

By the Committee on Governmental Oversight and Productivity;
and Senator Campbell

302-2040-99

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

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

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

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

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

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

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

19 (a) Facilities Program.

20 (b) Information Technology Program.

21 (c) Workforce Program.

22 (d)1. Support Program.

23 2. Federal Property Assistance Program.

24 (e) Administration Program.

25 (f) Division of Administrative Hearings.

26 (g) Division of Retirement.

27 (h) Division of State Group Insurance.

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

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

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

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

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

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

1 ~~division. The Division of State Group Insurance shall furnish~~
2 ~~dedicated administrative and secretarial assistance to the~~
3 ~~council, and other assistance to the council as requested.~~

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

5 ~~1. Recommend accountability measures and review the~~
6 ~~implementation of performance-based program budgeting measures~~
7 ~~under which the Division of State Group Insurance operates.~~

8 ~~2. Review and recommend procedures and criteria for~~
9 ~~contract selection before any contract solicitation.~~

10 ~~3. Review and make recommendations regarding insurance~~
11 ~~benefit packages.~~

12 ~~4. Review external audit reports, service organization~~
13 ~~reports, compliance reviews, or other contractually required~~
14 ~~management reports relating to third-party administrator~~
15 ~~activities to determine areas that potentially may require~~
16 ~~division action.~~

17 ~~5. Review third-party administrator management reports~~
18 ~~leading to conclusions regarding report completion, accuracy,~~
19 ~~validity, and reasonableness.~~

20 ~~6. Review third-party administrator overpayment and~~
21 ~~refund collection activities to provide assurances that health~~
22 ~~plan assets are safeguarded.~~

23 ~~7. Review use of detailed provider/subscriber surveys~~
24 ~~designed to detect potential problem areas with the state~~
25 ~~group insurance program and make recommendations to the~~
26 ~~director.~~

27 ~~8. Review reports and make recommendations to~~
28 ~~safeguard the financial stability of the group insurance~~
29 ~~program.~~

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31

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

4 ~~1. The awarding of contracts.~~

5 ~~2. The selection of a consultant or contractor or the~~
6 ~~prequalification of any individual consultant or contractor.~~
7 ~~However, the council may recommend to the director standards~~
8 ~~and policies governing the procedure for selection and~~
9 ~~prequalification of consultants and contractors.~~

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

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

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

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

26 ~~3. A majority of the membership of the council~~
27 ~~constitutes a quorum at any meeting of the council. An action~~
28 ~~of the council is not considered adopted unless the action is~~
29 ~~taken pursuant to the affirmative vote of a majority of the~~
30 ~~members present, but not fewer than four members of the~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (3) STATE GROUP INSURANCE PROGRAM.--

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

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

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

3 (b)(c) It is the intent of the Legislature to offer a
4 comprehensive package of health insurance and retirement
5 benefits and a personnel system for state employees which are
6 provided in a cost-efficient and prudent manner, and to allow
7 state employees the option to choose benefit plans which best
8 suit their individual needs. Therefore, the state group
9 insurance program is established which may include the state
10 group health insurance plan, health maintenance organization
11 plans, group life insurance plans, group accidental death and
12 dismemberment plans, and group disability insurance plans.

13 Furthermore, the department ~~division~~ is additionally
14 authorized to establish and provide as part of the state group
15 insurance program any other group insurance plans which are
16 consistent with the provisions of this section.

17 (c)(d) Notwithstanding any provision in this section
18 to the contrary, it is the intent of the Legislature that the
19 department ~~division~~ shall be responsible for all aspects of
20 the purchase of health care for state employees under the
21 state group health insurance plan and the health maintenance
22 organization plans. Responsibilities shall include, but not be
23 limited to, the development of requests for proposals for
24 state employee health services, the determination of health
25 care benefits to be provided, and the negotiation of contracts
26 for health care and health care administrative services.

27 Prior to the negotiation of contracts for health care
28 services, the Legislature intends that the department ~~division~~
29 shall develop, ~~in consultation with the Department of~~
30 ~~Management Services~~ with respect to state collective
31 bargaining issues, the health benefits and terms to be

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 110.12315 Prescription drug program.--

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

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

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

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

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

14

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 110.161 State employees; pretax benefits program.--

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

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

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

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

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

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

20 (4)

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

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

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

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

19 (4) NOTICE.--

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

1 (a) Furnishing to the department ~~division~~ evidence
2 from the Social Security Administration setting forth the
3 retired member's social security benefit or certifying the
4 noninsured status of the retired member under the Social
5 Security Act, and

6 (b) Filing written application with the department
7 ~~division~~ for such supplement.

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

16 (a) July 1, 1969, or

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

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

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

31

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

3 112.362 Recomputation of retirement benefits.--

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

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

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

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

21 112.363 Retiree health insurance subsidy.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30
31

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

4 121.051 Participation in the system.--

5 (1) COMPULSORY PARTICIPATION.--

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

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

22 (2) OPTIONAL PARTICIPATION.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (3) PROCEDURE FOR DESIGNATING.--

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

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

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

31

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

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

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

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

10 121.052 Membership class of elected officers.--

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

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

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

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

6 (1)

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

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

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

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

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

3 (I) Heads an organizational unit; or

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

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

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

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

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

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

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

30 (I) Heads an organizational unit; or

31

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

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

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

14 (6)

15 (d) Contributions.--

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

31

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

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

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

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

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

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

4 (f) Administration.--

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

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

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

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

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

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

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

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

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

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

31

1 121.081 Past service; prior service;

2 contributions.--Conditions under which past service or prior
3 service may be claimed and credited are:

4 (1)

5 (h) The following provisions apply to the purchase of
6 past service:

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

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

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

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

25 5. The retirement account of each member for whom past
26 service is being provided by his or her employer shall be
27 credited with all past service the employer agrees to purchase
28 as soon as the agreement between the employer and the
29 department ~~division~~ is executed. Pursuant thereto:

30 a. Each such member's account shall also be posted
31 with the total contribution his or her employer agrees to make

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 121.111 Credit for military service.--

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

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

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

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

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

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

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

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

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

31

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

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

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

22 121.1905 Division of Retirement; creation.--

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

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

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

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

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

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

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

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

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

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

26 121.193 External compliance audits.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30
31

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

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

23 3. The Chancellor and the university presidents.

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

27 (3) ELECTION OF OPTIONAL PROGRAM.--

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

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

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

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

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

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

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

23 (4) CONTRIBUTIONS.--

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

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

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

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

27 (6) ADMINISTRATION OF PROGRAM.--

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

1 the State University System in administering the optional
2 retirement program. The Board of Regents shall, no more than
3 90 days after July 1, 1983, submit to the department ~~division~~
4 its recommendations for the annuity contracts to be offered by
5 the companies chosen by the department ~~division~~. The
6 recommendations of the board shall include the following:

7 1. The nature and extent of the rights and benefits in
8 relation to the required contributions; and

9 2. The suitability of the rights and benefits to the
10 needs of the participants and the interests of the
11 institutions in the recruitment and retention of eligible
12 employees.

13 (b) After receiving and considering the
14 recommendations of the Board of Regents, the department
15 ~~division~~ shall designate no more than four companies from
16 which annuity contracts may be purchased under the program and
17 shall approve the form and content of the optional retirement
18 program contracts. Upon application by a qualified Florida
19 domestic company, the department ~~division~~ shall give
20 reasonable notice to all other such companies that it intends
21 to designate one of such companies as a fifth company from
22 which annuity contracts may be purchased pursuant to this
23 section and that they may apply for such designation prior to
24 the deadline established by said notice. At least 60 days
25 after giving such notice and upon receipt of the
26 recommendation of the Board of Regents, the department
27 ~~division~~ shall so designate one of such companies as the fifth
28 company from which such contracts may be purchased.

29 (c) Effective July 1, 1997, the State Board of
30 Administration shall review and make recommendations to the
31 department ~~division~~ on the acceptability of all investment

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

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

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

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

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

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

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

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

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

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

30 (14) ADMINISTRATION OF SYSTEM.--

31

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

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

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

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

16 (3) ESTABLISHMENT OF COMPACTS.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 122.05 Legislator services included.--

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

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

28 122.06 Legislative employee services included.--

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

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

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

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

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

30
31

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

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

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

24 (4)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 122.15 Benefits exempt from taxes and execution.--

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

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

11 122.16 Employment after retirement.--

12 (2)

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

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

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

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

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

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

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

19 122.30 Appropriations.--

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

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

31

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

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

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

7 (1)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

24 215.50 Custody of securities purchased; income.--

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

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

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

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

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

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

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

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

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

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

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

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

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

25 238.03 Administration.--

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

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

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

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

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

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

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

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

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

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

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

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

22 238.05 Membership.--

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

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

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

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

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

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

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

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

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

31 238.07 Regular benefits; survivor benefits.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 a. Is under 18 years of age, or

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

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

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

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

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

29 (d) Limitations on rights of beneficiary are:

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

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

4 5 Minimum number of years 6 of service in Florida	7 Period after serving in 8 Florida in which 9 death of member 10 occurs
11 3 to 5.....	2 years
12 6 to 9.....	5 years
13 10 or more.....	10 years

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

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

31

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

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

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

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

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

31 (5)

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (5)

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

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

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

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

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

25 238.11 Collection of contributions.--

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

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

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

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

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

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

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

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

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

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

17 238.12 Duties of employers.--

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

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

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

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

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

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

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

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

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

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

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

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

19 238.171 Monthly allowance; when made.--

20 (3)

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

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

1 238.181 Reemployment after retirement; conditions and
2 limitations.--

3 (2)

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

27 (c) A district school board may reemploy a retired
28 member as a substitute or hourly teacher on a noncontractual
29 basis after he or she has been retired for 1 calendar month,
30 in accordance with s. 121.021(39). Any retired member who is
31 reemployed within 1 calendar month after retirement shall void

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

30 (d) A community college board of trustees may reemploy
31 a retired member as an adjunct instructor, that is, an

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

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

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

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

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

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

15 Section 100. Section 238.22, Florida Statutes, is
16 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

10 (4)

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

19 (6)

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

26 1. The financial soundness of the company.

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

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

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

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

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

14 250.22 Retirement.--

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

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

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

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

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

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

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

13 (1)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (3) The monthly benefit payable to the spouse
25 described in subsection (1) or subsection (2) shall be the
26 amount which would have been payable to the deceased member's
27 spouse, assuming that the member had retired on the date of
28 his or her death and had selected the option in s. 321.20
29 which would afford the surviving spouse the greatest amount of
30 benefits, such benefit to be based on the ages of the spouse
31 and member as of the date of death of the member. Such

1 benefit shall commence on the first day of the month following
2 the payment of the aforesaid amount to the Department of
3 Management Services ~~Division of Retirement~~, if subsection (1)
4 is applicable, or on the first day of the month following the
5 receipt of the spouse's application by the Department of
6 Management Services ~~Division of Retirement~~, if subsection (2)
7 is applicable.

8 Section 109. Subsection (11) of section 413.051,
9 Florida Statutes, 1998 Supplement, is amended to read:

10 413.051 Eligible blind persons; operation of vending
11 stands.--

12 (11) Effective July 1, 1996, blind licensees who
13 remain members of the Florida Retirement System pursuant to s.
14 121.051(6)(b)1. shall pay any unappropriated retirement costs
15 from their net profits or from program income. Within 30 days
16 after the effective date of this act, each blind licensee who
17 is eligible to maintain membership in the Florida Retirement
18 System under s. 121.051(6)(b)1., but who elects to withdraw
19 from the system as provided in s. 121.051(6)(b)3., must, on or
20 before July 31, 1996, notify the Division of Blind Services
21 and the Department of Management Services ~~Division of~~
22 ~~Retirement~~ in writing of his or her election to withdraw.
23 Failure to timely notify the divisions shall be deemed a
24 decision to remain a compulsory member of the Florida
25 Retirement System. However, if, at any time after July 1,
26 1996, sufficient funds are not paid by a blind licensee to
27 cover the required contribution to the Florida Retirement
28 System, that blind licensee shall become ineligible to
29 participate in the Florida Retirement System on the last day
30 of the first month for which no contribution is made or the
31 amount contributed is insufficient to cover the required

1 contribution. For any blind licensee who becomes ineligible
2 to participate in the Florida Retirement System as described
3 in this subsection, no creditable service shall be earned
4 under the Florida Retirement System for any period following
5 the month that retirement contributions ceased to be reported.
6 However, any such person may participate in the Florida
7 Retirement System in the future if employed by a participating
8 employer in a covered position.

9 Section 110. Paragraph (c) of subsection (4) of
10 section 633.382, Florida Statutes, is amended to read:

11 633.382 Firefighters; supplemental compensation.--

12 (4) FUNDING.--

13 (c) There is appropriated from the Police and
14 Firefighter's Premium Tax Trust Fund to the Firefighters'
15 Supplemental Compensation Trust Fund, which is hereby created
16 under the Department of Revenue, all moneys which have not
17 been distributed to municipalities and special fire control
18 districts in accordance with s. 175.121 as a result of the
19 limitation contained in s. 175.122 on the disbursement of
20 revenues collected pursuant to chapter 175 or as a result of
21 any municipality or special fire control district not having
22 qualified in any given year, or portion thereof, for
23 participation in the distribution of the revenues collected
24 pursuant to chapter 175. The total required annual
25 distribution from the Firefighters' Supplemental Compensation
26 Trust Fund shall equal the amount necessary to pay
27 supplemental compensation as provided in this section,
28 provided that:

29 1. Any deficit in the total required annual
30 distribution shall be made up from accrued surplus funds
31 existing in the Firefighters' Supplemental Compensation Trust

1 Fund on June 30, 1990, for as long as such funds last. If the
2 accrued surplus is insufficient to cure the deficit in any
3 given year, the proration of the appropriation among the
4 counties, municipalities, and special fire service taxing
5 districts shall equal the ratio of compensation paid in the
6 prior year to county, municipal, and special fire service
7 taxing district firefighters pursuant to this section. This
8 ratio shall be provided annually to the Department of Revenue
9 by the Division of State Fire Marshal. Surplus funds that
10 have accrued or accrue on or after July 1, 1990, shall be
11 redistributed to municipalities and special fire control
12 districts as provided in subparagraph 2.

13 2. By October 1 of each year, any funds that have
14 accrued or accrue on or after July 1, 1990, and remain in the
15 Firefighters' Supplemental Compensation Trust Fund following
16 the required annual distribution shall be redistributed by the
17 Department of Revenue pro rata to those municipalities and
18 special fire control districts identified by the Department of
19 Management Services ~~Division of Retirement~~ as being eligible
20 for additional funds pursuant to s. 175.121(3)(b).

21 Section 111. Subsection (4) of section 650.02, Florida
22 Statutes, is amended to read:

23 650.02 Definitions.--For the purpose of this chapter:

24 (4) The term "state agency" means the Department of
25 Management Services ~~Division of Retirement~~.

26 Section 112. Each department of the executive branch
27 shall survey each board, commission, and other such entity
28 under its jurisdiction and recommend whether the entity should
29 be abolished, continued, or revised. This information shall be
30 provided to the Department of Management Services in the
31 electronic format provided by that department. The Department

1 of Management Services shall report the findings from all
2 departments to the Governor and the Legislature by December 1,
3 1999.

4 Section 113. This act shall take effect July 1, 1999.

5
6 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
7 COMMITTEE SUBSTITUTE FOR
8 Senate Bill 2280

9 The CS transfers the functions of the Division of State Group
10 Insurance to the Department of Management Services.

11 The CS transfers the functions of the Division of Retirement
12 to the Department of Management Services.

13 The CS provides that each department conduct a survey of each
14 board, commission, or other entity under its jurisdiction and
15 determine whether each entity should continue to exist or be
16 abolished and to report the finding to DMS.