

Amendment No. \_\_\_\_ (for drafter's use only)

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Sanderson offered the following:

**Amendment (with title amendment)**

Remove from the bill: Everything after the enacting clause  
and insert in lieu thereof:

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

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

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

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

- (a) Facilities Program.
  - (b) Information Technology Program.
  - (c) Workforce Program.
  - (d)1. Support Program.
2. Federal Property Assistance Program.

1 (e) Administration Program.

2 (f) Division of Administrative Hearings.

3 (g) Division of Retirement.

4 (h) Division of State Group Insurance.

5 (3) The Information Technology Program shall operate  
6 and manage the Technology Resource Center.

7 (4) The duties of the Office of Labor Relations shall  
8 be determined by the Secretary of Management Services, and  
9 must include, but need not be limited to, the representation  
10 of the Governor as the public employer in collective  
11 bargaining negotiations pursuant to the provisions of chapter  
12 447.

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

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

5           ~~(c) The council is assigned to the Division of State~~  
6 ~~Group Insurance for administrative and fiscal accountability~~  
7 ~~purposes, but the council and its staff shall otherwise~~  
8 ~~function independently of the control and direction of the~~  
9 ~~division. The Division of State Group Insurance shall furnish~~  
10 ~~dedicated administrative and secretarial assistance to the~~  
11 ~~council, and other assistance to the council as requested.~~

12           ~~(d) The council shall have the primary functions to:~~

13                 ~~1. Recommend accountability measures and review the~~  
14 ~~implementation of performance-based program budgeting measures~~  
15 ~~under which the Division of State Group Insurance operates.~~

16                 ~~2. Review and recommend procedures and criteria for~~  
17 ~~contract selection before any contract solicitation.~~

18                 ~~3. Review and make recommendations regarding insurance~~  
19 ~~benefit packages.~~

20                 ~~4. Review external audit reports, service organization~~  
21 ~~reports, compliance reviews, or other contractually required~~  
22 ~~management reports relating to third-party administrator~~  
23 ~~activities to determine areas that potentially may require~~  
24 ~~division action.~~

25                 ~~5. Review third-party administrator management reports~~  
26 ~~leading to conclusions regarding report completion, accuracy,~~  
27 ~~validity, and reasonableness.~~

28                 ~~6. Review third-party administrator overpayment and~~  
29 ~~refund collection activities to provide assurances that health~~  
30 ~~plan assets are safeguarded.~~

31                 ~~7. Review use of detailed provider/subscriber surveys~~

1 ~~designed to detect potential problem areas with the state~~  
2 ~~group insurance program and make recommendations to the~~  
3 ~~director.~~

4 ~~8. Review reports and make recommendations to~~  
5 ~~safeguard the financial stability of the group insurance~~  
6 ~~program.~~

7 ~~(e) The council or a member thereof may not enter into~~  
8 ~~the day-to-day operation of the division and is specifically~~  
9 ~~prohibited from taking part in:~~

10 ~~1. The awarding of contracts.~~

11 ~~2. The selection of a consultant or contractor or the~~  
12 ~~prequalification of any individual consultant or contractor.~~  
13 ~~However, the council may recommend to the director standards~~  
14 ~~and policies governing the procedure for selection and~~  
15 ~~prequalification of consultants and contractors.~~

16 ~~3. The employment, promotion, demotion, suspension,~~  
17 ~~transfer, or discharge of any division personnel.~~

18 ~~4. The granting, denial, suspension, or revocation of~~  
19 ~~any license or permit issued by the division.~~

20 ~~(f)1. The chair and any other officers of the council~~  
21 ~~shall be selected by the council members for a 1-year term but~~  
22 ~~may succeed themselves.~~

23 ~~2. The council shall hold a minimum of four regular~~  
24 ~~meetings annually, and other meetings may be called by the~~  
25 ~~chair upon giving at least 1 week's notice to all members and~~  
26 ~~the public pursuant to chapter 120. Other meetings may also be~~  
27 ~~held upon the written request of at least four other members~~  
28 ~~of the council, with at least 1 week's notice of such meeting~~  
29 ~~being given to all members and the public by the chair~~  
30 ~~pursuant to chapter 120. Emergency meetings may be held~~  
31 ~~without notice upon the request of all members of the council.~~

1           ~~3. A majority of the membership of the council~~  
2 ~~constitutes a quorum at any meeting of the council. An action~~  
3 ~~of the council is not considered adopted unless the action is~~  
4 ~~taken pursuant to the affirmative vote of a majority of the~~  
5 ~~members present, but not fewer than four members of the~~  
6 ~~council at a meeting held pursuant to subparagraph 2., and the~~  
7 ~~vote is recorded in the minutes of that meeting.~~

8           ~~4. The chair shall cause to be made a complete record~~  
9 ~~of the proceedings of the council. The proceedings of the~~  
10 ~~council shall be open to the public, and the records shall be~~  
11 ~~open for public inspection.~~

12           ~~(g) The meetings of the council shall be held in the~~  
13 ~~central office of the department in Tallahassee unless the~~  
14 ~~chair determines that special circumstances warrant meeting at~~  
15 ~~another location.~~

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

18           Section 2. Subsection (3) of section 20.37, Florida  
19 Statutes, is repealed.

20           Section 3. Section 110.1082, Florida Statutes, is  
21 created to read:

22           110.1082 Telephone voice mail systems and telephone  
23 menu options systems.--

24           (1) No state employee shall utilize a voice mail  
25 system when the employee is at his or her regularly assigned  
26 work station where his or her telephone is functional and  
27 available for use, unless:

28           (a) The device is in use, and/or;

29           (b) Such voice mail system alerts the caller to, and  
30 provides the caller with access to a nonelectronic attendant;

31 or

1           (c) Such voice mail system automatically transfers the  
2 caller to a nonelectronic attendant.

3           (2) Telephone menu options systems used by state  
4 agencies, departments, or other state government units, will  
5 alert the caller to, and provide the caller with access to a  
6 nonelectronic attendant.

7           (3) Agency heads will ensure compliance with the  
8 provisions of this section.

9           Section 4. Section 110.1238, Florida Statutes, is  
10 amended to read:

11           110.1238 State group health insurance plans; refunds  
12 with respect to overcharges by providers.--A participant in a  
13 state group health insurance plan who discovers that he or she  
14 was overcharged by a health care provider shall receive a  
15 refund of 50 percent of any amount recovered as a result of  
16 such overcharge, up to a maximum of \$1,000 ~~per admission~~.

17           Section 5. Section 110.1227, Florida Statutes, 1998  
18 Supplement, is amended to read:

19           110.1227 Florida Employee Long-Term-Care Plan Act.--

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

24           (a) It is the intent of the Legislature that the  
25 Department of Management Services ~~Division of State Group~~  
26 ~~Insurance~~ and the Department of Elderly Affairs implement a  
27 self-funded or fully insured, voluntary, long-term-care plan  
28 for public employees and their families and provide an  
29 opportunity for public employees and their families to  
30 purchase said long-term-care insurance by means of payroll  
31 deduction.

1           (b) The Department of Elderly Affairs and the  
2 Department of Management Services ~~Division of State Group~~  
3 ~~Insurance~~ shall jointly design the plan to provide  
4 long-term-care coverage for public employees, ~~and~~ family  
5 members of public employees and retirees. The Department of  
6 Management Services ~~Division of State Group Insurance~~ and the  
7 Department of Elderly Affairs shall enter into an interagency  
8 agreement defining their roles with regard to plan development  
9 and design. Joint planning expenses shall be shared to the  
10 extent that funded planning activities are consistent with the  
11 goals of the departments ~~department and the division~~. Eligible  
12 plan participants must include active and retired officers and  
13 employees of all branches and agencies of state ~~and local~~  
14 ~~government~~ and their spouses, children, stepchildren, parents,  
15 and parents-in-law; and upon the affirmative vote of the  
16 governing body of any county or municipality in this state the  
17 active and retired officers and employees of any such county  
18 or municipality and their spouses, children, stepchildren,  
19 parents and parents-in-law ~~active and retired federal~~  
20 ~~employees residing in the state and their spouses, children,~~  
21 ~~stepchildren, parents, and parents-in-law residing in the~~  
22 ~~state~~; and the surviving spouses, children, stepchildren,  
23 parents, and parents-in-law of such deceased officers and  
24 employees, whether active or retired at the time of death.

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

28           (d) The Department of Management Services and the  
29 Department of Elderly Affairs shall review all self-insured  
30 and all fully-insured proposals submitted to it by qualified  
31 vendors who have submitted responses prior to February 23,

1 1999. Upon review of the proposals, the Department of  
2 Management Services and the Department of Elderly Affairs may  
3 award a contract to the vendor that the departments deem to  
4 represent the best value to public employees family members of  
5 public employees, and retirees.

6 (e) No entity providing actuarial consulting services  
7 to the Department of Management Services or the Department of  
8 Elderly Affairs in the preparation of the request for  
9 proposals, in the evaluation of such proposals, or in the  
10 selection of a provider of long-term-care service offerings  
11 shall be eligible to provide or contract to provide the entity  
12 selected as the provider of long-term-care service offerings  
13 in this state with any services related to the Florida  
14 Employee Long-Term-Care Plan.

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

16 (a) "Department" means the Department of Elderly  
17 Affairs.

18 ~~(b) "Division" means the Division of State Group~~  
19 ~~Insurance.~~

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

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

25 (3) The Department of Management Services ~~division~~ and  
26 the department shall, in consultation with public employers  
27 and employees and representatives from unions and associations  
28 representing state, university, local government, and other  
29 public employees, establish and supervise the implementation  
30 and administration of a self-funded or fully insured  
31 long-term-care plan entitled "Florida Employee Long-Term-Care



1 Plan."

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

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

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

28 (d) The Department of Management Services ~~division~~  
29 shall explore innovations in long-term-care financing and  
30 service delivery with regard to possible future inclusion in  
31 the plan. Such innovative financing and service-delivery

1 mechanisms may include managed long-term care and plans that  
2 set aside assets with regard to eligibility for  
3 Medicaid-funded long-term-care services in the same proportion  
4 that private long-term-care insurance benefits are used to pay  
5 for long-term care.

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

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

20 (6) A Florida Employee Long-Term-Care Plan Board of  
21 Directors is created, composed of nine ~~seven~~ members who shall  
22 serve 2-year terms, to be appointed after May 1, 1999, as  
23 follows:

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

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

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

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

1           (e) The Department of Management Services ~~division~~  
2 shall appoint a member.

3           (f) The President of the Senate shall appoint a member  
4 of the Senate.

5           (g) The Speaker of the House shall appoint a member of  
6 the House.

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

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

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

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

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

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

1           Section 6. Section 110.123, Florida Statutes, 1998  
2 Supplement, is amended to read:

3           110.123 State group insurance program.--

4           (1) TITLE.--This section may be cited as the "State  
5 Group Insurance Program Law."

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

7           (a) "Department" means the Department of Management  
8 Services.

9           ~~(b) "Division" means the Division of State Group  
10 Insurance in the department.~~

11           (b)(c) "Enrollee" means all state officers and  
12 employees, retired state officers and employees, ~~and~~ surviving  
13 spouses of deceased state officers and employees, and  
14 terminated employees or individuals with continuation coverage  
15 who are enrolled in an insurance plan offered by the state  
16 group insurance program.

17           (c)(d) "Full-time state employees" includes all  
18 full-time employees of all branches or agencies of state  
19 government holding salaried positions and paid by state  
20 warrant or from agency funds, and employees paid from regular  
21 salary appropriations for 8 months' employment, including  
22 university personnel on academic contracts, but in no case  
23 shall "state employee" or "salaried position" include persons  
24 paid from other-personal-services (OPS) funds.

25           (d)(e) "Health maintenance organization" or "HMO"  
26 means an entity certified under part I of chapter 641.

27           (e) "Health plan member" means any person  
28 participating in the state group health insurance plan or in a  
29 health maintenance organization plan under the state group  
30 insurance program, including enrollees and covered dependents  
31 thereof.

1           (f) "Part-time state employee" means any employee of  
2 any branch or agency of state government paid by state warrant  
3 from salary appropriations or from agency funds, and who is  
4 employed for less than the normal full-time workweek  
5 established by the department or, if on academic contract or  
6 seasonal or other type of employment which is less than  
7 year-round, is employed for less than 8 months during any  
8 12-month period, but in no case shall "part-time" employee  
9 include a person paid from other-personal-services (OPS)  
10 funds.

11           (g) "Retired state officer or employee" or "retiree"  
12 means any state officer or state employee who retires under a  
13 state retirement system or a state optional annuity or  
14 retirement program or is placed on disability retirement, and  
15 who was insured under the state group insurance program at the  
16 time of retirement, and who begins receiving retirement  
17 benefits immediately after retirement from state office or  
18 employment.

19           (h) "State agency" or "agency" means any branch,  
20 department, or agency of state government.

21           (i) "State group health insurance plan or "state plan"  
22 means the state self-insured health insurance plan offered to  
23 state officers and employees, retired state officers and  
24 employees, and surviving spouses of deceased state officers  
25 and employees pursuant to this section.

26           (j) "State-contracted HMO" means any health  
27 maintenance organization under contract with the department to  
28 participate in the state group insurance program.

29           ~~(k)~~(j) "State group insurance program" or "programs"  
30 means the package of insurance plans offered to state officers  
31 and employees, retired state officers and employees, and

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1 surviving spouses of deceased state officers and employees  
2 pursuant to this section, including the state group health  
3 insurance plan, health maintenance organization plans, and  
4 other plans required or authorized by this section.

5 (l)~~(k)~~ "State officer" means any constitutional state  
6 officer, any elected state officer paid by state warrant, or  
7 any appointed state officer who is commissioned by the  
8 Governor and who is paid by state warrant.

9 (m)~~(l)~~ "Surviving spouse" means the widow or widower  
10 of a deceased state officer, full-time state employee,  
11 part-time state employee, or retiree if such widow or widower  
12 was covered as a dependent under the state group health  
13 insurance plan or a health maintenance organization plan  
14 established pursuant to this section at the time of the death  
15 of the deceased officer, employee, or retiree. "Surviving  
16 spouse" also means any widow or widower who is receiving or  
17 eligible to receive a monthly state warrant from a state  
18 retirement system as the beneficiary of a state officer,  
19 full-time state employee, or retiree who died prior to July 1,  
20 1979. For the purposes of this section, any such widow or  
21 widower shall cease to be a surviving spouse upon his or her  
22 remarriage.

23 (3) STATE GROUP INSURANCE PROGRAM.--

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

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1 ~~be subject to control, supervision, or direction by the~~  
2 ~~Department of Management Services in any manner, including,~~  
3 ~~but not limited to, personnel, purchasing, transactions~~  
4 ~~involving real or personal property, and budgetary matters,~~  
5 ~~except to the extent as provided in this chapter and chapters~~  
6 ~~216, 255, 282, and 287 for agencies of the executive branch.~~

7 ~~(b) The director shall be a person qualified by~~  
8 ~~training and experience to understand the problems and needs~~  
9 ~~of state employees in the area of health care coverage and~~  
10 ~~insurance issues. The director shall have training and~~  
11 ~~experience in the field of health care reimbursement,~~  
12 ~~insurance or self-insurance programs, and the administration~~  
13 ~~of such programs in the public or private sector.~~

14 ~~(b)(c)~~ It is the intent of the Legislature to offer a  
15 comprehensive package of health insurance and retirement  
16 benefits and a personnel system for state employees which are  
17 provided in a cost-efficient and prudent manner, and to allow  
18 state employees the option to choose benefit plans which best  
19 suit their individual needs. Therefore, the state group  
20 insurance program is established which may include the state  
21 group health insurance plan, health maintenance organization  
22 plans, group life insurance plans, group accidental death and  
23 dismemberment plans, and group disability insurance plans.  
24 Furthermore, the department ~~division~~ is additionally  
25 authorized to establish and provide as part of the state group  
26 insurance program any other group insurance plans which are  
27 consistent with the provisions of this section.

28 ~~(c)(d)~~ Notwithstanding any provision in this section  
29 to the contrary, it is the intent of the Legislature that the  
30 department ~~division~~ shall be responsible for all aspects of  
31 the purchase of health care for state employees under the

1 state group health insurance plan and the health maintenance  
2 organization plans. Responsibilities shall include, but not be  
3 limited to, the development of requests for proposals for  
4 state employee health services, the determination of health  
5 care benefits to be provided, and the negotiation of contracts  
6 for health care and health care administrative services.  
7 Prior to the negotiation of contracts for health care  
8 services, the Legislature intends that the department division  
9 shall develop, ~~in consultation with the Department of~~  
10 ~~Management Services~~ with respect to state collective  
11 bargaining issues, the health benefits and terms to be  
12 included in the state group health insurance program. The  
13 department division shall adopt rules necessary to perform its  
14 responsibilities pursuant to this section. It is the intent  
15 of the Legislature that the department division shall be  
16 responsible for the contract management and day-to-day  
17 management of the state employee health insurance program,  
18 including, but not limited to, employee enrollment, premium  
19 collection, payment to health care providers, and other  
20 administrative functions related to the program.

21 (d)(e)1. Notwithstanding the provisions of chapter 287  
22 and the authority of the department, for the purpose of  
23 protecting the health of, and providing medical services to,  
24 state employees participating in the State Group Insurance  
25 Program Employees' Health Self-Insurance Plan, the department  
26 Division of State Group Insurance may contract to retain the  
27 services of professional administrators for the State Group  
28 Insurance Program Employees' Health Self-Insurance Plan. The  
29 agency shall follow good purchasing practices of state  
30 procurement to the extent practicable under the circumstances.

31 2. Each vendor in a major procurement, and any other



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1 vendor if the department ~~division~~ deems it necessary to  
2 protect the state's financial interests, shall, at the time of  
3 executing any contract with the department ~~division~~, post an  
4 appropriate bond with the department ~~division~~ in an amount  
5 determined by the department ~~division~~ to be adequate to  
6 protect the state's interests but not higher than the full  
7 amount estimated to be paid annually to the vendor under the  
8 contract.

9           3. Each major contract entered into by the department  
10 ~~division~~ pursuant to this section shall contain a provision  
11 for payment of liquidated damages to the department ~~division~~  
12 for material noncompliance by a vendor with a contract  
13 provision. The department ~~division~~ may require a liquidated  
14 damages provision in any contract if the department ~~division~~  
15 deems it necessary to protect the state's financial interests.

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

18           a. A formal written protest of any decision, intended  
19 decision, or other action subject to protest shall be filed  
20 within 72 hours after receipt of notice of the decision,  
21 intended decision, or other action.

22           b. As an alternative to any provision of s. 120.57(3),  
23 the department ~~division~~ may proceed with the bid selection or  
24 contract award process if the director of the department sets  
25 forth, in writing, particular facts and circumstances which  
26 demonstrate the necessity of continuing the procurement  
27 process or the contract award process in order to avoid a  
28 substantial disruption to the provision of any scheduled  
29 insurance services.

30           ~~(e)~~~~(f)~~ Except as provided for in subparagraph (g)2.  
31 ~~(h)2.~~, the percentage of state contribution toward the cost of

1 any plan in the state group insurance program shall be uniform  
2 with respect to all state employees in state collective  
3 bargaining units participating in the same plan or any similar  
4 plan. Nothing contained within this section prohibits the  
5 development of separate benefit plans for officers and  
6 employees exempt from collective bargaining or the development  
7 of separate benefit plans for each collective bargaining unit.

8 (f)~~(g)~~ Participation by individuals in the program  
9 shall be available to all state officers, full-time state  
10 employees, and part-time state employees; and such  
11 participation in the program or any plan thereof shall be  
12 voluntary. Participation in the program shall also be  
13 available to retired state officers and employees who elect at  
14 the time of retirement to continue coverage under the program,  
15 but they may elect to continue all or only part of the  
16 coverage they had at the time of retirement. A surviving  
17 spouse may elect to continue coverage only under the state  
18 group health insurance plan or a health maintenance  
19 organization plan.

20 (g)~~(h)~~1. A person eligible to participate in the state  
21 group ~~health insurance program plan~~ may be authorized by rules  
22 adopted by the department division, in lieu of participating  
23 in the state group health insurance plan, to exercise an  
24 option to elect membership in a health maintenance  
25 organization plan which is under contract with the state in  
26 accordance with criteria established by this section and by  
27 said rules. The offer of optional membership in a health  
28 maintenance organization plan permitted by this paragraph may  
29 be limited or conditioned by rule as may be necessary to meet  
30 the requirements of state and federal laws.

31 2. The department division shall contract with health

1 maintenance organizations seeking to participate in the state  
2 group insurance program through a request for proposal or  
3 other procurement process, as developed by the Department of  
4 Management Services and determined to be appropriate based  
5 upon a premium and a minimum benefit pack age as follows:  
6       a. The department shall establish a schedule of  
7 minimum benefits for health maintenance organization coverage,  
8 and that schedule A minimum benefit package to be provided by  
9 a participating HMO shall include: physician services;  
10 inpatient and outpatient hospital services; emergency medical  
11 services, including out-of-area emergency coverage; diagnostic  
12 laboratory and diagnostic and therapeutic radiologic services;  
13 mental health, alcohol, and chemical dependency treatment  
14 services meeting the minimum requirements of state and federal  
15 law; skilled nursing facilities and services; prescription  
16 drugs; and other benefits as may be required by the department  
17 division. Additional services may be provided subject to the  
18 contract between the department division and the HMO.  
19       b. The department may establish A uniform schedule for  
20 deductibles, and copayments, or coinsurance schedules may be  
21 established for all participating HMOs plans.  
22       c. The department may require detailed information  
23 from each health maintenance organization participating in the  
24 procurement process, including information pertaining to  
25 organizational status, experience in providing pre-paid health  
26 benefits, accessibility of services, financial stability of  
27 the plan, quality of management services, accreditation  
28 status, quality of medical services, network access and  
29 adequacy, performance measurement, ability to meet the  
30 department's reporting requirements, and the actuarial basis  
31 of the proposed rates and other data determined by the

1 director to be necessary for the evaluation and selection of  
2 health maintenance organization plans and negotiation of  
3 appropriate rates for these plans. Upon receipt of proposals  
4 by health maintenance organization plans and the evaluation of  
5 those proposals, the department may enter into negotiations  
6 with all of the plans or a subset of the plans, as the  
7 department determines appropriate.~~Based upon the minimum~~  
8 ~~benefit package and copayments and deductibles contained in~~  
9 ~~sub-subparagraphs a. and b., the division shall issue a~~  
10 ~~request for proposal for all HMOs which are interested in~~  
11 ~~participating in the state group insurance program. Upon~~  
12 ~~receipt of all proposals, the division may, as it deems~~  
13 ~~appropriate, enter into contract negotiations with HMOs~~  
14 ~~submitting bids. As part of the request for proposal process,~~  
15 ~~the division may require detailed financial data from each HMO~~  
16 ~~which participates in the bidding process for the purpose of~~  
17 ~~determining the financial stability of the HMO.~~

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

1 ~~that the plan offers high value to enrollees has the best~~  
2 ~~overall benefit package for the service areas involved.~~  
3 ~~However, no HMO shall be eligible for a contract if the HMO's~~  
4 ~~retiree Medicare premium exceeds the retiree rate as set by~~  
5 ~~the division for the state group health insurance plan.~~

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

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

18 ~~3.4.~~ In addition to contracting pursuant to  
19 subparagraph 2., the department ~~division~~ shall enter into  
20 contract with any HMO to participate in the state group  
21 insurance program which:

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

24 b. Does not currently meet the 25 percent  
25 non-Medicare/non-Medicaid enrollment composition requirement  
26 established by the Department of Health ~~and Human Services~~  
27 excluding participants enrolled in the state group insurance  
28 program;

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

31 d. Is willing to participate in the state group

1 insurance program at a cost of premiums that is not greater  
2 than 95 percent of the cost of HMO premiums accepted by the  
3 department division in each service area; and

4 e. Meets the minimum surplus requirements of s.  
5 641.225.

6  
7 The department division is authorized to contract with HMOs  
8 that meet the requirements of sub-subparagraphs a. through d.  
9 prior to the open enrollment period for state employees. The  
10 department division is not required to renew the contract with  
11 the HMOs as set forth in this paragraph more than twice.  
12 Thereafter, the HMOs shall be eligible to participate in the  
13 state group insurance program only through the request for  
14 proposal process described in subparagraph 2.

15 ~~4.5.~~ All enrollees in the state group health insurance  
16 plan or any health maintenance organization plan shall have  
17 the option of changing to any other health plan which is  
18 offered by the state within any open enrollment period  
19 designated by the department division. Open enrollment shall  
20 be held at least once each calendar year.

21 ~~56.~~ Any HMO participating in the state group insurance  
22 program shall submit health care utilization and cost data to  
23 the department, in such form and in such manner as the  
24 division shall require, as a condition of participating in the  
25 program. The department shall enter into negotiations with  
26 its contracting HMOs to determine the nature and scope of the  
27 data submission and the final requirements, format, penalties  
28 associated with noncompliance, and timetables for submission.  
29 ~~These determinations shall be adopted by rule. Any HMO~~  
30 ~~participating in the state group insurance program shall, upon~~  
31 ~~the request of the division, submit to the division~~

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

10 6.7. The department division may establish and direct  
11 with respect to collective bargaining issues, a comprehensive  
12 package of insurance benefits that may include, supplemental  
13 health and life coverage, dental care, long-term care, vision  
14 care, and other benefits it determines necessary to enable  
15 state employees to select from among benefit options that best  
16 suit their individual and family needs shall, after  
17 ~~consultation with representatives from each of the unions~~  
18 ~~representing state and university employees, establish a~~  
19 ~~comprehensive package of insurance benefits including, but not~~  
20 ~~limited to, supplemental health and life coverage, dental~~  
21 ~~care, long-term care, and vision care to allow state employees~~  
22 ~~the option to choose the benefit plans which best suit their~~  
23 ~~individual needs.~~

24 a. Based upon a desired benefit package, the  
25 department division shall issue a request for proposal for  
26 health insurance providers interested in participating in the  
27 state group insurance program, and the division shall issue a  
28 request for proposal for insurance providers interested in  
29 participating in the non-health-related components of the  
30 state group insurance program. Upon receipt of all proposals,  
31 the department division may enter into contract negotiations

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1 with insurance providers submitting bids or negotiate a  
2 specially designed benefit package. Insurance providers  
3 offering or providing supplemental coverage as of May 30,  
4 1991, which qualify for pretax benefit treatment pursuant to  
5 s. 125 of the Internal Revenue Code of 1986, with 5,500 or  
6 more state employees currently enrolled may be included by the  
7 department ~~division~~ in the supplemental insurance benefit plan  
8 established by the department ~~division~~ without participating  
9 in a request for proposal, submitting bids, negotiating  
10 contracts, or negotiating a specially designed benefit  
11 package. These contracts shall provide state employees with  
12 the most cost-effective and comprehensive coverage available;  
13 however, no state or agency funds shall be contributed toward  
14 the cost of any part of the premium of such supplemental  
15 benefit plans.

16 b. Pursuant to the applicable provisions of s.  
17 110.161, and s. 125 of the Internal Revenue Code of 1986, the  
18 department ~~division~~ shall enroll in the pretax benefit program  
19 those state employees who voluntarily elect coverage in any of  
20 the supplemental insurance benefit plans as provided by  
21 sub-subparagraph a.

22 c. Nothing herein contained shall be construed to  
23 prohibit insurance providers from continuing to provide or  
24 offer supplemental benefit coverage to state employees as  
25 provided under existing agency plans.

26 (h)~~(i)~~ The benefits of the insurance authorized by  
27 this section shall not be in lieu of any benefits payable  
28 under chapter 440, the Workers' Compensation Law. The  
29 insurance authorized by this law shall not be deemed to  
30 constitute insurance to secure workers' compensation benefits  
31 as required by chapter 440.



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

3           (a) Except as provided in paragraph (e) with respect  
4 to law enforcement officers, ~~correctional~~ and ~~correctional~~  
5 ~~probation officers~~, and firefighters, legislative  
6 authorization through the appropriations act is required for  
7 payment by a state agency of any part of the premium cost of  
8 participation in any group insurance plan. However, the state  
9 contribution for full-time employees or part-time permanent  
10 employees shall continue in the respective proportions for up  
11 to 6 months for any such officer or employee who has been  
12 granted an approved parental or medical leave of absence  
13 without pay.

14           (b) If a state officer or full-time state employee  
15 selects membership in a health maintenance organization as  
16 authorized by paragraph (3)(g), the officer or employee is  
17 entitled to a state contribution toward individual and  
18 dependent membership as provided by the Legislature through  
19 the appropriations act.

20           (c) During each policy or budget year, no state agency  
21 shall contribute a greater percentage of the premium cost for  
22 its officers or employees for any type of coverage under the  
23 state group insurance program than any other agency, nor shall  
24 any greater percentage contribution of premium cost be made  
25 for employees in one state collective bargaining unit than for  
26 those in any other state collective bargaining unit.

27           (d) The state contribution for a part-time permanent  
28 state employee who elects to participate in the program shall  
29 be prorated so that the percentage of the cost contributed for  
30 the part-time permanent employee bears that relation to the  
31 percentage of cost contributed for a similar full-time

1 employee that the part-time employee's normal workday bears to  
2 a full-time employee's normal workday.

3 (e) No state contribution for the cost of any part of  
4 the premium shall be made for retirees or surviving spouses  
5 for any type of coverage under the state group insurance  
6 program. However, any state agency that employs a full-time  
7 law enforcement officer, correctional officer, or correctional  
8 probation officer who is killed or suffers catastrophic injury  
9 in the line of duty as provided in s. 112.19, or a full-time  
10 firefighter who is killed or suffers catastrophic injury in  
11 the line of duty as provided in s. 112.191, on or after July  
12 1, 1980, as a result of an act of violence inflicted by  
13 another person while the officer is engaged in the performance  
14 of law enforcement duties or as a result of an assault against  
15 the officer under riot conditions shall pay the entire premium  
16 of the state group health insurance plan for the employee's  
17 surviving spouse until remarried, and for each dependent child  
18 of the employee, subject to the conditions and limitations set  
19 forth in s. 112.19 or s. 112.191, as applicable until the  
20 child reaches the age of majority or until the end of the  
21 calendar year in which the child reaches the age of 25 if:

- 22 1. ~~At the time of the employee's death, the child is~~  
23 ~~dependent upon the employee for support; and~~  
24 2. ~~The surviving child continues to be a dependent for~~  
25 ~~support, or the surviving child is a full-time or part-time~~  
26 ~~student and is dependent for support.~~

27 (f) Pursuant to the request of each state officer,  
28 full-time or part-time state employee, or retiree  
29 participating in the state group insurance program, and upon  
30 certification of the employing agency approved by the  
31 department ~~Division of State Group Insurance~~, the Comptroller

1 shall deduct from the salary or retirement warrant payable to  
2 each participant the amount so certified and shall handle such  
3 deductions in accordance with rules established by the  
4 department division.

5 (g) No administrative or civil proceeding shall be  
6 commenced to collect an underpayment or refund an overpayment  
7 of premiums collected pursuant to this subsection unless such  
8 claim is filed with the department ~~Division of State Group~~  
9 ~~Insurance~~ within 2 years after the alleged underpayment or  
10 overpayment was made. For purposes of this paragraph, a  
11 payroll deduction, salary reduction, or contribution by an  
12 agency is deemed to be made on the date the salary warrant is  
13 issued.

14 (h) State employees may participate in the state group  
15 health insurance plan at the time of receiving their state  
16 retirement benefits.

17 (5) ~~DEPARTMENT DIVISION OF STATE GROUP INSURANCE+~~  
18 POWERS AND DUTIES.--The department division is responsible for  
19 the administration of the state group insurance program. The  
20 department division shall initiate and supervise the program  
21 as established by this section and shall adopt such rules as  
22 are necessary to perform its responsibilities. To implement  
23 this program, the department division shall, with prior  
24 approval by the Legislature:

25 (a) Determine the benefits to be provided and the  
26 contributions to be required for the state group insurance  
27 program. Such determinations, whether for a contracted plan or  
28 a self-insurance plan pursuant to paragraph (c), do not  
29 constitute rules within the meaning of s. 120.52 or final  
30 orders within the meaning of s. 120.52. Any physician's fee  
31 schedule used in the health and accident plan shall not be

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1 available for inspection or copying by medical providers or  
2 other persons not involved in the administration of the  
3 program. However, in the determination of the design of the  
4 program, the department ~~division~~ shall consider existing and  
5 complementary benefits provided by the Florida Retirement  
6 System and the Social Security System.

7 (b) Prepare, in cooperation with the Department of  
8 Insurance, the specifications necessary to implement the  
9 program.

10 (c) Contract on a competitive proposal basis with an  
11 insurance carrier or carriers, or professional administrator,  
12 determined by the Department of Insurance to be fully  
13 qualified, financially sound, and capable of meeting all  
14 servicing requirements. Alternatively, the department  
15 ~~division~~ may self-insure any plan or plans contained in the  
16 state group insurance program subject to approval based on  
17 actuarial soundness by the Department of Insurance. The  
18 department ~~division~~ may contract with an insurance company or  
19 professional administrator qualified and approved by the  
20 Department of Insurance to administer such plan. Before  
21 entering into any contract, the department ~~division~~ shall  
22 advertise for competitive proposals, and such contract shall  
23 be let upon the consideration of the benefits provided in  
24 relationship to the cost of such benefits. In determining  
25 which entity to contract with, the department ~~division~~ shall,  
26 at a minimum, consider: the entity's previous experience and  
27 expertise in administering group insurance programs of the  
28 type it proposes to administer; the entity's ability to  
29 specifically perform its contractual obligations in this state  
30 and other governmental jurisdictions; the entity's anticipated  
31 administrative costs and claims experience; the entity's

1 capability to adequately provide service coverage and  
2 sufficient number of experienced and qualified personnel in  
3 the areas of claims processing, recordkeeping, and  
4 underwriting, as determined by the department ~~division~~; the  
5 entity's accessibility to state employees and providers; the  
6 financial solvency of the entity, using accepted business  
7 sector measures of financial performance. The department  
8 ~~division~~ may contract for medical services which will improve  
9 the health or reduce medical costs for employees who  
10 participate in the state group insurance plan.

11 (d) With respect to the state group health insurance  
12 plan, be authorized to require copayments with respect to all  
13 providers under the plan.

14 (e) Have authority to establish a voluntary program  
15 for comprehensive health maintenance, which may include health  
16 educational components and health appraisals.

17 (f) With respect to any contract with an insurance  
18 carrier or carriers or professional administrator entered into  
19 by the department ~~division~~, require that the state and the  
20 enrollees be held harmless and indemnified for any financial  
21 loss caused by the failure of the insurance carrier or  
22 professional administrator to comply with the terms of the  
23 contract.

24 (g) With respect to any contract with an insurance  
25 carrier or carriers, or professional administrator entered  
26 into by the department ~~division~~, require that the carrier or  
27 professional administrator provide written notice to  
28 individual enrollees if any payment due to any health care  
29 provider of the enrollee remains unpaid beyond a period of  
30 time as specified in the contract.

31 (h) Have authority to establish ~~a voluntary group~~

1 ~~long-term care program or~~ other voluntary programs to be  
2 funded on a pretax contribution basis or on a posttax  
3 contribution basis, as the department ~~division~~ determines.

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

9  
10 Final decisions concerning enrollment, the existence of  
11 coverage, or covered benefits under the state group ~~health~~  
12 insurance program ~~plan~~ shall not be delegated or deemed to  
13 have been delegated by the department ~~division~~.

14 (6) DEPOSIT OF PREMIUMS AND REFUNDS.--Premium dollars  
15 collected and not required to pay the costs of the program,  
16 prior to being paid to the carrier insurance company, shall be  
17 invested, and the earnings from such investment shall be  
18 deposited in a trust fund to be designated in the State  
19 Treasury and utilized for increased benefits or reduced  
20 premiums for the participants or may be used to pay for the  
21 administration of the state group insurance program. Any  
22 refunds paid the state by the insurance carrier from premium  
23 dollar reserves held by the carrier and earned on such refunds  
24 shall be deposited in the trust fund and used for such  
25 purposes.

26 (7) CONTINUATION OF AGENCY INSURANCE PLANS.--Nothing  
27 contained in this section shall require the discontinuation of  
28 any insurance plan provided by any state agency; however, no  
29 state or agency funds shall be contributed toward the cost of  
30 any part of the premium of such agency plans. Such agency  
31 plans shall not be deemed to be included in the state group

1 insurance program.

2 (8) COVERAGE FOR LEGISLATIVE MEMBERS AND  
3 EMPLOYEES.--The Legislature may provide coverage for its  
4 members and employees under all or any part of the state group  
5 insurance program; may provide coverage for its members and  
6 employees under a legislative group insurance program in lieu  
7 of all or any part of the state group insurance program; and,  
8 notwithstanding the provisions of paragraph (4)(c), may assume  
9 the cost of any group insurance coverage provided to its  
10 members and employees.

11 Effective July 1, 1999, any legislative member who  
12 terminates his or her elected service after July 1, 1999,  
13 after having vested in the state retirement system, may  
14 purchase coverage in the state group health insurance plan at  
15 the same premium cost as that for retirees and surviving  
16 spouses. Such legislators may also elect to continue coverage  
17 under the group term life insurance program prevailing for  
18 current members at the premium cost in effect for that plan.

19 (9) PUBLIC RECORDS LAW; EXEMPTION.--Patient medical  
20 records and medical claims records of state employees, former  
21 state employees, and their eligible covered dependents in the  
22 custody or control of the state group insurance program are  
23 confidential and exempt from the provisions of s. 119.07(1).  
24 Such records shall not be furnished to any person other than  
25 the affected state employee or former state employee or his or  
26 her ~~the employee's~~ legal representative, except upon written  
27 authorization of the employee or former state employee, but  
28 may be furnished in any civil or criminal action, unless  
29 otherwise prohibited by law, upon the issuance of a subpoena  
30 from a court of competent jurisdiction and proper notice to  
31 the state employee, former state employee, or his or her ~~the~~

1 ~~employee's~~ legal representative by the party seeking such  
2 records.

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

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

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

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

19 (11) NOTICE BY HEALTH CARE PROVIDERS.--Any health care  
20 provider that has entered into a contract with a carrier or  
21 professional administrator that has contracted with the  
22 department ~~division~~ to administer the self-insurance program  
23 under this section shall provide written notification to the  
24 enrollee and the carrier or administrator at least 10 days  
25 before assigning or transferring the responsibility for  
26 collecting any payment or debt related to the plan to a  
27 collection agency or to any other third party.

28 Section 7. Section 110.12315, Florida Statutes, is  
29 amended to read:

30 (Substantial rewording of section. See s. 110.12315,  
31 F.S., for present text.)



1           110.12315 Prescription drug program.--The state  
2 employees' prescription drug program is established. This  
3 program shall be administered by the Department of Management  
4 Services, according to the terms and conditions of the plan as  
5 established by the relevant provisions of the annual General  
6 Appropriations Act and implementing legislation, subject to  
7 the following conditions:

8           (1) The Department of Management Services shall allow  
9 prescriptions written by health care providers under the plan  
10 to be filled by any licensed pharmacy pursuant to contractual  
11 claims-processing provisions. Nothing in this section may be  
12 construed as prohibiting a mail order prescription drug  
13 program distinct from the service provided by retail  
14 pharmacies.

15           (2) In providing for reimbursement of pharmacies for  
16 prescription medicines dispensed to members of the state group  
17 health insurance plan and their dependents under the state  
18 employees' prescription drug program:

19           (a) Retail pharmacies participating in the program  
20 must be reimbursed at a uniform rate and subject to uniform  
21 conditions, according to the terms and conditions of the plan.

22           (b) There shall be a 30-day supply limit for  
23 prescription card purchases and 90-day supply limit for mail  
24 order or mail order prescription drug purchases.

25           (c) The current pharmacy dispensing fee remains in  
26 effect.

27           (3) The Department of Management Services shall  
28 establish the reimbursement schedule for prescription  
29 pharmaceuticals dispensed under the program. Reimbursement  
30 rates for a prescription pharmaceutical must be based on the  
31 cost of the generic equivalent drug if a generic equivalent

1 exists, unless the physician prescribing the pharmaceutical  
2 clearly states on the prescription that the brand name drug is  
3 medically necessary or that the drug product is included on  
4 the formulary of drug products that may not be interchanged as  
5 provided in chapter 465, in which case reimbursement must be  
6 based on the cost of the brand name drug as specified in the  
7 reimbursement schedule adopted by the Department of Management  
8 Services.

9 (4) The Department of Management Services shall  
10 conduct a prescription utilization review program. In order  
11 to participate in the state employees' prescription drug  
12 program, retail pharmacies dispensing prescription medicines  
13 to members of the state group health insurance plan or their  
14 covered dependents, or to subscribers or covered dependents of  
15 a health maintenance organization plan under the state group  
16 insurance program, shall make their records available for this  
17 review.

18 (5) The Department of Management Services shall  
19 implement such additional cost-saving measures and adjustments  
20 as may be required to balance program funding within  
21 appropriations provided, including a trial or starter dose  
22 program and dispensing of long-term-maintenance medication in  
23 lieu of acute therapy medication.

24 (6) Participating pharmacies must use a point-of-sale  
25 device or an on-line computer system to verify a participant's  
26 eligibility for coverage. The state is not liable for  
27 reimbursement of a participating pharmacy for dispensing  
28 prescription drugs to any person whose current eligibility for  
29 coverage has not been verified by the state's contracted  
30 administrator or by the Department of Management Services.

31 Section 8. The Department of Management Services shall

1 not implement a prior authorization program or a restricted  
2 formulary program that restricts a non-HMO enrollee's access  
3 to prescription drugs beyond the provisions of paragraph (b)  
4 related specifically to generic equivalents for prescriptions  
5 and the provisions in paragraph (d) related specifically to  
6 starter dose programs or the dispensing of long-term  
7 maintenance medications. The prior authorization program  
8 expanded pursuant to section 8 of the 1998-1999 General  
9 Appropriations Act is hereby terminated. If this section  
10 conflicts with any General Appropriations Act or any act  
11 implementing a General Appropriations Act, The Legislature  
12 intends that the provisions of this section shall prevail.  
13 This section shall take effect upon becoming law.

14 Section 9. Section 110.1232, Florida Statutes, is  
15 amended to read:

16 110.1232 Health insurance coverage for persons retired  
17 under state-administered retirement systems before January 1,  
18 1976, and for spouses.--Notwithstanding any provisions of law  
19 to the contrary, the Department of Management Services  
20 ~~Division of State Group Insurance~~ shall provide health  
21 insurance coverage under ~~in~~ the State Group ~~Health~~ Insurance  
22 ~~Program Plan~~ for persons who retired before ~~prior to~~ January  
23 1, 1976, under any of the state-administered retirement  
24 systems and who are not covered by social security and for the  
25 spouses and surviving spouses of such retirees who are also  
26 not covered by social security. Such health insurance  
27 coverage shall provide the same benefits as provided to other  
28 retirees who are entitled to participate under s. 110.123. The  
29 claims experience of this group shall be commingled with the  
30 claims experience of other members covered under s. 110.123.

31 Section 10. Section 110.1234, Florida Statutes, is

1 amended to read:

2 110.1234 Health insurance for retirees under the  
3 Florida Retirement System; Medicare supplement and fully  
4 insured coverage.--

5 (1) The Department of Management Services ~~Division of~~  
6 ~~State Group Insurance~~ shall solicit competitive bids from  
7 state-licensed insurance companies to provide and administer a  
8 fully insured Medicare supplement policy for all eligible  
9 retirees of a state or local public employer. Such Medicare  
10 supplement policy shall meet the provisions of ss.

11 627.671-627.675. For the purpose of this subsection,  
12 "eligible retiree" means any public employee who retired from  
13 a state or local public employer who is covered by Medicare,  
14 Parts A and B. The department shall authorize one company to  
15 offer the Medicare supplement coverage to all eligible  
16 retirees. All premiums shall be paid by the retiree.

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

27 Section 11. Subsections (5), (6), and (7) of section  
28 110.161, Florida Statutes, are amended to read:

29 110.161 State employees; pretax benefits program.--

30 (5) The Department of Management Services ~~Division of~~  
31 ~~State Group Insurance~~ shall develop rules for the pretax

1 benefits program, which shall specify the benefits to be  
2 offered under the program, the continuing tax-exempt status of  
3 the program, and any other matters deemed necessary by the  
4 department to implement this section. The rules must be  
5 approved by a majority vote of the Administration Commission.

6 (6) The Department of Management Services ~~Division of~~  
7 ~~State Group Insurance~~ is authorized to administer the  
8 ~~establish a~~ pretax benefits program established for all  
9 employees so that ~~whereby~~ employees may ~~would~~ receive benefits  
10 that ~~which~~ are not includable in gross income under the  
11 Internal Revenue Code of 1986. The pretax benefits program:  
12 ~~shall be implemented in phases.~~

13 (a) ~~Phase one~~ Shall allow employee contributions to  
14 premiums for the state group insurance ~~health~~ program  
15 administered under s. 110.123 ~~and state life insurance~~ to be  
16 paid on a pretax basis unless an employee elects not to  
17 participate.

18 (b) ~~Phase two~~ Shall allow employees to voluntarily  
19 establish expense reimbursement plans from their salaries on a  
20 pretax basis to pay for qualified medical and dependent care  
21 expenses, including premiums paid by employees for qualified  
22 supplemental insurance.

23 (c) ~~Phase two~~ May ~~also~~ provide for the payment of such  
24 premiums through a pretax payroll procedure ~~as used in phase~~  
25 ~~one~~. The Administration Commission and the Department of  
26 Management Services ~~Division of State Group Insurance~~ are  
27 directed to take all actions necessary to preserve the  
28 tax-exempt status of the program.

29 (7) The Legislature recognizes that a substantial  
30 amount of the employer savings realized by the implementation  
31 of a pretax benefits program will be the result of diminutions

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

15 Section 12. Paragraph (b) of subsection (4) of section  
16 112.05, Florida Statutes, is amended to read:

17 112.05 Retirement; cost-of-living adjustment;  
18 employment after retirement.--

19 (4)

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

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

13 Section 13. Paragraph (d) of subsection (4) of section  
14 112.3173, Florida Statutes, is amended to read:

15 112.3173 Felonies involving breach of public trust and  
16 other specified offenses by public officers and employees;  
17 forfeiture of retirement benefits.--

18 (4) NOTICE.--

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

28 Section 14. Subsection (7) of section 112.352, Florida  
29 Statutes, is amended to read:

30 112.352 Definitions.--The following words and phrases  
31 as used in this act shall have the following meaning unless a

1 different meaning is required by the context:

2 (7) "Department"~~"Division"~~ means the Department of  
3 Management Services ~~Division of Retirement~~.

4 Section 15. Section 112.354, Florida Statutes, is  
5 amended to read:

6 112.354 Eligibility for supplement.--Each retired  
7 member or, if applicable, a joint annuitant, except any person  
8 receiving survivor benefits under the teachers' retirement  
9 system of the state in accordance with s. 238.07(16), shall be  
10 entitled to receive a supplement computed in accordance with  
11 s. 112.355 upon:

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

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

20 Section 16. Section 112.356, Florida Statutes, is  
21 amended to read:

22 112.356 Payment of supplement.--Any supplement due and  
23 payable under this act shall be paid by the department  
24 ~~division~~ or under the direction and control of the department  
25 ~~division~~, based on information furnished by the retired  
26 member, or a joint annuitant, and the administrator of the  
27 system under which retirement benefits are being paid,  
28 beginning on the first day of the month coincident with or  
29 next following the later of the effective date of this act and  
30 the date of approval of the application for supplement by the  
31 department ~~division~~, and payable thereafter on the first day



1 of each month in the normal or optional form in which  
2 retirement benefits under the applicable system are being  
3 paid; provided, however, that if application for supplement is  
4 made subsequent to December 31, 1967, not more than 6  
5 retroactive monthly supplements shall be paid.

6 Section 17. Section 112.358, Florida Statutes, is  
7 amended to read:

8 112.358 Administration of system.--The Department of  
9 Management Services ~~Division of Retirement~~ shall make such  
10 rules and regulations as are necessary for the effective and  
11 efficient administration of this act and the cost to pay the  
12 expenses of such administration is hereby appropriated out of  
13 the appropriate retirement fund.

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

17 112.361 Additional and updated supplemental retirement  
18 benefits.--

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

21 (g) "Department" ~~"Division"~~ means the Department of  
22 Management Services ~~Division of Retirement~~.

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

29 (a) Furnishing to the department ~~division~~ evidence  
30 from the Social Security Administration setting forth the  
31 retired member's social security benefit or certifying the

1 noninsured status of the retired member under the Social  
2 Security Act, and

3 (b) Filing written application with the department  
4 ~~division~~ for such supplement.

5 (6) PAYMENT OF SUPPLEMENT.--Any supplement due and  
6 payable under this section shall be paid by the department  
7 ~~division~~ or under the direction and control of the department  
8 ~~division~~, based on information furnished by the retired  
9 member, or a joint annuitant, and the administrator of the  
10 system under which retirement benefits are being paid,  
11 beginning on the first day of the month coincident with or  
12 next following the later of:

13 (a) July 1, 1969, or

14 (b) The date of approval of the application for  
15 supplement by the department ~~division~~,

16  
17 and payable thereafter on the first day of each month in the  
18 normal or optional form in which retirement benefits under the  
19 applicable system are being paid. However, no retroactive  
20 monthly supplements shall be paid for any period prior to the  
21 date specified in this paragraph.

22 (8) ADMINISTRATION OF SYSTEM.--The department ~~Division~~  
23 ~~of Retirement~~ shall make such rules ~~and regulations~~ as are  
24 necessary for the effective and efficient administration of  
25 this section, and the cost to pay the expenses of such  
26 administration is hereby appropriated out of the appropriate  
27 fund pursuant to subsection (7).

28 Section 19. Paragraphs (a) and (b) of subsection (4)  
29 of section 112.362, Florida Statutes, are amended to read:

30 112.362 Recomputation of retirement benefits.--

31 (4)(a) Effective July 1, 1980, any person who retired

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

22 (b) Effective July 1, 1978, the surviving spouse or  
23 beneficiary who is receiving or entitled to receive a monthly  
24 benefit commencing prior to July 1, 1987, from the account of  
25 any deceased retired member who had completed at least 10  
26 years of creditable service shall, at the time such deceased  
27 retiree would have reached age 65, if living, and, upon  
28 application to the Department of Management Services ~~Division~~  
29 ~~of Retirement~~, be entitled to receive the minimum monthly  
30 benefit described in paragraph (a), adjusted by the actuarial  
31 factor applied to the optional form of benefit payable to said

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

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

17 112.363 Retiree health insurance subsidy.--

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

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1 insurance program is not a requirement for eligibility under  
2 this section. However, participants in the Senior Management  
3 Service Optional Annuity Program as provided in s. 121.055(6)  
4 and the State University System Optional Retirement Program as  
5 provided in s. 121.35 shall not receive the retiree health  
6 insurance subsidy provided in this section. The employer of  
7 such participant shall pay the contributions required in  
8 subsection (8) to the annuity program provided in s.  
9 121.055(6)(d) or s. 121.35(4)(a), as applicable.

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

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

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

23 (a) Beginning October 1, 1987, the employer of each  
24 member of a state-administered retirement plan shall  
25 contribute 0.24 percent of gross compensation each pay period.

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

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

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

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

7  
8 Such contributions shall be submitted to the Department of  
9 Management Services ~~Division of Retirement~~ and deposited in  
10 the Retiree Health Insurance Subsidy Trust Fund.

11 Section 21. Subsections (2) and (4) of section 112.63,  
12 Florida Statutes, are amended to read:

13 112.63 Actuarial reports and statements of actuarial  
14 impact; review.--

15 (2) The frequency of actuarial reports must be at  
16 least every 3 years commencing from the last actuarial report  
17 of the plan or system or October 1, 1980, if no actuarial  
18 report has been issued within the 3-year period prior to  
19 October 1, 1979. The results of each actuarial report shall be  
20 filed with the plan administrator within 60 days of  
21 certification. Thereafter, the results of each actuarial  
22 report shall be made available for inspection upon request.  
23 Additionally, each retirement system or plan covered by this  
24 act which is not administered directly by the Department of  
25 Management Services ~~Division of Retirement~~ shall furnish a  
26 copy of each actuarial report to the Department of Management  
27 Services ~~Division of Retirement~~ within 60 days after receipt  
28 from the actuary. The requirements of this section are  
29 supplemental to actuarial valuations necessary to comply with  
30 the requirements of ss. 11.45 and 218.32.

31 (4) Upon receipt, pursuant to subsection (2), of an

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

1           Section 22. Subsection (1) of section 112.64, Florida  
2 Statutes, is amended to read:

3           112.64 Administration of funds; amortization of  
4 unfunded liability.--

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

16           Section 23. Subsections (1) and (3) of section  
17 112.658, Florida Statutes, are amended to read:

18           112.658 Office of Program Policy Analysis and  
19 Government Accountability to determine compliance of the  
20 Florida Retirement System.--

21           (1) The Office of Program Policy Analysis and  
22 Government Accountability shall determine, through the  
23 examination of actuarial reviews, financial statements, and  
24 the practices and procedures of the Department of Management  
25 Services ~~Division of Retirement~~, the compliance of the Florida  
26 Retirement System with the provisions of this act.

27           (3) The Office of Program Policy Analysis and  
28 Government Accountability shall employ the same actuarial  
29 standards to monitor the Department of Management Services  
30 ~~Division of Retirement~~ as the Department of Management  
31 Services ~~Division of Retirement~~ uses to monitor local



1 governments.

2 Section 24. Section 112.665, Florida Statutes, is  
3 amended to read:

4 112.665 Duties of Department of Management Services  
5 ~~Division of Retirement~~.--

6 (1) The Department of Management Services ~~Division of~~  
7 ~~Retirement~~ shall:

8 (a) Gather, catalog, and maintain complete,  
9 computerized data information on all public employee  
10 retirement systems or plans in the state, based upon a review  
11 of audits, reports, and other data pertaining to the systems  
12 or plans;

13 (b) Receive and comment upon all actuarial reviews of  
14 retirement systems or plans maintained by units of local  
15 government;

16 (c) Cooperate with local retirement systems or plans  
17 on matters of mutual concern and provide technical assistance  
18 to units of local government in the assessment and revision of  
19 retirement systems or plans;

20 (d) Issue, by January 1 annually, a report to the  
21 President of the Senate and the Speaker of the House of  
22 Representatives, which report details division activities,  
23 findings, and recommendations concerning all governmental  
24 retirement systems. The report may include legislation  
25 proposed to carry out such recommendations;

26 (e) Issue, by January 1 annually, a report to the  
27 Special District Information Program of the Department of  
28 Community Affairs that includes the participation in and  
29 compliance of special districts with the local government  
30 retirement system provisions in s. 112.63 and the  
31 state-administered retirement system provisions as specified

1 in chapter 121; and

2 (f) Adopt reasonable rules to administer the  
3 provisions of this part.

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

8 Section 25. Subsections (4), (5), and (32) and  
9 paragraph (a) of subsection (39) of section 121.021, Florida  
10 Statutes, 1998 Supplement, are amended to read:

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

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

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

18 (32) "State agency" means the Department of Management  
19 Services ~~Division of Retirement~~ within the provisions and  
20 contemplation of chapter 650.

21 (39)(a) "Termination" occurs, except as provided in  
22 paragraph (b), when a member ceases all employment  
23 relationships with employers under this system, as defined in  
24 subsection (10), but in the event a member should be employed  
25 by any such employer within the next calendar month,  
26 termination shall be deemed not to have occurred. A leave of  
27 absence shall constitute a continuation of the employment  
28 relationship, except that a leave of absence without pay due  
29 to disability may constitute termination for a member, if such  
30 member makes application for and is approved for disability  
31 retirement in accordance with s. 121.091(4). The department

1 ~~division~~ may require other evidence of termination as it deems  
2 necessary.

3 Section 26. Section 121.025, Florida Statutes, is  
4 amended to read:

5 121.025 Administrator; powers and duties.--The  
6 Secretary director of the Department of Management Services  
7 ~~Division of Retirement~~ shall be the administrator of the  
8 retirement and pension systems assigned or transferred to the  
9 Department of Management Services ~~Division of Retirement~~ by  
10 law and shall have the authority to sign the contracts  
11 necessary to carry out the duties and responsibilities  
12 assigned by law to the Department of Management Services  
13 ~~Division of Retirement~~.

14 Section 27. Section 121.027, Florida Statutes, is  
15 amended to read:

16 121.027 Rulemaking authority for ch. 97-180.--The  
17 Department of Management Services ~~Division of Retirement~~ shall  
18 have rulemaking authority for administering all the provisions  
19 of chapter 97-180, Laws of Florida.

20 Section 28. Subsections (1), (2), and (5) of section  
21 121.031, Florida Statutes, are amended to read:

22 121.031 Administration of system; appropriation;  
23 oaths; actuarial studies; public records.--

24 (1) The Department of Management Services ~~Division of~~  
25 ~~Retirement~~ shall make such rules as are necessary for the  
26 effective and efficient administration of this system. The  
27 funds to pay the expenses for such administration are hereby  
28 appropriated from the interest earned on investments made for  
29 the retirement and social security trust funds and the  
30 assessments allowed under chapter 650.

31 (2) The Department of Management Services ~~Division of~~

1 Retirement is authorized to require oaths, by affidavit or  
2 otherwise, and acknowledgments from persons in connection with  
3 the administration of its duties and responsibilities under  
4 this chapter.

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

22 Section 29. Paragraph (c) of subsection (1) and  
23 paragraphs (b) and (f) of subsection (2) of section 121.051,  
24 Florida Statutes, 1998 Supplement, are amended to read:

25 121.051 Participation in the system.--

26 (1) COMPULSORY PARTICIPATION.--

27 (c)1. After June 30, 1983, a member of an existing  
28 system who is reemployed after terminating employment shall  
29 have at the time of reemployment the option of selecting to  
30 remain in the existing retirement system or to transfer to the  
31 Florida Retirement System. Failure to submit such selection

1 in writing to the Department of Management Services ~~Division~~  
2 ~~of Retirement~~ within 6 months of reemployment shall result in  
3 compulsory membership in the Florida Retirement System.

4 2. After June 30, 1988, the provisions of subparagraph  
5 1. shall not apply to a member of an existing system who is  
6 reemployed within 12 months after terminating employment. Such  
7 member shall continue to have membership in the existing  
8 system upon reemployment and shall not be permitted to become  
9 a member of the Florida Retirement System, except by  
10 transferring to that system as provided in ss. 121.052 and  
11 121.055.

12 (2) OPTIONAL PARTICIPATION.--

13 (b)1. The governing body of any municipality or  
14 special district in the state may elect to participate in the  
15 system upon proper application to the administrator and may  
16 cover all or any of its units as approved by the Secretary of  
17 Health and Human Services and the administrator. Prior to  
18 being approved for participation in the Florida Retirement  
19 System, the governing body of any such municipality or special  
20 district that has a local retirement system shall submit to  
21 the administrator a certified financial statement showing the  
22 condition of the local retirement system as of a date within 3  
23 months prior to the proposed effective date of membership in  
24 the Florida Retirement System. The statement must be certified  
25 by a recognized accounting firm that is independent of the  
26 local retirement system. All required documents necessary for  
27 extending Florida Retirement System coverage must be received  
28 by the department ~~division~~ for consideration at least 15 days  
29 prior to the proposed effective date of coverage. If the  
30 municipality or special district does not comply with this  
31 requirement, the department ~~division~~ may require that the

1 effective date of coverage be changed.

2           2. Any city or special district that has an existing  
3 retirement system covering the employees in the units that are  
4 to be brought under the Florida Retirement System may  
5 participate only after holding a referendum in which all  
6 employees in the affected units have the right to participate.  
7 Only those employees electing coverage under the Florida  
8 Retirement System by affirmative vote in said referendum shall  
9 be eligible for coverage under this chapter, and those not  
10 participating or electing not to be covered by the Florida  
11 Retirement System shall remain in their present systems and  
12 shall not be eligible for coverage under this chapter. After  
13 the referendum is held, all future employees shall be  
14 compulsory members of the Florida Retirement System.

15           3. The governing body of any city or special district  
16 complying with subparagraph 1. may elect to provide, or not  
17 provide, benefits based on past service of officers and  
18 employees as described in s. 121.081(1). However, if such  
19 employer elects to provide past service benefits, such  
20 benefits must be provided for all officers and employees of  
21 its covered group.

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

27           5. Subject to the conditions set forth in subparagraph  
28 6., the governing body of any hospital licensed under chapter  
29 395 which is governed by the board of a special district as  
30 defined in s. 189.403(1) or by the board of trustees of a  
31 public health trust created under s. 154.07, hereinafter

1 referred to as "hospital district," and which participates in  
2 the system, may elect to cease participation in the system  
3 with regard to future employees in accordance with the  
4 following procedure:

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

10 b. From 7 to 15 days before such hearing, notice of  
11 intent to withdraw, specifying the time and place of the  
12 hearing, must be provided in writing to employees of the  
13 hospital district proposing partial withdrawal and must be  
14 published in a newspaper of general circulation in the area  
15 affected, as provided by ss. 50.011-50.031. Proof of  
16 publication of such notice shall be submitted to the  
17 Department of Management Services ~~Division of Retirement~~.

18 c. The governing body of any hospital district seeking  
19 to partially withdraw from the system must, before such  
20 hearing, have an actuarial report prepared and certified by an  
21 enrolled actuary, as defined in s. 112.625(3), illustrating  
22 the cost to the hospital district of providing, through the  
23 retirement plan that the hospital district is to adopt,  
24 benefits for new employees comparable to those provided under  
25 the Florida Retirement System.

26 d. Upon meeting all applicable requirements of this  
27 subparagraph, and subject to the conditions set forth in  
28 subparagraph 6., partial withdrawal from the system and  
29 adoption of the alternative retirement plan may be  
30 accomplished by resolution duly adopted by the hospital  
31 district board. The hospital district board must provide

1 written notice of such withdrawal to the division by mailing a  
2 copy of the resolution to the division, postmarked no later  
3 than December 15, 1995. The withdrawal shall take effect  
4 January 1, 1996.

5           6. Following the adoption of a resolution under  
6 sub-subparagraph 5.d., all employees of the withdrawing  
7 hospital district who were participants in the Florida  
8 Retirement System prior to January 1, 1996, shall remain as  
9 participants in the system for as long as they are employees  
10 of the hospital district, and all rights, duties, and  
11 obligations between the hospital district, the system, and the  
12 employees shall remain in full force and effect. Any employee  
13 who is hired or appointed on or after January 1, 1996, may not  
14 participate in the Florida Retirement System, and the  
15 withdrawing hospital district shall have no obligation to the  
16 system with respect to such employees.

17           (f) Whenever an employer that participates in the  
18 Florida Retirement System undertakes the transfer, merger, or  
19 consolidation of governmental services or functions, the  
20 employer must notify the department ~~division~~ at least 60 days  
21 prior to such action and shall provide documentation as  
22 required by the department ~~division~~.

23           Section 30. Subsection (2) of section 121.0511,  
24 Florida Statutes, is amended to read:

25           121.0511 Revocation of election and alternative  
26 plan.--The governing body of any municipality or independent  
27 special district that has elected to participate in the  
28 Florida Retirement System may revoke its election in  
29 accordance with the following procedure:

30           (2) At least 7 days, but not more than 15 days, before  
31 the hearing, notice of intent to revoke, specifying the time



1 and place of the hearing, must be published in a newspaper of  
2 general circulation in the area affected, as provided by ss.  
3 50.011-50.031. Proof of publication of the notice must be  
4 submitted to the Department of Management Services ~~Division of~~  
5 ~~Retirement~~.

6 Section 31. Paragraph (a) of subsection (3),  
7 subsection (4), and paragraph (c) of subsection (7) of section  
8 121.0515, Florida Statutes, 1998 Supplement, are amended to  
9 read:

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

14 (3) PROCEDURE FOR DESIGNATING.--

15 (a) Any member of the Florida Retirement System  
16 employed by a county, city, or special district who feels that  
17 he or she meets the criteria set forth in this section for  
18 membership in the Special Risk Class may request that his or  
19 her employer submit an application to the department ~~division~~  
20 requesting that the department ~~division~~ designate him or her  
21 as a special risk member. If the employer agrees that the  
22 member meets the requirements for special risk membership, the  
23 employer shall submit an application to the department  
24 ~~division~~ in behalf of the employee containing a certification  
25 that the member meets the criteria for special risk membership  
26 set forth in this section and such other supporting  
27 documentation as may be required by administrative rule. The  
28 department ~~division~~ shall, within 90 days, either designate or  
29 refuse to designate the member as a special risk member. If  
30 the employer declines to submit the member's application to  
31 the department ~~division~~ or if the department ~~division~~ does not

1 designate the member as a special risk member, the member or  
2 the employer may appeal to the State Retirement Commission, as  
3 provided in s. 121.23, for designation as a special risk  
4 member. A member who receives a final affirmative ruling  
5 pursuant to such appeal for special risk membership shall have  
6 special risk membership retroactive to the date such member  
7 would have had special risk membership had such membership  
8 been approved by the employer and the department division, as  
9 determined by the department division, and the employer  
10 contributions shall be paid in full within 1 year after such  
11 final ruling.

12 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member  
13 who is a special risk member on October 1, 1978, and who fails  
14 to meet the criteria for special risk membership established  
15 by this section shall have his or her special risk designation  
16 removed and thereafter shall be a regular member and shall  
17 earn only regular membership credit. The department division  
18 shall have the authority to review the special risk  
19 designation of members to determine whether or not those  
20 members continue to meet the criteria for special risk  
21 membership.

22 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT  
23 DATE.--

24 (c) The department division shall adopt such rules as  
25 are required to administer this subsection.

26 Section 32. Paragraph (e) of subsection (3) of section  
27 121.052, Florida Statutes, 1998 Supplement, is amended to  
28 read:

29 121.052 Membership class of elected officers.--

30 (3) PARTICIPATION AND WITHDRAWAL,  
31 GENERALLY.--Effective July 1, 1990, participation in the

1 Elected State and County Officers' Class shall be compulsory  
2 for elected officers listed in paragraphs (2)(a)-(d) and (f)  
3 assuming office on or after said date, unless the elected  
4 officer elects membership in another class or withdraws from  
5 the Florida Retirement System as provided in paragraphs  
6 (3)(a)-(d):

7 (e) Effective July 1, 1997, the governing body of a  
8 municipality or special district may, by majority vote, elect  
9 to designate all its elected positions for inclusion in the  
10 Elected State and County Officers' Class. Such election shall  
11 be made between July 1, 1997, and December 31, 1997, and shall  
12 be irrevocable. The designation of such positions shall be  
13 effective the first day of the month following receipt by the  
14 department ~~division~~ of the ordinance or resolution passed by  
15 the governing body.

16 Section 33. Paragraph (d) is added to subsection (5)  
17 of section 121.052, Florida Statutes, 1998 Supplement, and  
18 subsection (8) and paragraphs (b) and (c) of subsection (12)  
19 of that section are amended, to read:

20 121.052 Membership class of elected officers.--

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

22 (d) Any member of the Florida Retirement System who  
23 serves as the elected mayor of a consolidated local  
24 government, which government by its charter has chosen status  
25 as a municipality rather than a county government for purposes  
26 of the state retirement system administered under this  
27 chapter, may elect membership in the Elected State and County  
28 Officers' Class established by this section for the duration  
29 of the term of office. Any such mayor or former mayor shall be  
30 eligible for membership in this class for the term of office,  
31 provided the member or the local government employer pays the

1 retirement contributions that would have been paid had actual  
2 participation commenced at that time, plus interest at 6.5  
3 percent compounded each June 30 from date of participation  
4 until date of payment. No retirement credit will be allowed  
5 under this subsection for any such service which is used to  
6 obtain a benefit under any local retirement system.

7 Section 34. Paragraphs (b) and (h) of subsection (1)  
8 and paragraphs (d) and (f) of subsection (6) of section  
9 121.055, Florida Statutes, 1998 Supplement, are amended to  
10 read:

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

16 (1)

17 (b)1. Except as provided in subparagraph 2., effective  
18 January 1, 1990, participation in the Senior Management  
19 Service Class shall be compulsory for the president of each  
20 community college, the manager of each participating city or  
21 county, and all appointed district school superintendents.  
22 Effective January 1, 1994, additional positions may be  
23 designated for inclusion in the Senior Management Service  
24 Class of the Florida Retirement System, provided that:

25 a. Positions to be included in the class shall be  
26 designated by the local agency employer. Notice of intent to  
27 designate positions for inclusion in the class shall be  
28 published once a week for 2 consecutive weeks in a newspaper  
29 of general circulation published in the county or counties  
30 affected, as provided in chapter 50.

31 b. One nonelective full-time position may be

1 designated for each local agency employer reporting to the  
2 Department of Management Services ~~Division of Retirement~~; for  
3 local agencies with 100 or more regularly established  
4 positions, additional nonelective full-time positions may be  
5 designated, not to exceed 1 percent of the regularly  
6 established positions within the agency.

7 c. Each position added to the class must be a  
8 managerial or policymaking position filled by an employee who  
9 is not subject to continuing contract and serves at the  
10 pleasure of the local agency employer without civil service  
11 protection, and who:

12 (I) Heads an organizational unit; or

13 (II) Has responsibility to effect or recommend  
14 personnel, budget, expenditure, or policy decisions in his or  
15 her areas of responsibility.

16 2. In lieu of participation in the Senior Management  
17 Service Class, members of the Senior Management Service Class  
18 pursuant to the provisions of subparagraph 1. may withdraw  
19 from the Florida Retirement System altogether and participate  
20 in a lifetime monthly annuity program which may be provided by  
21 the employing agency. The cost to the employer for such  
22 annuity shall equal the normal cost portion of the  
23 contributions required in the Senior Management Service Class.  
24 The employer providing such annuity shall contribute an  
25 additional amount to the Florida Retirement System Trust Fund  
26 equal to the unfunded actuarial accrued liability portion of  
27 the Senior Management Service Class contribution rate. The  
28 decision to participate in such local government annuity shall  
29 be irrevocable for as long as the employee holds a position  
30 eligible for the annuity. Any service creditable under the  
31 Senior Management Service Class shall be retained after the

1 member withdraws from the Florida Retirement System; however,  
2 additional service credit in the Senior Management Service  
3 Class shall not be earned after such withdrawal. Such members  
4 shall not be eligible to participate in the Senior Management  
5 Service Optional Annuity Program.

6 (h)1. Except as provided in subparagraph 3., effective  
7 January 1, 1994, participation in the Senior Management  
8 Service Class shall be compulsory for the State Courts  
9 Administrator and the Deputy State Courts Administrators, the  
10 Clerk of the Supreme Court, the Marshal of the Supreme Court,  
11 the Executive Director of the Justice Administrative  
12 Commission, the Capital Collateral Representative, the clerks  
13 of the district courts of appeals, the marshals of the  
14 district courts of appeals, and the trial court administrator  
15 in each judicial circuit. Effective January 1, 1994,  
16 additional positions in the offices of the state attorney and  
17 public defender in each judicial circuit may be designated for  
18 inclusion in the Senior Management Service Class of the  
19 Florida Retirement System, provided that:

20 a. Positions to be included in the class shall be  
21 designated by the state attorney or public defender, as  
22 appropriate. Notice of intent to designate positions for  
23 inclusion in the class shall be published once a week for 2  
24 consecutive weeks in a newspaper of general circulation  
25 published in the county or counties affected, as provided in  
26 chapter 50.

27 b. One nonelective full-time position may be  
28 designated for each state attorney and public defender  
29 reporting to the Department of Management Services ~~Division of~~  
30 ~~Retirement~~; for agencies with 200 or more regularly  
31 established positions under the state attorney or public

1 defender, additional nonelective full-time positions may be  
2 designated, not to exceed 0.5 percent of the regularly  
3 established positions within the agency.

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

8 (I) Heads an organizational unit; or

9 (II) Has responsibility to effect or recommend  
10 personnel, budget, expenditure, or policy decisions in his or  
11 her areas of responsibility.

12 2. Participation in this class shall be compulsory,  
13 except as provided in subparagraph 3., for any judicial  
14 employee who holds a position designated for coverage in the  
15 Senior Management Service Class and such participation shall  
16 continue until the employee terminates employment in a covered  
17 position.

18 3. In lieu of participation in the Senior Management  
19 Service Class, such members may participate in the Senior  
20 Management Service Optional Annuity Program as established in  
21 subsection (6).

22 (6)

23 (d) Contributions.--

24 1. Each employer shall contribute on behalf of each  
25 participant in the Senior Management Service Optional Annuity  
26 Program an amount equal to the normal cost portion of the  
27 employer retirement contribution which would be required if  
28 the participant were a Senior Management Service Class member  
29 of the Florida Retirement System, plus the portion of the  
30 contribution rate required in s. 112.363(8) that would  
31 otherwise be assigned to the Retiree Health Insurance Subsidy

1 Trust Fund, less an amount approved by the Legislature which  
2 shall be deducted by the department ~~division~~ to provide for  
3 the administration of this program. The payment of the  
4 contributions to the optional program which is required by  
5 this subparagraph for each participant shall be made by the  
6 employer to the department ~~division~~ which shall forward the  
7 contributions to the designated company or companies  
8 contracting for payment of benefits for the participant under  
9 the program.

10           2. Each employer shall contribute on behalf of each  
11 participant in the Senior Management Service Optional Annuity  
12 Program an amount equal to the unfunded actuarial accrued  
13 liability portion of the employer contribution which would be  
14 required for members of the Senior Management Service Class in  
15 the Florida Retirement System. This contribution shall be  
16 paid to the department ~~division~~ for transfer to the Florida  
17 Retirement System Trust Fund.

18           3. An Optional Annuity Program Trust Fund shall be  
19 established in the State Treasury and administered by the  
20 department ~~division~~ to make payments to provider companies on  
21 behalf of the optional annuity program participants, and to  
22 transfer the unfunded liability portion of the state optional  
23 annuity program contributions to the Florida Retirement System  
24 Trust Fund.

25           4. Contributions required for social security by each  
26 employer and each participant, in the amount required for  
27 social security coverage as now or hereafter may be provided  
28 by the federal Social Security Act shall be maintained for  
29 each participant in the Senior Management Service retirement  
30 program and shall be in addition to the retirement  
31 contributions specified in this paragraph.



1           5. Each participant in the Senior Management Service  
2 Optional Annuity Program may contribute by way of salary  
3 reduction or deduction a percentage amount of the  
4 participant's gross compensation not to exceed the percentage  
5 amount contributed by the employer to the optional annuity  
6 program. Payment of the participant's contributions shall be  
7 made by the employer to the department ~~division~~ which shall  
8 forward the contributions to the designated company or  
9 companies contracting for payment of benefits for the  
10 participant under the program.

11           (f) Administration.--

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

26           2. Effective July 1, 1997, the State Board of  
27 Administration shall review and make recommendations to the  
28 department ~~division~~ on the acceptability of all investment  
29 products proposed by provider companies of the optional  
30 annuity program before such products are offered through  
31 annuity contracts to the participants and may advise the

1 ~~department division~~ of any changes deemed necessary to ensure  
2 that the optional annuity program offers an acceptable mix of  
3 investment products. The ~~department division~~ shall make the  
4 final determination as to whether an investment product will  
5 be approved for the program.

6           3. The provisions of each contract applicable to a  
7 participant in the Senior Management Service Optional Annuity  
8 Program shall be contained in a written program description  
9 which shall include a report of pertinent financial and  
10 actuarial information on the solvency and actuarial soundness  
11 of the program and the benefits applicable to the participant.  
12 Such description shall be furnished by the company or  
13 companies to each participant in the program and to the  
14 ~~department division~~ upon commencement of participation in the  
15 program and annually thereafter.

16           4. The ~~department division~~ shall ensure that each  
17 participant in the Senior Management Service Optional Annuity  
18 Program is provided an accounting of the total contribution  
19 and the annual contribution made by and on behalf of such  
20 participants.

21           Section 35. Subsection (5) of section 121.071, Florida  
22 Statutes, 1998 Supplement, is amended to read:

23           121.071 Contributions.--Contributions to the system  
24 shall be made as follows:

25           (5) Contributions made in accordance with subsections  
26 (1), (2), (3), and (4) shall be paid by the employer into the  
27 system trust funds in accordance with rules adopted by the  
28 administrator pursuant to chapter 120. Such contributions are  
29 due and payable no later than the 25th day of the month  
30 immediately following the month during which the payroll  
31 period ended. The ~~department division~~ may, by rule, establish

1 a different due date, which shall supersede the date specified  
2 herein; however, such due date may not be established earlier  
3 than the 20th day of the month immediately following the month  
4 during which the payroll period ended. Effective January 1,  
5 1984, contributions made in accordance with subsection (3)  
6 shall be paid by the employer into the system trust fund in  
7 accordance with rules adopted by the administrator pursuant to  
8 chapter 120. For any payroll period ending any day of the  
9 month before the 16th day of the month, such contributions are  
10 due and payable no later than the 20th day of the month; and,  
11 for any payroll periods ending any day of the month after the  
12 15th day of the month, such contributions are due and payable  
13 no later than the 5th day of the next month. Contributions  
14 received in the offices of the department ~~Division of~~  
15 ~~Retirement~~ after the prescribed date shall be considered  
16 delinquent unless, in the opinion of the department ~~division~~,  
17 exceptional circumstances beyond an employer's control  
18 prevented remittance by the prescribed due date  
19 notwithstanding such employer's good faith efforts to effect  
20 delivery; and, with respect to retirement contributions due  
21 under subsections (1) and (4), each employer shall be assessed  
22 a delinquent fee of 1 percent of the contributions due for  
23 each calendar month or part thereof that the contributions are  
24 delinquent. Such a waiver of the delinquency fee by the  
25 department ~~division~~ may be granted an employer only one time  
26 each fiscal year. Delinquent social security contributions  
27 shall be assessed a delinquent fee as authorized by s.  
28 650.05(4). The delinquent fee assessable for an employer's  
29 first delinquency after July 1, 1984, shall be as specified in  
30 s. 650.05(4), and, beginning with the second delinquency in  
31 any fiscal year by the employer subsequent to July 1, 1984,

1 all subsequent delinquency fees shall be assessed against the  
2 employer at twice the applicable percentage rate specified in  
3 s. 650.05(4).

4 Section 36. Paragraph (h) of subsection (1) and  
5 paragraph (e) of subsection (2) of section 121.081, Florida  
6 Statutes, 1998 Supplement, are amended to read:

7 121.081 Past service; prior service;  
8 contributions.--Conditions under which past service or prior  
9 service may be claimed and credited are:

10 (1)

11 (h) The following provisions apply to the purchase of  
12 past service:

13 1. Notwithstanding any of the provisions of this  
14 subsection, past-service credit may not be purchased under  
15 this chapter for any service that is used to obtain a benefit  
16 from any local retirement system.

17 2. A member may not receive past service credit under  
18 paragraphs (a), (b), (e), or (f) for any leaves of absence  
19 without pay, except that credit for active military service  
20 leaves of absence may be claimed under paragraphs (a), (b),  
21 and (f), in accordance with s. 121.111(1).

22 3. If a member does not desire to receive credit for  
23 all of his or her past service, the period the member claims  
24 must be the most recent past service prior to his or her  
25 participation in the Florida Retirement System.

26 4. The cost of past service purchased by an employing  
27 agency for its employees may be amortized over such period of  
28 time as is provided in the agreement, but not to exceed 15  
29 years, calculated in accordance with rule 60S-1.007(5)(f),  
30 Florida Administrative Code.

31 5. The retirement account of each member for whom past

1 service is being provided by his or her employer shall be  
2 credited with all past service the employer agrees to purchase  
3 as soon as the agreement between the employer and the  
4 department ~~division~~ is executed. Pursuant thereto:

5       a. Each such member's account shall also be posted  
6 with the total contribution his or her employer agrees to make  
7 in the member's behalf for past service earned prior to  
8 October 1, 1975, excluding those contributions representing  
9 the employer's matching share and the compound interest  
10 calculation on the total contribution. However, a portion of  
11 any contributions paid by an employer for past service credit  
12 earned on and after October 1, 1975, may not be posted to a  
13 member's account.

14       b. A refund of contributions payable after an employer  
15 has made a written agreement to purchase past service for  
16 employees of the covered group shall include contributions for  
17 past service which are posted to a member's account. However,  
18 contributions for past service earned on and after October 1,  
19 1975, are not refundable.

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

1           (e) For service performed under the Florida Retirement  
2 System after December 1, 1970, that was never reported to the  
3 division or the department due to error, retirement credit may  
4 be claimed by a member of the Florida Retirement System. The  
5 department ~~division~~ shall adopt rules establishing criteria  
6 for claiming such credit and detailing the documentation  
7 required to substantiate the error.

8           Section 37. Paragraph (b) of subsection (14) of  
9 section 121.091, Florida Statutes, 1998 Supplement, is amended  
10 to read:

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

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

28           (b) Subject to approval by the division in accordance  
29 with rule 60S-4.015, Florida Administrative Code, a payee  
30 receiving retirement benefits under the Florida Retirement  
31 System may also have the following payments deducted from his

1 or her monthly benefit:

2 1. Premiums for life and health-related insurance  
3 policies from approved companies.

4 2. Life insurance premiums for the State Group Life  
5 Insurance Plan, if authorized in writing by the payee and by  
6 the Department of Management Services ~~Division of State Group~~  
7 ~~Insurance~~.

8 3. Repayment of overpayments from the Florida  
9 Retirement System Trust Fund, the State Employees' Health  
10 Insurance Trust Fund, or the State Employees' Life Insurance  
11 Trust Fund, upon notification of the payee.

12 4. Payments to an alternate payee for alimony, child  
13 support, or division of marital assets pursuant to a qualified  
14 domestic relations order under s. 222.21 or an income  
15 deduction order under s. 61.1301.

16 5. Payments to the Internal Revenue Service for  
17 federal income tax levies, upon notification of the division  
18 by the Internal Revenue Service.

19 Section 38. Paragraph (b) of subsection (7) of section  
20 121.101, Florida Statutes, is amended to read:

21 121.101 Cost-of-living adjustment of benefits.--

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

29 (b) Application for the supplemental cost-of-living  
30 adjustment provided by this subsection shall include  
31 certification by the retiree or annuitant that he or she is

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1 not receiving, and is not eligible to receive, social security  
2 benefits and shall include written authorization for the  
3 ~~department division~~ to have access to information from the  
4 Social Security Administration concerning his or her  
5 entitlement to, or eligibility for, social security benefits.  
6 Such supplemental cost-of-living adjustment shall not be paid  
7 unless and until the application requirements of this  
8 paragraph are met.

9 Section 39. Paragraph (e) of subsection (2) of section  
10 121.111, Florida Statutes, 1998 Supplement, is amended to  
11 read:

12 121.111 Credit for military service.--

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

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



1           Section 40. Section 121.133, Florida Statutes, 1998  
2 Supplement, is amended to read:

3           121.133 Cancellation of uncashed  
4 warrants.--Notwithstanding the provisions of s. 17.26 or s.  
5 717.123 to the contrary, effective July 1, 1998, if any state  
6 warrant issued by the Comptroller for the payment of  
7 retirement benefits from the Florida Retirement System Trust  
8 Fund, or any other pension trust fund administered by the  
9 department division, is not presented for payment within 1  
10 year after the last day of the month in which it was  
11 originally issued, the Comptroller shall cancel the benefit  
12 warrant and credit the amount of the warrant to the Florida  
13 Retirement System Trust Fund or other pension trust fund  
14 administered by the department division, as appropriate. The  
15 department Division of Retirement may provide for issuance of  
16 a replacement warrant when deemed appropriate.

17           Section 41. Section 121.135, Florida Statutes, is  
18 amended to read:

19           121.135 Annual report to Legislature concerning  
20 state-administered retirement systems.--The department  
21 ~~Division of Retirement~~ shall make to each regular session of  
22 the Legislature a written report on the operation and  
23 condition of the state-administered retirement systems.

24           Section 42. Section 121.136, Florida Statutes, is  
25 amended to read:

26           121.136 Annual benefit statement to  
27 members.--Beginning January 1, 1993, and each January  
28 thereafter, the department ~~Division of Retirement~~ shall  
29 provide each active member of the Florida Retirement System  
30 with 5 or more years of creditable service an annual statement  
31 of benefits. Such statement should provide the member with

1 basic data about the member's retirement account. Minimally,  
2 it shall include the member's retirement plan, the amount of  
3 funds on deposit in the retirement account, and an estimate of  
4 retirement benefits.

5 Section 43. Section 121.1815, Florida Statutes, is  
6 amended to read:

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

24 Section 44. Section 121.1905, Florida Statutes, is  
25 amended to read:

26 121.1905 Division of Retirement; creation.--

27 (1) There is created the Division of Retirement within  
28 the Department of Management Services, ~~to be headed by a~~  
29 ~~director who shall be appointed by the Governor and confirmed~~  
30 ~~by the Senate. The division shall be a separate budget entity,~~  
31 ~~and the director shall be its agency head for all purposes.~~

1 ~~The Department of Management Services shall provide~~  
2 ~~administrative support and service to the division to the~~  
3 ~~extent requested by the director. The division shall not be~~  
4 ~~subject to control, supervision, or direction by the~~  
5 ~~Department of Management Services in any manner, including,~~  
6 ~~but not limited to, personnel, purchasing, transactions~~  
7 ~~involving real or personal property, and budgetary matters,~~  
8 ~~except to the extent as provided in chapters 110, 216, 255,~~  
9 ~~282, and 287 for agencies of the executive branch.~~

10 (2) The mission of the Division of Retirement is to  
11 provide quality and cost-effective retirement services as  
12 measured by member satisfaction and by comparison with  
13 administrative costs of comparable retirement systems.

14 Section 45. Section 121.192, Florida Statutes, is  
15 amended to read:

16 121.192 State retirement actuary.--The department  
17 ~~Division of Retirement~~ may employ an actuary. Such actuary  
18 shall, together with such other duties as the secretary  
19 ~~director of retirement~~ may assign, be responsible for:

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

22 (2) Making periodic valuations of the retirement  
23 systems.

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

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

28 Section 46. Section 121.193, Florida Statutes, 1998  
29 Supplement, is amended to read:

30 121.193 External compliance audits.--

31 (1) The department ~~division~~ shall conduct audits of

1 the payroll and personnel records of participating agencies.  
2 These audits shall be made to determine the accuracy of  
3 reports submitted to the department ~~division~~ and to assess the  
4 degree of compliance with applicable statutes, rules, and  
5 coverage agreements. Audits shall be scheduled on a regular  
6 basis, as the result of concerns known to exist at an agency,  
7 or as a followup to ensure agency action was taken to correct  
8 deficiencies found in an earlier audit.

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

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

22 Section 47. Subsection (1) of section 121.22, Florida  
23 Statutes, is amended to read:

24 121.22 State Retirement Commission; creation;  
25 membership; compensation.--

26 (1) There is created within the Department of  
27 Management Services ~~Division of Retirement~~ a State Retirement  
28 Commission composed of seven members: One member who is  
29 retired under a state-supported retirement system administered  
30 by the department ~~Division of Retirement~~; two members from  
31 different occupational backgrounds who are active members in a

1 state-supported retirement system that ~~which~~ is administered  
2 by the department ~~Division of Retirement~~; and four members who  
3 are not retirees, beneficiaries, or members of a  
4 state-supported retirement system that ~~which~~ is administered  
5 by the department ~~Division of Retirement~~.

6 Section 48. Subsection (1) of section 121.23, Florida  
7 Statutes, is amended to read:

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

19 (1) In accordance with the rules of procedure adopted  
20 by the Department of Management Services ~~Division of~~  
21 ~~Retirement~~, the administrator shall:

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

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

31 (c) If the objections of the member are overruled,

1 provide a written explanation within 21 days.

2 Section 49. Subsections (2), (3), and (4) of section  
3 121.24, Florida Statutes, are amended to read:

4 121.24 Conduct of commission business; legal and other  
5 assistance; compensation.--

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

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

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

21 Section 50. Subsection (9) of section 121.30, Florida  
22 Statutes, 1998 Supplement, is amended to read:

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

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

31 Section 51. Subsection (1), paragraphs (a) and (c) of

1 subsection (2), paragraphs (c) and (e) of subsection (3),  
2 paragraphs (a), (b), and (c) of subsection (4), and subsection  
3 (6) of section 121.35, Florida Statutes, 1998 Supplement, are  
4 amended to read:

5           121.35 Optional retirement program for the State  
6 University System.--

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

24           (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL  
25 PROGRAM.--

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

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 52. 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 (a) The department ~~division~~ shall make such rules as

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

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

11 Section 53. Subsection (3) of section 121.45, Florida  
12 Statutes, is amended to read:

13 121.45 Interstate compacts relating to pension  
14 portability.--

15 (3) ESTABLISHMENT OF COMPACTS.--

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

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

29 (c) Upon a determination that such a compact is  
30 feasible and upon request of the Legislature, the department  
31 ~~division~~, together with its consulting actuaries, shall, in

1 accordance with said goals and priorities, develop a proposal  
2 under which retirement credit may be transferred to or from  
3 Florida in an actuarially sound manner.

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

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

16 Section 54. Subsections (1) and (6) of section 122.02,  
17 Florida Statutes, are amended to read:

18 122.02 Definitions.--The following words and phrases  
19 as used in this chapter shall have the following meaning  
20 unless a different meaning is plainly required by the context:

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



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

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

16 Section 55. Paragraph (d) of subsection (6) and  
17 subsection (9) of section 122.03, Florida Statutes, are  
18 amended to read:

19 122.03 Contributions; participants; prior service  
20 credit.--

21 (6) Any officer or employee who held office or was  
22 employed by the state or a county of the state continuously  
23 from May 1, 1959, and who has not previously received credit  
24 for, or is not eligible to claim credit for, prior years of  
25 service under subsection (2); or any officer or employee who  
26 holds office or is employed by the state or a county of the  
27 state on June 1, 1961, and is continuously employed; or any  
28 officer or employee who holds office or is employed by the  
29 state or county of the state after June 1, 1961, and who is  
30 continuously employed for 3 years, during which period of time  
31 no back payments may be made:

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

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

15 Section 56. Subsection (2) of section 122.05, Florida  
16 Statutes, is amended to read:

17 122.05 Legislator services included.--

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

24 Section 57. Subsection (2) of section 122.06, Florida  
25 Statutes, is amended to read:

26 122.06 Legislative employee services included.--

27 (2) The department ~~division~~ and other state officials  
28 administering said retirement system shall make the  
29 contribution deductions required by law from the compensation  
30 hereafter received by any of the said participating attaches  
31 for service rendered the State Legislature in the same manner

1 as in the case of other state employment.

2 Section 58. Subsection (2) of section 122.07, Florida  
3 Statutes, is amended to read:

4 122.07 Seasonal state employment included; time limit  
5 and procedure for claiming.--

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

28 Section 59. Paragraph (a) of subsection (1), paragraph  
29 (b) of subsection (4), and subsections (5) and (9) of section  
30 122.08, Florida Statutes, are amended to read:

31 122.08 Requirements for retirement;

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1 classifications.--There shall be two retirement  
2 classifications for all state and county officers and  
3 employees participating herein as hereafter provided in this  
4 section:

5 (1)(a) Any state or county officer or employee who has  
6 attained normal retirement age, which shall be age 60 for a  
7 person who had become a member prior to July 1, 1963, and age  
8 62 for a person who had or shall become a member on or after  
9 July 1, 1963, and has accumulated at least 10 years' service  
10 in the aggregate within the contemplation of this law, and who  
11 has made or makes contributions to the State and County  
12 Officers and Employees' Retirement Trust Fund for 5 or more  
13 years as prescribed in this law, may voluntarily retire from  
14 office or employment and be entitled to receive retirement  
15 compensation, the amount of which shall be 2 percent for each  
16 year of service rendered, based upon the average final  
17 compensation, payable in equal monthly installments, upon his  
18 or her own requisition. Requisition requirements shall be set  
19 by the department division.

20 (4)

21 (b) A member who elects an option in paragraph (a)  
22 shall on a form provided for that purpose designate his or her  
23 spouse as beneficiary to receive the benefits which continue  
24 to be payable upon the death of the member. After such  
25 benefits have commenced under an option in paragraph (a), the  
26 retired member may change the designation of his or her spouse  
27 as beneficiary only twice. If such a retired member remarries  
28 and wishes to make such a change, he or she may do so by  
29 filing with the department division a notarized change of  
30 spouse designation form and shall notify the former spouse in  
31 writing of such change. Upon receipt of a completed change of

1 spouse designation form, the department division shall adjust  
2 the member's monthly benefit by the application of actuarial  
3 tables and calculations developed to ensure that the benefit  
4 paid is the actuarial equivalent of the present value of the  
5 member's current benefit. The consent of a retired member's  
6 formerly designated spouse as beneficiary to any such change  
7 shall not be required.

8 (5) Tables for computing the actuarial equivalent  
9 shall be approved by the department division.

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

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

25 (b) If the deceased member's surviving spouse has not  
26 received a refund of the deceased member's contributions, such  
27 spouse shall, upon application to the department division,  
28 receive the monthly retirement benefit provided in paragraph  
29 (c).

30 (c) The monthly benefit payable to the spouse  
31 described in paragraph (a) or paragraph (b) shall be the

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

12 Section 60. Subsection (4) of section 122.10, Florida  
13 Statutes, is amended to read:

14 122.10 Separation from service; refund of  
15 contributions.--

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

26 Section 61. Subsection (1) of section 122.12, Florida  
27 Statutes, is amended to read:

28 122.12 Designation of beneficiary; death of  
29 participant; forfeiture of contributions after benefits paid;  
30 survivor benefits.--

31 (1) Any officer or employee may file, in writing, a

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

13 Section 62. Section 122.13, Florida Statutes, is  
14 amended to read:

15 122.13 Administration of law; appropriation.--The  
16 department ~~Division of Retirement~~ shall make such rules ~~and~~  
17 ~~regulations~~ as are necessary for the effective administration  
18 of this chapter, and the cost is hereby annually appropriated  
19 and shall be paid into the State and County Officers and  
20 Employees' Retirement Trust Fund out of the Intangible Tax  
21 Fund in the State Treasury in the amount necessary to  
22 administer efficiently the state and county retirement law.  
23 At the end of each fiscal year, beginning with fiscal year  
24 1959-1960, the administrative cost of the state and county  
25 retirement system for the fiscal year just ended shall be  
26 refunded to the General Revenue Fund from interest earned on  
27 investments made subsequent to June 30, 1959.

28 Section 63. Subsection (2) of section 122.15, Florida  
29 Statutes, is amended to read:

30 122.15 Benefits exempt from taxes and execution.--

31 (2) This subsection shall have no effect upon this

1 section except that the department ~~division~~ may, upon written  
2 request from the retired member, deduct premiums for group  
3 hospitalization insurance from the retirement benefit paid  
4 such retired member.

5 Section 64. Paragraph (b) of subsection (2) of section  
6 122.16, Florida Statutes, is amended to read:

7 122.16 Employment after retirement.--

8 (2)

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



1 violation of the reemployment limitation.

2 Section 65. Subsections (3) and (5) of section 122.23,  
3 Florida Statutes, are amended to read:

4 122.23 Definitions.--In addition to those definitions  
5 set forth in s. 122.02 the following words and phrases used in  
6 ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the  
7 respective meanings set forth:

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

10 (5) "State agency" means the Department of Management  
11 Services ~~Division of Retirement~~ within the provisions and  
12 contemplation of chapter 650.

13 Section 66. Subsections (1) and (5) of section 122.30,  
14 Florida Statutes, are amended to read:

15 122.30 Appropriations.--

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

22 (5) In addition to amounts appropriated by other  
23 provisions of this chapter or other laws to defray cost of  
24 administration of this system, there is hereby appropriated  
25 out of the Intangible Tax Fund of the state for use of the  
26 department ~~division~~ in its administration of the two divisions  
27 of this system, the sum of \$100,000, or so much thereof as may  
28 be required for that purpose.

29 Section 67. Paragraphs (b) and (c) of subsection (1)  
30 of section 122.34, Florida Statutes, are amended to read:

31 122.34 Special provisions for certain sheriffs and

1 full-time deputy sheriffs.--

2 (1)

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

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

13 Section 68. Section 122.351, Florida Statutes, is  
14 amended to read:

15 122.351 Funding by local agencies.--Commencing on July  
16 1, 1969, all county and local agencies covered under the  
17 provisions of s. 122.35 shall accumulate and be responsible  
18 for the payment of social security and retirement matching  
19 costs as required under s. 122.35, from the intangible tax  
20 allocation of that county and any other source available to  
21 the local governmental units, except that all agencies, other  
22 than the school boards, shall be given credit for 50 percent  
23 of their 1967-1969 actual employer matching cost, actual cost  
24 being that cost in cash actually paid by the employer for  
25 matching retirement and social security into the fund by the  
26 agency for said biennium. The above credit of 50 percent shall  
27 be calculated by the department ~~director of the Division of~~  
28 ~~Retirement~~.

29 Section 69. Subsection (1) of section 189.412, Florida  
30 Statutes, is amended to read:

31 189.412 Special District Information Program; duties

1 and responsibilities.--The Special District Information  
2 Program of the Department of Community Affairs is created and  
3 has the following special duties:  
4 (1) The collection and maintenance of special district  
5 compliance status reports from the Auditor General, the  
6 Department of Banking and Finance, the Division of Bond  
7 Finance of the State Board of Administration, the Department  
8 of Management Services ~~Division of Retirement~~, the Department  
9 of Revenue, and the Commission on Ethics for the reporting  
10 required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149,  
11 112.63, 200.068, 218.32, 218.34, 218.38, and 280.17 and  
12 chapter 121 and from state agencies administering programs  
13 that distribute money to special districts. The special  
14 district compliance status reports must consist of a list of  
15 special districts used in that state agency and a list of  
16 which special districts did not comply with the reporting  
17 statutorily required by that agency.  
18 Section 70. Paragraph (ii) of subsection (4) of  
19 section 215.20, Florida Statutes, 1998 Supplement, is amended  
20 to read:  
21 215.20 Certain income and certain trust funds to  
22 contribute to the General Revenue Fund.--  
23 (4) The income of a revenue nature deposited in the  
24 following described trust funds, by whatever name designated,  
25 is that from which the deductions authorized by subsection (3)  
26 shall be made:  
27 (ii) The Police and Firefighters' Premium Tax Trust  
28 Fund established within the ~~Division of Retirement of the~~  
29 Department of Management Services.  
30  
31 The enumeration of the foregoing moneys or trust funds shall

1 not prohibit the applicability thereto of s. 215.24 should the  
2 Governor determine that for the reasons mentioned in s. 215.24  
3 the money or trust funds should be exempt herefrom, as it is  
4 the purpose of this law to exempt income from its force and  
5 effect when, by the operation of this law, federal matching  
6 funds or contributions or private grants to any trust fund  
7 would be lost to the state.

8 Section 71. Subsection (3) of section 215.28, Florida  
9 Statutes, is amended to read:

10 215.28 United States securities, purchase by state and  
11 county officers and employees; deductions from salary.--

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

1 this section.

2 Section 72. Subsection (3) of section 215.50, Florida  
3 Statutes, 1998 Supplement, is amended to read:

4 215.50 Custody of securities purchased; income.--  
5 (3) The Treasurer, as custodian of securities owned by  
6 the Florida Retirement System Trust Fund and the Florida  
7 Survivor Benefit Trust Fund, shall collect the interest,  
8 dividends, prepayments, maturities, proceeds from sales, and  
9 other income accruing from such assets. As such income is  
10 collected by the Treasurer, it shall be deposited directly  
11 into a commercial bank to the credit of the State Board of  
12 Administration. Such bank accounts as may be required for  
13 this purpose shall offer satisfactory collateral security as  
14 provided by chapter 280. In the event funds so deposited  
15 according to the provisions of this section are required for  
16 the purpose of paying benefits or other operational needs, the  
17 State Board of Administration shall remit to the Florida  
18 Retirement System Trust Fund in the State Treasury such  
19 amounts as may be requested by the Department of Management  
20 Services ~~director of the Division of Retirement.~~

21 Section 73. Subsections (2), (3), (11), and (13) of  
22 section 238.01, Florida Statutes, are amended to read:

23 238.01 Definitions.--The following words and phrases  
24 as used in this chapter shall have the following meanings  
25 unless a different meaning is plainly required by the context:

26 (2) "Department" ~~"Division"~~ means the Department of  
27 Management Services ~~Division of Retirement.~~

28 (3) "Teacher" means any member of the teaching or  
29 professional staff and any certificated employee of any public  
30 free school, of any district school system and vocational  
31 school, any member of the teaching or professional staff of

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1 the Florida School for the Deaf and Blind, child training  
2 schools of the Department of Health and Rehabilitative  
3 Services, the Department of Corrections, and any tax-supported  
4 institution of higher learning of the state, and any member  
5 and any certified employee of the Department of Education, any  
6 certified employee of the retirement system, any full-time  
7 employee of any nonprofit professional association or  
8 corporation of teachers functioning in Florida on a statewide  
9 basis, which seeks to protect and improve public school  
10 opportunities for children and advance the professional and  
11 welfare status of its members, any person now serving as  
12 superintendent, or who was serving as county superintendent of  
13 public instruction on July 1, 1939, and any hereafter duly  
14 elected or appointed superintendent, who holds a valid Florida  
15 teachers' certificate. In all cases of doubt the Department of  
16 Management Services ~~division~~ shall determine whether any  
17 person is a teacher as defined herein.

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

21 (13) "Earnable compensation" means the full  
22 compensation payable to a teacher working the full working  
23 time for his or her position. In respect to plans A, B, C, and  
24 D only, in cases where compensation includes maintenance, the  
25 Department of Management Services ~~division~~ shall fix the value  
26 of that part of the compensation not paid in money; provided  
27 that all members shall from July 1, 1955, make contributions  
28 to the retirement system on the basis of "earnable  
29 compensation" as defined herein and all persons who are  
30 members on July 1, 1955, may, upon application, have their  
31 "earnable compensation" for the time during which they have

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1 been members prior to that date determined on the basis of  
2 "earnable compensation" as defined in this law, upon paying to  
3 the retirement system, on or before the date of retirement, a  
4 sum equal to the additional contribution with accumulated  
5 regular interest thereon they would have made if "earnable  
6 compensation" had been defined, at the time they became  
7 members, as it is now defined. However, earnable compensation  
8 for all plan years beginning on or after July 1, 1990, shall  
9 not include any amounts in excess of the compensation  
10 limitation (originally \$200,000) established by s. 401(a)(17)  
11 of the Internal Revenue Code prior to the Omnibus Budget  
12 Reconciliation Act of 1993, which limitation shall be adjusted  
13 for changes in the cost of living since 1989, in the manner  
14 provided by s. 401(a)(17) of the Internal Revenue Code of  
15 1991. This limitation, which has been part of the Teachers'  
16 Retirement System since plan years beginning on or after July  
17 1, 1990, shall be adjusted as required by federal law for  
18 qualified government plans.

19 Section 74. Section 238.02, Florida Statutes, is  
20 amended to read:

21 238.02 Name and date of establishment.--A retirement  
22 system is established and placed under the management of the  
23 Department of Management Services ~~Division of Retirement~~ for  
24 the purpose of providing retirement allowances and other  
25 benefits for teachers of the state. The retirement system  
26 shall begin operations on July 1, 1939. It has such powers  
27 and privileges of a corporation as may be necessary to carry  
28 out effectively the provisions of this chapter and shall be  
29 known as the "Teachers' Retirement System of the State," and  
30 by such name all of its business shall be transacted, all of  
31 its funds invested, and all of its cash and securities and

1 other property held in trust for the purpose for which  
2 received.

3 Section 75. Section 238.03, Florida Statutes, is  
4 amended to read:

5 238.03 Administration.--

6 (1) The general administration and the responsibility  
7 for the proper operation of the retirement system and for  
8 making effective the provisions of this chapter are vested in  
9 the Department of Management Services ~~Division of Retirement~~.  
10 Subject to the limitation of this chapter, the department  
11 ~~division~~ shall, from time to time, establish rules and  
12 regulations for the administration and transaction of the  
13 business of the retirement system and shall perform such other  
14 functions as are required for the execution of this chapter.

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

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

21 (4) The department ~~division~~ shall employ such agents,  
22 servants and employees as in its judgment may be necessary to  
23 carry out the terms and provisions of this chapter and shall  
24 provide for their compensation. Among the employees of the  
25 department ~~division~~ shall be an actuary who shall be the  
26 technical adviser of the department ~~division~~ on matters  
27 regarding the operation of the funds created by the provisions  
28 of this chapter and who shall perform such other duties as are  
29 required in connection therewith.

30 (5) In the year 1943 and at least once in each 5-year  
31 period thereafter, the actuary shall make an actuarial



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1 investigation of the mortality, service and salary experience  
2 of the members and beneficiaries as defined in this chapter,  
3 and shall make a valuation of the various funds created by the  
4 chapter, and having regard to such investigation and  
5 valuation, the department ~~division~~ shall adopt such mortality  
6 and service tables as shall be deemed necessary, and shall  
7 certify the rates of contribution payable under the provisions  
8 of this chapter.

9 (6) The actuary shall make an annual valuation of the  
10 assets and liabilities of the funds of the retirement system  
11 on the basis of the tables adopted by the department ~~division~~  
12 in accordance with the requirements of this section, and shall  
13 prepare an annual statement of the amounts to be contributed  
14 by the state in accordance with s. 238.09.

15 (7) The department ~~division~~ shall publish annually the  
16 valuation, as certified by the actuary, of the assets and  
17 liabilities of the various funds created by this chapter, a  
18 statement as to the receipts and disbursements of the funds,  
19 and a statement as to the accumulated cash and securities of  
20 the funds.

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

24 (9) The department ~~division~~ is authorized to  
25 photograph and reduce to microfilm as a permanent record, its  
26 ledger sheets showing the salary and contributions of members  
27 of the retirement system, also the records of deceased members  
28 of the system and thereupon to destroy the documents from  
29 which such films are photographed.

30 Section 76. Paragraph (b) of subsection (1),  
31 paragraphs (a) and (b) of subsection (3), and subsection (4)

1 of section 238.05, Florida Statutes, are amended to read:

2 238.05 Membership.--

3 (1) The membership of the retirement system shall  
4 consist of the following:

5 (b) All persons who became or who become teachers on  
6 or after July 1, 1939, except as provided in paragraph (a) and  
7 subsection (5) hereof, shall become members of the retirement  
8 system by virtue of their appointment as teachers. However,  
9 employees who are not members of the teaching or professional  
10 staff shall only become members of the retirement system by  
11 filing a notice with the department ~~division~~ of their election  
12 to become members.

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

1 Armed Forces of the United States or by leave of absence under  
2 the following conditions:

3 (a) A person who has been granted leave of absence  
4 shall file with the department ~~division~~ before his or her next  
5 contribution is due an application to continue his or her  
6 membership during the period covered by the person's leave of  
7 absence and, if such application is filed, shall make his or  
8 her contribution to the retirement system on the basis of his  
9 or her last previous annual salary as a teacher, and shall,  
10 prior to retirement, pay in full to the system such  
11 contributions with accumulated regular interest. Such  
12 contributions with interest may be paid at one time or in  
13 monthly, quarterly, semiannual, or annual payments in the  
14 person's discretion.

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

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

6           Section 77. Subsections (3) and (10), paragraphs (a)  
7 and (b) of subsection (12), subsections (13) and (15A), and  
8 paragraphs (a) and (d) of subsection (16) of section 238.07,  
9 Florida Statutes, are amended to read:

10           238.07 Regular benefits; survivor benefits.--

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

1 with the department division his or her written selection of  
2 one of the optional benefits provided in s. 238.08.

3 (10) Any member in service, who has 10 or more years  
4 of creditable service, may upon the application of his or her  
5 employer or upon his or her own application, be retired by the  
6 department division not less than 30 nor more than 90 days  
7 next following the date of filing such application, on a  
8 disability retirement allowance; provided that a physician  
9 licensed by this state examines and certifies that such member  
10 is mentally or physically incapacitated for the further  
11 performance of duty, that such incapacity is likely to be  
12 permanent, and that such member should be retired, and the  
13 department division concurs. In making the determination, the  
14 department division may require other evidence of disability  
15 as deemed appropriate.

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

31 (b) If the department division finds that a disability

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1 beneficiary is engaged in or is able to engage in a gainful  
2 occupation paying more than the difference between his or her  
3 disability retirement allowance and his or her average final  
4 compensation, the amount of the beneficiary's pension shall be  
5 reduced to an amount which, together with his or her annuity  
6 and the amount earnable by him or her, shall equal the amount  
7 of his or her average final compensation. Should the  
8 beneficiary's earning capacity later be changed, the amount of  
9 his or her pension may be further modified; provided that the  
10 pension so modified shall not exceed the amount of the pension  
11 allowable under subsection (11), at the time of retirement,  
12 nor an amount which, when added to the amount earnable by the  
13 beneficiary, together with his or her annuity, equals the  
14 amount of his or her average final compensation. A  
15 beneficiary restored to active service at a salary less than  
16 the average final compensation upon the basis of which he or  
17 she was retired shall not become a member of the retirement  
18 system at that time.

19 (13) Should a member cease to be a teacher except by  
20 death or by retirement under the provisions of this chapter,  
21 the member shall be paid the amount of his or her accumulated  
22 contributions. Should a member die before retirement, the  
23 amount of his or her accumulated contributions shall be paid  
24 to such person, if any, as he or she shall have nominated by  
25 written designation duly executed and filed with the  
26 department division; otherwise, to his or her executors or  
27 administrators.

28 (15A)(a) Any member of the Teachers' Retirement System  
29 who has heretofore, or who hereafter, retires with no less  
30 than 10 years of creditable service and who has passed his or  
31 her 65th birthday, may, upon application to the department

1 ~~division~~, have his or her retirement allowance redetermined  
2 and thereupon shall be entitled to a monthly service  
3 retirement allowance which shall be equal to \$4 multiplied by  
4 the number of years of the member's creditable service which  
5 shall be payable monthly during his or her retirement;  
6 provided, that the amount of retirement allowance as  
7 determined hereunder, shall be reduced by an amount equal to:

8       1. Any social security benefits received by the  
9 member, and

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

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

17       (c) Eligibility of a member of the Teachers'  
18 Retirement System shall be determined under the social  
19 security laws and regulations; provided, however, that a  
20 member shall be considered eligible if the member or the  
21 member's spouse has reached 65 years of age and would draw  
22 social security if the member or the member's spouse were not  
23 engaged in activity that results in the member or the member's  
24 spouse receiving income that would make him or her ineligible  
25 to receive social security benefits. A member of the  
26 Teachers' Retirement System shall be deemed to be eligible for  
27 social security benefits if the member has this eligibility in  
28 his or her own right or through his or her spouse.

29       (d) The department ~~division~~ shall review, at least  
30 annually, the social security status of all members of the  
31 Teachers' Retirement System receiving payment under this act

1 and shall increase or decrease payments to such members as  
2 shall be necessary to carry out the intent of this act.

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

6 (f) This subsection shall take effect on January 1,  
7 1962.

8 (16)(a) Definitions under survivor benefits are:

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

13 2. A child is a natural or legally adopted child of a  
14 member, who:

15 a. Is under 18 years of age, or

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

19 c. Is 18 years of age or older and is physically or  
20 mentally incapable of self-support, when such mental and  
21 physical incapacity occurred prior to such child obtaining the  
22 age of 18 years. Such person shall cease to be regarded as a  
23 child upon the termination of such physical or mental  
24 disability. The determination as to such physical or mental  
25 incapability shall be vested in the department ~~division~~.

26

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

31 3. A parent is a natural parent of a member and



1 includes a lawful spouse of a natural parent.

2 4. A beneficiary is a person who is entitled to  
3 benefits under this subsection by reason of his or her  
4 relation to a deceased member during the lifetime of such  
5 member.

6 (d) Limitations on rights of beneficiary are:

7 1. The person named as beneficiary in paragraph (b)  
8 shall, in no event, be entitled to receive the benefits set  
9 out in such paragraph unless the death of the member under  
10 whom such beneficiary claims occurs within the period of time  
11 after the member has served in Florida as follows:

13 Minimum number of years 14 of service in Florida	15 Period after serving in 16 Florida in which 17 death of member 18 occurs
18 3 to 5.....	2 years
19 6 to 9.....	5 years
20 10 or more.....	10 years

21  
22 2. Upon the death of a member, the department ~~division~~  
23 shall make a determination of the beneficiary or beneficiaries  
24 of the deceased member and shall pay survivor benefits to such  
25 beneficiary or beneficiaries beginning 1 month immediately  
26 following the death of the member except where the beneficiary  
27 has not reached the age required to receive benefits under  
28 paragraph (b), in which event the payment of survivor benefits  
29 shall begin as of the month immediately following the month in  
30 which the beneficiary reaches the required age. When required  
31 by the department ~~division~~, the beneficiary or beneficiaries

1 shall file an application for survivor benefits upon forms  
2 prescribed by the department ~~division~~.

3           3. The beneficiaries of a member to receive survivor  
4 benefits are fixed by this subsection, and a member may not  
5 buy or otherwise change such benefits. He or she may,  
6 however, designate the beneficiary to receive the \$500 death  
7 benefits. If a member fails to make this designation, the  
8 \$500 death benefits shall be paid to his or her executor or  
9 administrator.

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

20           Section 78. Subsection (2), paragraph (b) of  
21 subsection (5), and subsections (6) and (7) of section 238.08,  
22 Florida Statutes, are amended to read:

23           238.08 Optional benefits.--A member may elect to  
24 receive his or her benefits under the terms of this chapter  
25 according to the provisions of any one of the following  
26 options:

27           (2) Option two. A member may elect to receive on  
28 retirement the actuarial equivalent (at that time) of his or  
29 her retirement allowance in a reduced retirement allowance  
30 payable throughout life, with the provisions that if the  
31 member dies before he or she has received in payment of his or

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1 her annuity the amount of his or her accumulated  
2 contributions, as they were at the time of his or her  
3 retirement, the balance shall be paid to such person, if any,  
4 as he or she shall nominate by written designation duly  
5 acknowledged and filed with the department division;  
6 otherwise, to his or her executors or administrators.

7 (5)

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

26 (6) Notwithstanding any provision in this chapter to  
27 the contrary, the following provisions shall apply to any  
28 member of the retirement system who has accumulated at least  
29 10 years of service and dies prior to retirement:

30 (a) If the deceased member's surviving spouse has  
31 previously received a refund of the member's accumulated

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1 contributions made to the retirement system, such spouse may  
2 pay to the department ~~Division of Retirement~~ an amount equal  
3 to the sum of the amount of the deceased member's  
4 contributions previously refunded and regular interest  
5 compounded annually on the amount of such refunded  
6 contributions from the date of refund to the date of payment  
7 to the department ~~division~~, and by so doing be entitled to  
8 receive the monthly retirement benefit provided in paragraph  
9 (c).

10 (b) If the deceased member's surviving spouse has not  
11 received a refund of the deceased member's accumulated  
12 contributions, such spouse shall, upon application to the  
13 department ~~division~~ within 30 days of the death of the member,  
14 receive the monthly retirement benefit provided in paragraph  
15 (c).

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

28 (7) The surviving spouse or other dependent of any  
29 member whose employment is terminated by death shall, upon  
30 application to the department ~~director of the Division of~~  
31 ~~Retirement~~, be permitted to pay the required contributions for

1 any service performed by the member which could have been  
2 claimed by the member at the time of his or her death. Such  
3 service shall be added to the creditable service of the member  
4 and shall be used in the calculation of any benefits which may  
5 be payable to the surviving spouse or other surviving  
6 dependent.

7 Section 79. Paragraphs (a), (c), and (d) of subsection  
8 (1), paragraphs (b), (c), and (e) of subsection (3), and  
9 paragraph (b) of subsection (5) of section 238.09, Florida  
10 Statutes, are amended to read;

11 238.09 Method of financing.--All of the assets of the  
12 retirement system shall be credited, according to the purposes  
13 for which they are held, to one of four funds; namely, the  
14 Annuity Savings Trust Fund, the Pension Accumulation Trust  
15 Fund, the Expense Trust Fund, and the Survivors' Benefit Trust  
16 Fund.

17 (1) The Annuity Savings Trust Fund shall be a fund in  
18 which shall be accumulated contributions made from the  
19 salaries of members under the provisions of paragraph (c) or  
20 paragraph (f). Contribution to, payments from, the Annuity  
21 Savings Trust Fund shall be made as follows:

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

31 1. An annuity equal to one one-hundred-fortieth of his

1 or her average final compensation multiplied by the number of  
2 his or her years of membership in the case of each member  
3 electing to retire under the provisions of plan A or B.

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

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

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

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

30           (d) In determining the amount earnable by a member in  
31 a payroll period, the department ~~division~~ may consider the

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1 rate of compensation payable to such member on the first day  
2 of the payroll period as continuing throughout such payroll  
3 period, and it may omit deductions from compensation for any  
4 period less than a full payroll period if a teacher was not a  
5 member on the first day of the payroll period, and to  
6 facilitate the making of deductions, it may modify any  
7 deduction required of any member by such an amount as shall  
8 not exceed one-tenth of 1 percent of the annual salary from  
9 which said deduction is to be made.

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

19 (b) On the basis of regular interest and of such  
20 mortality and other tables as shall be adopted by the  
21 department division, the actuary engaged by the department  
22 division to make each valuation required by this chapter  
23 shall, during the period over which the accrued liability  
24 contribution is payable, determine, immediately after making  
25 such valuation, the uniform and constant percentage of the  
26 earnable compensation of the average new entrant, which, if  
27 contributed on the basis of his or her compensation throughout  
28 his or her entire period of service, would be sufficient to  
29 provide for the payment of any pension payable by the state on  
30 his or her account. The rate percent so determined shall be  
31 known as the normal contribution rate. After the accrued

1 liability contribution has ceased to be payable, the normal  
2 contribution rate shall be the rate percent of the earnable  
3 compensation of all members, obtained by deducting from the  
4 total liabilities of the Pension Accumulation Trust Fund the  
5 amount of the funds in hand to the credit of that fund and  
6 dividing the remainder by 1 percent of the present value of  
7 the prospective future salaries of all members as computed on  
8 the basis of the mortality and service tables adopted by the  
9 department division and on the basis of regular interest. The  
10 normal rate of contribution shall be determined and certified  
11 to the department division by the actuary after each valuation  
12 and shall continue in force until a new valuation and  
13 certification are made.

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

25 (e) The accrued liability contribution shall be  
26 discontinued as soon as the accumulated reserve in the Pension  
27 Accumulation Trust Fund shall equal the present value, as  
28 actuarially computed and approved by the department division,  
29 of the total liability of such fund less the present value,  
30 computed on the basis of the normal contribution rate, then in  
31 force of the prospective normal contributions to be received



1 on account of persons who are at that time members.

2 (5)

3 (b) The department ~~division~~ shall annually certify to  
4 each employer, at the time it makes the certification to the  
5 employer under paragraph (1)(c), the rate of  
6 twenty-five-hundredths percent to be applied by the employer  
7 to the salary of each member who is compensated by the  
8 employer, and the employer shall cause to be deducted from the  
9 salary of each member on each and every payroll for each and  
10 every payroll period an amount equal to twenty-five-hundredths  
11 percent of the member's salary paid by the employer and the  
12 employer shall remit monthly such deducted amounts to the  
13 department ~~division~~ which shall place the same in the  
14 Survivors' Benefit Trust Fund of the Teachers' Retirement  
15 System of the state. The amount of contributions by a member  
16 to the Survivors' Benefit Trust Fund shall, in no event, be  
17 refundable to the member or his or her beneficiaries.

18 Section 80. Section 238.10, Florida Statutes, is  
19 amended to read:

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

27 Section 81. Paragraph (b) of subsection (1), paragraph  
28 (b) of subsection (2), and subsection (3) of section 238.11,  
29 Florida Statutes, are amended to read:

30 238.11 Collection of contributions.--

31 (1) The collection of contributions shall be as

1 follows:

2 (b) Each employer shall transmit monthly to the  
3 Department of Management Services ~~Division of Retirement~~ a  
4 warrant for the total amount of such deductions. Each employer  
5 shall also transmit monthly to the department ~~division~~ a  
6 warrant for such employer contribution set aside as provided  
7 for in paragraph (a) of this subsection. The department  
8 ~~division~~, after making records of all such warrants, shall  
9 transmit them to the Department of Banking and Finance for  
10 delivery to the Treasurer of the state who shall collect them.

11 (2) The collection of the state contribution shall be  
12 made as follows:

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

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

28 (a) On April 1 of each year, the Department of  
29 Management Services ~~division~~ shall certify to any such  
30 nonprofit professional association or corporation of teachers  
31 the amounts which will become due and payable during the

1 ensuing fiscal year to each of the funds of the retirement  
2 system to which such contributions are payable as set forth in  
3 this law.

4 (b) The Department of Management Services ~~division~~  
5 shall certify one-fourth of the amount so ascertained for each  
6 year to the nonprofit professional association or corporation  
7 of teachers on or before the last day of July, October,  
8 January, and April of each year. The nonprofit professional  
9 association or corporation of teachers shall, on or before the  
10 first day of August, November, February, and May of each year,  
11 draw its check payable to the department ~~division~~ for the  
12 respective amounts due the several funds of the retirement  
13 system. Upon receipt of the check, the department ~~division~~  
14 shall immediately transfer to the several funds of the  
15 retirement system the amounts due, provided, however, that the  
16 amounts due the several funds of the retirement system from  
17 any such association or corporation for creditable service  
18 accruing to any such member before July 1, 1947, shall be paid  
19 prior to the retirement of any such member.

20 Section 82. Section 238.12, Florida Statutes, is  
21 amended to read:

22 238.12 Duties of employers.--

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

1 deductions from his or her compensation required in this  
2 chapter and to all other provisions of this chapter.

3 (2) During September of each year, or at such other  
4 time as the department ~~division~~ shall approve, each employer  
5 shall certify to the department ~~division~~ the names of all  
6 teachers to whom this chapter applies.

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

14 Section 83. Section 238.14, Florida Statutes, is  
15 amended to read:

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

30 Section 84. Section 238.15, Florida Statutes, is  
31 amended to read:

1           238.15 Exemption of funds from taxation, execution,  
2 and assignment.--The pensions, annuities or any other benefits  
3 accrued or accruing to any person under the provisions of this  
4 chapter and the accumulated contributions and cash securities  
5 in the funds created under this chapter are exempted from any  
6 state, county or municipal tax of the state, and shall not be  
7 subject to execution or attachment or to any legal process  
8 whatsoever, and shall be unassignable, except:

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

19           (2) As may be otherwise specifically provided for in  
20 this chapter.

21           Section 85. Paragraph (b) of subsection (3) of section  
22 238.171, Florida Statutes, is amended to read:

23           238.171 Monthly allowance; when made.--

24           (3)

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

1 the preceding fiscal year.

2 Section 86. Paragraphs (b), (c), (d), (e), and (f) of  
3 subsection (2) of section 238.181, Florida Statutes, are  
4 amended to read:

5 238.181 Reemployment after retirement; conditions and  
6 limitations.--

7 (2)

8 (b) Any person to whom the limitation in paragraph (a)  
9 applies who violates such reemployment limitation and who is  
10 reemployed with any agency participating in the Florida  
11 Retirement System before completion of the 12-month limitation  
12 period shall give timely notice of this fact in writing to his  
13 or her employer and to the Department of Management Services  
14 ~~division~~ and shall have his or her retirement benefits  
15 suspended for the balance of the 12-month limitation period.  
16 Any person employed in violation of this paragraph and any  
17 employing agency which knowingly employs or appoints such  
18 person without notifying the department ~~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 while reemployed during this reemployment  
26 limitation period shall be repaid to the retirement trust  
27 fund, and retirement benefits shall remain suspended until  
28 such repayment has been made. Benefits suspended beyond the  
29 reemployment limitation shall apply toward repayment of  
30 benefits received in violation of the reemployment limitation.

31 (c) A district school board may reemploy a retired

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1 member as a substitute or hourly teacher on a noncontractual  
2 basis after he or she has been retired for 1 calendar month,  
3 in accordance with s. 121.021(39). Any retired member who is  
4 reemployed within 1 calendar month after retirement shall void  
5 his or her application for retirement benefits. District  
6 school boards reemploying such teachers are subject to the  
7 retirement contribution required by paragraph (g).  
8 Reemployment of a retired member as a substitute or hourly  
9 teacher is limited to 780 hours during the first 12 months of  
10 his or her retirement. Any retired member reemployed for more  
11 than 780 hours during his or her first 12 months of retirement  
12 shall give timely notice in writing to his or her employer and  
13 to the department ~~division~~ of the date he or she will exceed  
14 the limitation. The department ~~division~~ shall suspend his or  
15 her retirement benefits for the remainder of his or her first  
16 12 months of retirement. Any person employed in violation of  
17 this paragraph and any employing agency which knowingly  
18 employs or appoints such person without notifying the  
19 department ~~Division of Retirement~~ to suspend retirement  
20 benefits shall be jointly and severally liable for  
21 reimbursement to the retirement trust fund of any benefits  
22 paid during the reemployment limitation period. To avoid  
23 liability, such employing agency shall have a written  
24 statement from the retiree that he or she is not retired from  
25 a state-administered retirement system. Any retirement  
26 benefits received by a retired member while reemployed in  
27 excess of 780 hours during his or her first 12 months of  
28 retirement shall be repaid to the Retirement System Trust  
29 Fund, and his or her retirement benefits shall remain  
30 suspended until repayment is made. Benefits suspended beyond  
31 the end of the retired member's first 12 months of retirement

1 shall apply toward repayment of benefits received in violation  
2 of the 780-hour reemployment limitation.

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



1 excess of 780 hours during his or her first 12 months of  
2 retirement shall be repaid to the Retirement System Trust  
3 Fund, and retirement benefits shall remain suspended until  
4 repayment is made. Benefits suspended beyond the end of the  
5 retired member's first 12 months of retirement shall apply  
6 toward repayment of benefits received in violation of the  
7 780-hour reemployment limitation.

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

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1 benefits shall be jointly and severally liable for  
2 reimbursement to the retirement trust fund of any benefits  
3 paid during the reemployment limitation period. To avoid  
4 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 a retired member while reemployed in  
8 excess of 780 hours during his or her first 12 months of  
9 retirement shall be repaid to the Retirement System Trust  
10 Fund, and his or her retirement benefits shall remain  
11 suspended until payment is made. Benefits suspended beyond  
12 the end of the retired member's first 12 months of retirement  
13 shall apply toward repayment of benefits received in violation  
14 of the 780-hour reemployment limitation.

15 (f) The State University System may reemploy a retired  
16 member as an adjunct faculty member or as a participant in a  
17 phased retirement program within the State University System  
18 after the retired member has been retired for 1 calendar  
19 month, in accordance with s. 121.021(39). Any retired member  
20 who is reemployed within 1 calendar month after retirement  
21 shall void his or her application for retirement benefits. The  
22 State University System is subject to the retired contribution  
23 required in paragraph (g), as appropriate. A retired member  
24 may be reemployed as an adjunct faculty member or a  
25 participant in a phased retirement program for no more than  
26 780 hours during the first 12 months of his or her retirement.  
27 Any retired member reemployed for more than 780 hours during  
28 his or her first 12 months of retirement shall give timely  
29 notice in writing to his or her employer and to the department  
30 ~~division~~ of the date he or she will exceed the limitation.  
31 The department ~~division~~ shall suspend his or her retirement

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1 benefits for the remainder of his or her first 12 months of  
2 retirement. Any person employed in violation of this  
3 paragraph and any employing agency which knowingly employs or  
4 appoints such person without notifying the department ~~Division~~  
5 ~~of Retirement~~ to suspend retirement benefits shall be jointly  
6 and severally liable for reimbursement to the retirement trust  
7 fund of any benefits paid during the reemployment limitation  
8 period. To avoid liability, such employing agency shall have  
9 a written statement from the retiree that he or she is not  
10 retired from a state-administered retirement system. Any  
11 retirement benefits received by a retired member while  
12 reemployed in excess of 780 hours during his or her first 12  
13 months of retirement shall be repaid to the Retirement System  
14 Trust Fund, and retirement benefits shall remain suspended  
15 until repayment is made. Benefits suspended beyond the end of  
16 the retired member's first 12 months of retirement shall apply  
17 toward repayment of benefits received in violation of the  
18 780-hour reemployment limitation.

19 Section 87. Section 238.32, Florida Statutes, is  
20 amended to read:

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

28 Section 88. Paragraph (c) of subsection (1),  
29 paragraphs (a), (b), and (f) of subsection (3), paragraph (b)  
30 of subsection (4), and paragraph (b) of subsection (6) of  
31 section 240.3195, Florida Statutes, are amended to read:

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1           240.3195 State Community College System Optional  
2 Retirement Program.--Each community college may implement an  
3 optional retirement program, if such program is established  
4 therefor pursuant to s. 240.319(3)(r), under which annuity  
5 contracts providing retirement and death benefits may be  
6 purchased by, and on behalf of, eligible employees who  
7 participate in the program. Except as otherwise provided  
8 herein, this retirement program, which shall be known as the  
9 State Community College System Optional Retirement Program,  
10 may be implemented and administered only by an individual  
11 community college or by a consortium of community colleges.

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

13           (c) "Department"~~"Division"~~means the ~~Division of~~  
14 ~~Retirement of the~~ Department of Management Services.

15           (3)(a) With respect to any employee who is eligible to  
16 participate in the optional retirement program by reason of  
17 qualifying employment commencing before the program's  
18 activation:

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

27           2. An employee's participation in the optional  
28 retirement program commences on the first day of the next full  
29 calendar month following the filing of the election and  
30 completed application with the program administrator and  
31 receipt of such election by the department ~~division~~. An

1 employee's membership in the Florida Retirement System  
2 terminates on this same date.

3           3. Any such employee who fails to make an election to  
4 participate in the optional retirement program within 60 days  
5 after its activation has elected to retain membership in the  
6 Florida Retirement System.

7           (b) With respect to any employee who becomes eligible  
8 to participate in an optional retirement program by reason of  
9 qualifying employment commencing on or after the program's  
10 activation:

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

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

26           3. If the employee makes an election to participate in  
27 the optional retirement program before the community college  
28 submits its initial payroll for the employee, participation in  
29 the optional retirement program commences on the first date of  
30 employment.

31           4. Any such employee who fails to make an election to

1 participate in the optional retirement program within 60 days  
2 after commencing qualifying employment has elected to retain  
3 membership in the Florida Retirement System.

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

13 (4)

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

22 (6)

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

29 1. The financial soundness of the company.

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

1           3. The nature and extent of the rights and benefits  
2 provided to program participants in relation to the premiums  
3 paid.

4           4. The suitability of the rights and benefits provided  
5 to the needs of eligible employees and the interests of the  
6 college in the recruitment and retention of employees.

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

15           Section 89. Subsection (6) of section 250.22, Florida  
16 Statutes, is amended to read:

17           250.22 Retirement.--

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

21           Section 90. Subsection (2) of section 321.17, Florida  
22 Statutes, is amended to read:

23           321.17 Contributions; leaving patrol; leave of  
24 absence; transferees.--

25           (2) Such members as are eligible for service credit as  
26 set forth under s. 321.19(1) may pay to the Treasurer to the  
27 credit of the Highway Patrol Pension Trust Fund, the sum of \$5  
28 for each month of such service credit. Satisfactory proof of  
29 former service must be furnished the Department of Management  
30 Services ~~Division of Retirement~~ in the form of a sworn,  
31 written statement from the member's former employer or other

1 reliable person, or other documents of proof as may be  
2 required by them. Such money as becomes due by reason of this  
3 clause shall be paid by said employee in equal monthly  
4 payments over a period not to exceed 60 months after October  
5 1, 1945. Employees who fail to take advantage of the benefits  
6 offered under s. 321.19(1) within 90 days after October 1,  
7 1945, shall forfeit such service credits forever. New members  
8 who may hereafter enter the service of division of the Florida  
9 Highway Patrol who fail to take advantage of the benefits  
10 offered under s. 321.19(1) within 90 days after time of  
11 employment shall forfeit such service credits forever.

12 Section 91. Paragraph (d) of subsection (1) of section  
13 321.19, Florida Statutes, is amended to read:

14 321.19 Computing length of service; definitions;  
15 examining committee.--

16 (1)

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

27 Section 92. Subsections (1), (2), and (4) and  
28 paragraph (a) of subsection (6) of section 321.191, Florida  
29 Statutes, are amended to read:

30 321.191 Non-service-connected disability retirement.--

31 (1) A member who becomes totally and permanently



1 disabled after completing 10 years of service shall be  
2 entitled to a disability benefit. The disability retirement  
3 date for such member shall be the first day of the month  
4 following the month during which the Department of Management  
5 Services Division of Retirement approved payment of disability  
6 retirement benefits.

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

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

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

25 Section 93. Section 321.202, Florida Statutes, is  
26 amended to read:

27 321.202 Termination by death subsequent to normal  
28 retirement date but prior to actual retirement.--If the  
29 employment of a member is terminated by reason of his or her  
30 death subsequent to the member's normal retirement date but  
31 prior to his or her actual retirement, it shall be assumed

1 that the member retired as of his or her date of death and  
2 that the member had elected the optional form of payment most  
3 favorable to his or her legal spouse as determined by the  
4 Department of Management Services ~~Division of Retirement~~. The  
5 benefits so determined shall be payable monthly to the spouse  
6 until the death of the spouse.

7 Section 94. Subsection (2) of section 321.203, Florida  
8 Statutes, is amended to read:

9 321.203 Reemployment after retirement; conditions and  
10 limitations.--

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

1 benefits suspended beyond the reemployment limitation period  
2 shall apply toward the repayment of benefits received in  
3 violation of the reemployment limitation.

4 Section 95. Section 321.2205, Florida Statutes, is  
5 amended to read:

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

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

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

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

1 which would afford the surviving spouse the greatest amount of  
2 benefits, such benefit to be based on the ages of the spouse  
3 and member as of the date of death of the member. Such  
4 benefit shall commence on the first day of the month following  
5 the payment of the aforesaid amount to the Department of  
6 Management Services ~~Division of Retirement~~, if subsection (1)  
7 is applicable, or on the first day of the month following the  
8 receipt of the spouse's application by the Department of  
9 Management Services ~~Division of Retirement~~, if subsection (2)  
10 is applicable.

11 Section 96. Subsection (11) of section 413.051,  
12 Florida Statutes, 1998 Supplement, is amended to read:

13 413.051 Eligible blind persons; operation of vending  
14 stands.--

15 (11) Effective July 1, 1996, blind licensees who  
16 remain members of the Florida Retirement System pursuant to s.  
17 121.051(6)(b)1. shall pay any unappropriated retirement costs  
18 from their net profits or from program income. Within 30 days  
19 after the effective date of this act, each blind licensee who  
20 is eligible to maintain membership in the Florida Retirement  
21 System under s. 121.051(6)(b)1., but who elects to withdraw  
22 from the system as provided in s. 121.051(6)(b)3., must, on or  
23 before July 31, 1996, notify the Division of Blind Services  
24 and the Department of Management Services ~~Division of~~  
25 ~~Retirement~~ in writing of his or her election to withdraw.  
26 Failure to timely notify the divisions shall be deemed a  
27 decision to remain a compulsory member of the Florida  
28 Retirement System. However, if, at any time after July 1,  
29 1996, sufficient funds are not paid by a blind licensee to  
30 cover the required contribution to the Florida Retirement  
31 System, that blind licensee shall become ineligible to

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1 participate in the Florida Retirement System on the last day  
2 of the first month for which no contribution is made or the  
3 amount contributed is insufficient to cover the required  
4 contribution. For any blind licensee who becomes ineligible  
5 to participate in the Florida Retirement System as described  
6 in this subsection, no creditable service shall be earned  
7 under the Florida Retirement System for any period following  
8 the month that retirement contributions ceased to be reported.  
9 However, any such person may participate in the Florida  
10 Retirement System in the future if employed by a participating  
11 employer in a covered position.

12 Section 97. Paragraph (c) of subsection (4) of section  
13 633.382, Florida Statutes, is amended to read:

14 633.382 Firefighters; supplemental compensation.--

15 (4) FUNDING.--

16 (c) There is appropriated from the Police and  
17 Firefighter's Premium Tax Trust Fund to the Firefighters'  
18 Supplemental Compensation Trust Fund, which is hereby created  
19 under the Department of Revenue, all moneys which have not  
20 been distributed to municipalities and special fire control  
21 districts in accordance with s. 175.121 as a result of the  
22 limitation contained in s. 175.122 on the disbursement of  
23 revenues collected pursuant to chapter 175 or as a result of  
24 any municipality or special fire control district not having  
25 qualified in any given year, or portion thereof, for  
26 participation in the distribution of the revenues collected  
27 pursuant to chapter 175. The total required annual  
28 distribution from the Firefighters' Supplemental Compensation  
29 Trust Fund shall equal the amount necessary to pay  
30 supplemental compensation as provided in this section,  
31 provided that:

1           1. Any deficit in the total required annual  
2 distribution shall be made up from accrued surplus funds  
3 existing in the Firefighters' Supplemental Compensation Trust  
4 Fund on June 30, 1990, for as long as such funds last. If the  
5 accrued surplus is insufficient to cure the deficit in any  
6 given year, the proration of the appropriation among the  
7 counties, municipalities, and special fire service taxing  
8 districts shall equal the ratio of compensation paid in the  
9 prior year to county, municipal, and special fire service  
10 taxing district firefighters pursuant to this section. This  
11 ratio shall be provided annually to the Department of Revenue  
12 by the Division of State Fire Marshal. Surplus funds that  
13 have accrued or accrue on or after July 1, 1990, shall be  
14 redistributed to municipalities and special fire control  
15 districts as provided in subparagraph 2.

16           2. By October 1 of each year, any funds that have  
17 accrued or accrue on or after July 1, 1990, and remain in the  
18 Firefighters' Supplemental Compensation Trust Fund following  
19 the required annual distribution shall be redistributed by the  
20 Department of Revenue pro rata to those municipalities and  
21 special fire control districts identified by the Department of  
22 Management Services ~~Division of Retirement~~ as being eligible  
23 for additional funds pursuant to s. 175.121(3)(b).

24           Section 98. Subsection (4) of section 650.02, Florida  
25 Statutes, is amended to read:

26           650.02 Definitions.--For the purpose of this chapter:

27           (4) The term "state agency" means the Department of  
28 Management Services ~~Division of Retirement~~.

29           Section 99. Each department of the executive branch  
30 shall survey each board, commission, and other such entity  
31 under its jurisdiction and recommend whether the entity should

1 be abolished, continued, or revised. This information shall be  
2 provided to the Department of Management Services in the  
3 electronic format provided by that department. The Department  
4 of Management Services shall report the findings from all  
5 departments to the Governor and the Legislature by December 1,  
6 1999.

7 Section 100. Paragraph (a) of subsection (5) of  
8 section 215.94, Florida Statutes, is amended to read:

9 215.94 Designation, duties, and responsibilities of  
10 functional owners.--

11 (5) The Department of Management Services shall be the  
12 functional owner of the Cooperative Personnel Employment  
13 Subsystem. The department shall design, implement, and  
14 operate the subsystem in accordance with the provisions of ss.  
15 110.116 and 215.90-215.96. The subsystem shall include, but  
16 shall not be limited to, functions for:

17 (a) Maintenance of employee and position data,  
18 including funding sources and percentages and salary lapse.  
19 The employee data shall include, but not be limited to,  
20 information to meet the payroll system requirements of the  
21 Department of Banking and Finance and to meet the employee  
22 benefit system requirements of ~~the Division of State Employees~~  
23 ~~insurance in~~ the Department of Management Services.

24 Section 101. This act shall take effect July 1, 1999.

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

28 And the title is amended as follows:

29 On page 1, line 2 through page 2, line 22,  
30 remove from the title of the bill: all of said lines

31

Amendment No. \_\_\_\_ (for drafter's use only)

1 and insert in lieu thereof:

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; repealing s. 20.37(3), F.S., which  
8 provides for the location of the headquarters  
9 of the Department of Veterans' Affairs;  
10 amending s. 110.1082, F.S.; providing  
11 conditions for utilization of a voice mail  
12 system; amending s. 110.1238, F.S.; providing  
13 for recovery of overcharges by health care  
14 providers; amending ss. 110.1227, 110.123,  
15 110.12315, 110.1232, 110.1234, 110.161, 112.05,  
16 112.3173, 112.352, 112.354, 112.356, 112.358,  
17 112.361, 112.362, 112.363, 112.63, 112.64,  
18 112.658, 112.665, 121.021, 121.025, 121.027,  
19 121.031, 121.051, 121.0511, 121.0515, 121.052,  
20 121.055, 121.071, 121.081, 121.091, 121.101,  
21 121.111, 121.133, 121.135, 121.136, 121.1815,  
22 121.1905, 121.192, 121.193, 121.22, 121.23,  
23 121.24, 121.30, 121.35, 121.40, 121.45, 122.02,  
24 122.03, 122.05, 122.06, 122.07, 122.08, 122.10,  
25 122.12, 122.13, 122.15, 122.16, 122.23, 122.30,  
26 122.34, 122.351, 189.412, 215.20, 215.28,  
27 215.50, 238.01, 238.02, 238.03, 238.05, 238.07,  
28 238.08, 238.09, 238.10, 238.11, 238.12, 238.14,  
29 238.15, 238.171, 238.181, 238.32, 240.3195,  
30 250.22, 321.17, 321.19, 321.191, 321.202,  
31 321.203, 321.2205, 413.051, 633.382, 650.02,



1 F.S., to conform to the restructuring of the  
2 department by this act; requiring executive  
3 departments to report information on boards,  
4 commissions, and similar entities to the  
5 department, along with recommendations for  
6 continuance, abolition, or revision; requiring  
7 the department to report that information to  
8 the Governor and the Legislature; amending s.  
9 215.94, F.S.; providing cross-referencing  
10 changes; providing an effective date.  
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