days  
29 after commencing qualifying employment has elected to retain  
30 membership in the Florida Retirement System.

31

1 (f) If a program participant becomes ineligible to  
2 continue participating in the optional retirement program  
3 pursuant to the criteria referenced in subsection (2), the  
4 employee becomes a member of the Florida Retirement System if  
5 eligible. The college must notify the department ~~Division of~~  
6 ~~Retirement~~ of an employee's change in eligibility status  
7 within 30 days after the event that makes the employee  
8 ineligible to continue participation in the optional  
9 retirement program.

10 (4)

11 (b) Each community college must contribute on behalf  
12 of each program participant an amount equal to the unfunded  
13 actuarial accrued liability portion of the employer  
14 contribution which would be required if the program  
15 participant were a member of the Regular Class of the Florida  
16 Retirement System. Payment of this contribution must be made  
17 directly by the college to the department ~~division~~ for deposit  
18 in the Florida Retirement System Trust Fund.

19 (6)

20 (b) The program administrator shall solicit  
21 competitive bids or issue a request for proposal and select no  
22 more than four companies from which annuity contracts may be  
23 purchased under the optional retirement program. In making  
24 these selections, the program administrator shall consider the  
25 following factors:

26 1. The financial soundness of the company.

27 2. The extent of the company's experience in providing  
28 annuity contracts to fund retirement programs.

29 3. The nature and extent of the rights and benefits  
30 provided to program participants in relation to the premiums  
31 paid.

1           4. The suitability of the rights and benefits provided  
2 to the needs of eligible employees and the interests of the  
3 college in the recruitment and retention of employees.

4  
5 In lieu of soliciting competitive bids or issuing a request  
6 for proposals, the program administrator may authorize the  
7 purchase of annuity contracts under the optional retirement  
8 program from those companies currently selected by the  
9 department ~~Division of Retirement~~ to offer such contracts  
10 through the State University System Optional Retirement  
11 Program, as set forth in s. 121.35.

12           Section 102. Subsection (6) of section 250.22, Florida  
13 Statutes, is amended to read:

14           250.22 Retirement.--

15           (6) All powers, duties, and functions related to the  
16 administration of this section are vested in the Department of  
17 Management Services ~~Division of Retirement~~.

18           Section 103. Subsection (2) of section 321.17, Florida  
19 Statutes, is amended to read:

20           321.17 Contributions; leaving patrol; leave of  
21 absence; transferees.--

22           (2) Such members as are eligible for service credit as  
23 set forth under s. 321.19(1) may pay to the Treasurer to the  
24 credit of the Highway Patrol Pension Trust Fund, the sum of \$5  
25 for each month of such service credit. Satisfactory proof of  
26 former service must be furnished the Department of Management  
27 Services ~~Division of Retirement~~ in the form of a sworn,  
28 written statement from the member's former employer or other  
29 reliable person, or other documents of proof as may be  
30 required by them. Such money as becomes due by reason of this  
31 clause shall be paid by said employee in equal monthly

1 payments over a period not to exceed 60 months after October  
2 1, 1945. Employees who fail to take advantage of the benefits  
3 offered under s. 321.19(1) within 90 days after October 1,  
4 1945, shall forfeit such service credits forever. New members  
5 who may hereafter enter the service of division of the Florida  
6 Highway Patrol who fail to take advantage of the benefits  
7 offered under s. 321.19(1) within 90 days after time of  
8 employment shall forfeit such service credits forever.

9           Section 104. Paragraph (d) of subsection (1) of  
10 section 321.19, Florida Statutes, is amended to read:

11           321.19 Computing length of service; definitions;  
12 examining committee.--

13           (1)

14           (d) The surviving spouse or other dependent of any  
15 member whose employment is terminated by death shall, upon  
16 application to the Department of Management Services ~~director~~  
17 ~~of the Division of Retirement~~, be permitted to pay the  
18 required contributions for any service performed by the member  
19 which could have been claimed by the member at the time of his  
20 or her death. Such service shall be added to the creditable  
21 service of the member and used in the calculation of any  
22 benefits which may be payable to the surviving spouse or other  
23 surviving dependent.

24           Section 105. Subsections (1), (2), and (4) and  
25 paragraph (a) of subsection (6) of section 321.191, Florida  
26 Statutes, are amended to read:

27           321.191 Non-service-connected disability retirement.--

28           (1) A member who becomes totally and permanently  
29 disabled after completing 10 years of service shall be  
30 entitled to a disability benefit. The disability retirement  
31 date for such member shall be the first day of the month

1 following the month during which the Department of Management  
2 Services ~~Division of Retirement~~ approved payment of disability  
3 retirement benefits.

4 (2) A member shall be considered totally and  
5 permanently disabled if, in the opinion of the Department of  
6 Management Services ~~Division of Retirement~~, he or she is  
7 prevented by physical or mental impairment from engaging in  
8 any gainful activity for which he or she is, or may reasonably  
9 become, fitted by education, training, or experience. The  
10 decision of the Department of Management Services ~~division~~  
11 shall be final and binding.

12 (4) The Department of Management Services ~~division~~,  
13 before approving payment of any disability retirement benefit,  
14 may require proof, in such form as it may decide, that the  
15 member is disabled as defined herein.

16 (6)(a) If the Department of Management Services  
17 ~~Division of Retirement~~ finds that a member who is receiving  
18 disability benefits is, at any time prior to his or her normal  
19 retirement date, no longer disabled, it shall direct that the  
20 benefits be discontinued. The decision of the department  
21 ~~division~~ on this question shall be final and binding.

22 Section 106. Section 321.202, Florida Statutes, is  
23 amended to read:

24 321.202 Termination by death subsequent to normal  
25 retirement date but prior to actual retirement.--If the  
26 employment of a member is terminated by reason of his or her  
27 death subsequent to the member's normal retirement date but  
28 prior to his or her actual retirement, it shall be assumed  
29 that the member retired as of his or her date of death and  
30 that the member had elected the optional form of payment most  
31 favorable to his or her legal spouse as determined by the

1 Department of Management Services ~~Division of Retirement~~. The  
2 benefits so determined shall be payable monthly to the spouse  
3 until the death of the spouse.

4 Section 107. Subsection (2) of section 321.203,  
5 Florida Statutes, is amended to read:

6 321.203 Reemployment after retirement; conditions and  
7 limitations.--

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



1           Section 108. Section 321.2205, Florida Statutes, is  
2 amended to read:

3           321.2205 Surviving spouses' benefit  
4 options.--Notwithstanding any other provision in this chapter  
5 to the contrary, the following provisions shall apply to any  
6 member who has accumulated at least 10 years of service and  
7 dies:

8           (1) If the deceased member's surviving spouse has  
9 previously received a refund of the member's contributions  
10 made to the Highway Patrol Pension Trust Fund, such spouse may  
11 pay to the Department of Management Services ~~Division of~~  
12 ~~Retirement~~ an amount equal to the sum of the amount of the  
13 deceased member's contributions previously refunded and  
14 interest at 3 percent compounded annually on the amount of  
15 such refunded contributions from the date of refund to the  
16 date of payment to the Department of Management Services  
17 ~~Division of Retirement~~, and receive the monthly retirement  
18 benefit provided in subsection (3).

19           (2) If the deceased member's surviving spouse has not  
20 received a refund of the deceased member's contribution, such  
21 spouse shall, upon application to the Department of Management  
22 Services ~~Division of Retirement~~, receive the monthly  
23 retirement benefit provided in subsection (3).

24           (3) The monthly benefit payable to the spouse  
25 described in subsection (1) or subsection (2) shall be the  
26 amount which would have been payable to the deceased member's  
27 spouse, assuming that the member had retired on the date of  
28 his or her death and had selected the option in s. 321.20  
29 which would afford the surviving spouse the greatest amount of  
30 benefits, such benefit to be based on the ages of the spouse  
31 and member as of the date of death of the member. Such

1 benefit shall commence on the first day of the month following  
2 the payment of the aforesaid amount to the Department of  
3 Management Services ~~Division of Retirement~~, if subsection (1)  
4 is applicable, or on the first day of the month following the  
5 receipt of the spouse's application by the Department of  
6 Management Services ~~Division of Retirement~~, if subsection (2)  
7 is applicable.

8 Section 109. Subsection (11) of section 413.051,  
9 Florida Statutes, 1998 Supplement, is amended to read:

10 413.051 Eligible blind persons; operation of vending  
11 stands.--

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

1 contribution. For any blind licensee who becomes ineligible  
2 to participate in the Florida Retirement System as described  
3 in this subsection, no creditable service shall be earned  
4 under the Florida Retirement System for any period following  
5 the month that retirement contributions ceased to be reported.  
6 However, any such person may participate in the Florida  
7 Retirement System in the future if employed by a participating  
8 employer in a covered position.

9 Section 110. Paragraph (c) of subsection (4) of  
10 section 633.382, Florida Statutes, is amended to read:

11 633.382 Firefighters; supplemental compensation.--

12 (4) FUNDING.--

13 (c) There is appropriated from the Police and  
14 Firefighter's Premium Tax Trust Fund to the Firefighters'  
15 Supplemental Compensation Trust Fund, which is hereby created  
16 under the Department of Revenue, all moneys which have not  
17 been distributed to municipalities and special fire control  
18 districts in accordance with s. 175.121 as a result of the  
19 limitation contained in s. 175.122 on the disbursement of  
20 revenues collected pursuant to chapter 175 or as a result of  
21 any municipality or special fire control district not having  
22 qualified in any given year, or portion thereof, for  
23 participation in the distribution of the revenues collected  
24 pursuant to chapter 175. The total required annual  
25 distribution from the Firefighters' Supplemental Compensation  
26 Trust Fund shall equal the amount necessary to pay  
27 supplemental compensation as provided in this section,  
28 provided that:

29 1. Any deficit in the total required annual  
30 distribution shall be made up from accrued surplus funds  
31 existing in the Firefighters' Supplemental Compensation Trust

1 Fund on June 30, 1990, for as long as such funds last. If the  
2 accrued surplus is insufficient to cure the deficit in any  
3 given year, the proration of the appropriation among the  
4 counties, municipalities, and special fire service taxing  
5 districts shall equal the ratio of compensation paid in the  
6 prior year to county, municipal, and special fire service  
7 taxing district firefighters pursuant to this section. This  
8 ratio shall be provided annually to the Department of Revenue  
9 by the Division of State Fire Marshal. Surplus funds that  
10 have accrued or accrue on or after July 1, 1990, shall be  
11 redistributed to municipalities and special fire control  
12 districts as provided in subparagraph 2.

13 2. By October 1 of each year, any funds that have  
14 accrued or accrue on or after July 1, 1990, and remain in the  
15 Firefighters' Supplemental Compensation Trust Fund following  
16 the required annual distribution shall be redistributed by the  
17 Department of Revenue pro rata to those municipalities and  
18 special fire control districts identified by the Department of  
19 Management Services ~~Division of Retirement~~ as being eligible  
20 for additional funds pursuant to s. 175.121(3)(b).

21 Section 111. Subsection (4) of section 650.02, Florida  
22 Statutes, is amended to read:

23 650.02 Definitions.--For the purpose of this chapter:

24 (4) The term "state agency" means the Department of  
25 Management Services ~~Division of Retirement~~.

26 Section 112. Each department of the executive branch  
27 shall survey each board, commission, and other such entity  
28 under its jurisdiction and recommend whether the entity should  
29 be abolished, continued, or revised. This information shall be  
30 provided to the Department of Management Services in the  
31 electronic format provided by that department. The Department

1 of Management Services shall report the findings from all  
2 departments to the Governor and the Legislature by December 1,  
3 1999.

4 Section 113. This act shall take effect July 1, 1999.

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7 HOUSE SUMMARY

8 Provides for the reorganization of the Department of  
9 Management Services. See bill for details.

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