

By Senator Diaz-Balart

37-1291-99

1                                   A bill to be entitled  
2           An act relating to school district employees'  
3           retirement; amending s. 231.495, F.S.;  
4           providing for the payment of a lump sum in lieu  
5           of purchasing an annuity in certain  
6           circumstances; providing an effective date.

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

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10           Section 1. Section 231.495, Florida Statutes, is  
11 amended to read:

12           231.495 Retirement annuities authorized.--

13           (1) District school boards are authorized to purchase  
14 annuities for all school personnel with 25 or more years of  
15 creditable service who have reached age 50 and have applied  
16 for retirement under the Florida Retirement System or who have  
17 reached age 55 and have applied for retirement under plan E of  
18 the Teachers' Retirement System. No such annuity shall  
19 provide for more than the total difference in retirement  
20 income between the retirement benefit based on average monthly  
21 compensation and creditable service as of the member's early  
22 retirement date and the early retirement benefit. District  
23 school boards may also purchase annuities for members of the  
24 Florida Retirement System who have out-of-state teaching  
25 service in another state or country which is documented as  
26 valid by the appropriate school board. Such annuities may be  
27 based on no more than 5 years of out-of-state teaching service  
28 and may equal, but not exceed, the benefits that would be  
29 payable under the Florida Retirement System if credit for  
30 out-of-state teaching was authorized under that system.  
31 District school boards are authorized to invest funds,

1 purchase annuities, or provide local supplemental retirement  
2 programs for purposes of providing annuities for school  
3 personnel. All retirement annuities shall comply with s. 14,  
4 Art. X of the State Constitution.

5 (2) If at any time the present value of the remaining  
6 nonforfeitable retirement benefit payable to any person under  
7 subsection (1) does not exceed \$5,000, the board may in its  
8 discretion pay to such person or his or her beneficiary a lump  
9 sum amount equal to the present value of those benefits in  
10 lieu of purchasing an annuity. For the purposes of this  
11 subsection, the present value of any benefit shall be  
12 calculated by using the applicable mortality table and  
13 applicable interest rate prescribed by s. 417(e)(3) of the  
14 Internal Revenue Code of 1986, or any successor to that  
15 section.

16 Section 2. This act shall take effect upon becoming a  
17 law.

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20 SENATE SUMMARY

21 Authorizes a district school board to pay a lump sum to,  
22 in lieu of purchasing an annuity for, personnel who have  
23 applied for retirement, or their beneficiaries, when the  
24 cash value of that lump sum is \$5,000 or less.  
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