

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

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

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Section 20.22, Florida Statutes, is amended
15 to read:

16 20.22 Department of Management Services.--There is
17 created a Department of Management Services.

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

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

24 (a) Facilities Program.

25 (b) Information Technology Program.

26 (c) Workforce Program.

27 (d)1. Support Program.

28 2. Federal Property Assistance Program.

29 (e) Administration Program.

30 (f) Division of Administrative Hearings.

31 (g) Division of Retirement.

1 (h) Division of State Group Insurance.

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

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

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

29 ~~(b) Of the two members representing employees, one~~
30 ~~member must be appointed in such a manner as to represent~~
31

1 ~~state employee bargaining units, and one member must be a~~
2 ~~retired employee. Each member must be a resident of the state.~~

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

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

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

14 ~~2. Review and recommend procedures and criteria for~~
15 ~~contract selection before any contract solicitation.~~

16 ~~3. Review and make recommendations regarding insurance~~
17 ~~benefit packages.~~

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

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

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

29 ~~7. Review use of detailed provider/subscriber surveys~~
30 ~~designed to detect potential problem areas with the state~~

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1 ~~group insurance program and make recommendations to the~~
2 ~~director.~~

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

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

9 ~~1. The awarding of contracts.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 long-term-care plan entitled "Florida Employee Long-Term-Care
2 Plan."

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

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

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

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

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

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

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

21 (6) A Florida Employee Long-Term-Care Plan Board of
22 Directors is created, composed of nine ~~seven~~ members who shall
23 serve 2-year terms, to be appointed after May 1, 1999, as
24 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 (f) The President of the Senate shall appoint a member
6 of the Senate.

7 (g) The Speaker of the House shall appoint a member of
8 the House.

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

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

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

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

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

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

1 conducted on behalf of and for the benefit of plan
2 beneficiaries.

3 Section 6. Section 110.123, Florida Statutes, 1998
4 Supplement, is amended to read:

5 110.123 State group insurance program.--

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

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

9 (a) "Department" means the Department of Management
10 Services.

11 ~~(b) "Division" means the Division of State Group
12 Insurance in the department.~~

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

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

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

29 (e) "Health plan member" means any person
30 participating in the state group health insurance plan or in a
31 health maintenance organization plan under the state group

1 insurance program, including enrollees and covered dependents
2 thereof.

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

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

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

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

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

31

1 (k)~~(j)~~ "State group insurance program" or "programs"
2 means the package of insurance plans offered to state officers
3 and employees, retired state officers and employees, and
4 surviving spouses of deceased state officers and employees
5 pursuant to this section, including the state group health
6 insurance plan, health maintenance organization plans, and
7 other plans required or authorized by this section.

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

12 (m)~~(l)~~ "Surviving spouse" means the widow or widower
13 of a deceased state officer, full-time state employee,
14 part-time state employee, or retiree if such widow or widower
15 was covered as a dependent under the state group health
16 insurance plan or a health maintenance organization plan
17 established pursuant to this section at the time of the death
18 of the deceased officer, employee, or retiree. "Surviving
19 spouse" also means any widow or widower who is receiving or
20 eligible to receive a monthly state warrant from a state
21 retirement system as the beneficiary of a state officer,
22 full-time state employee, or retiree who died prior to July 1,
23 1979. For the purposes of this section, any such widow or
24 widower shall cease to be a surviving spouse upon his or her
25 remarriage.

26 (3) STATE GROUP INSURANCE PROGRAM.--

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

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

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

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

31

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

25 ~~(d)(e)~~1. Notwithstanding the provisions of chapter 287
26 and the authority of the department, for the purpose of
27 protecting the health of, and providing medical services to,
28 state employees participating in the State Group Insurance
29 Program ~~Employees' Health Self-Insurance Plan~~, the department
30 ~~Division of State Group Insurance~~ may contract to retain the
31 services of professional administrators for the State Group

1 Insurance Program ~~Employees' Health Self-Insurance Plan~~. The
2 agency shall follow good purchasing practices of state
3 procurement to the extent practicable under the circumstances.

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

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

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

22 a. A formal written protest of any decision, intended
23 decision, or other action subject to protest shall be filed
24 within 72 hours after receipt of notice of the decision,
25 intended decision, or other action.

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

1 substantial disruption to the provision of any scheduled
2 insurance services.

3 (e)~~(f)~~ Except as provided for in subparagraph(g)2.
4 ~~(h)2.~~, the percentage of state contribution toward the cost of
5 any plan in the state group insurance program shall be uniform
6 with respect to all state employees in state collective
7 bargaining units participating in the same plan or any similar
8 plan. Nothing contained within this section prohibits the
9 development of separate benefit plans for officers and
10 employees exempt from collective bargaining or the development
11 of separate benefit plans for each collective bargaining unit.

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

24 (g)~~(h)~~1. A person eligible to participate in the state
25 group ~~health~~ insurance program plan may be authorized by rules
26 adopted by the department ~~division~~, in lieu of participating
27 in the state group health insurance plan, to exercise an
28 option to elect membership in a health maintenance
29 organization plan which is under contract with the state in
30 accordance with criteria established by this section and by
31 said rules. The offer of optional membership in a health

1 maintenance organization plan permitted by this paragraph may
2 be limited or conditioned by rule as may be necessary to meet
3 the requirements of state and federal laws.

4 2. The department ~~division~~ shall contract with health
5 maintenance organizations seeking to participate in the state
6 group insurance program through a request for proposal or
7 other procurement process, as developed by the Department of
8 Management Services and determined to be appropriate based
9 ~~upon a premium and a minimum benefit package as follows:~~

10 a. The department shall establish a schedule of
11 minimum benefits for health maintenance organization coverage,
12 and that schedule A minimum benefit package to be provided by
13 ~~a participating HMO~~ shall include: physician services;
14 inpatient and outpatient hospital services; emergency medical
15 services, including out-of-area emergency coverage; diagnostic
16 laboratory and diagnostic and therapeutic radiologic services;
17 mental health, alcohol, and chemical dependency treatment
18 services meeting the minimum requirements of state and federal
19 law; skilled nursing facilities and services; prescription
20 drugs; and other benefits as may be required by the department
21 ~~division~~. Additional services may be provided subject to the
22 contract between the department ~~division~~ and the HMO.

23 b. The department may establish ~~A uniform schedule for~~
24 deductibles, and copayments, or coinsurance schedules ~~may be~~
25 ~~established~~ for all participating HMOs plans.

26 c. The department may require detailed information
27 from each health maintenance organization participating in the
28 procurement process, including information pertaining to
29 organizational status, experience in providing pre-paid health
30 benefits, accessibility of services, financial stability of
31 the plan, quality of management services, accreditation

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

22 ~~d. In determining which HMOs to contract with, the~~
23 ~~division shall, at a minimum, consider: each proposed~~
24 ~~contractor's previous experience and expertise in providing~~
25 ~~prepaid health benefits; each proposed contractor's historical~~
26 ~~experience in enrolling and providing health care services to~~
27 ~~participants in the state group insurance program; the cost of~~
28 ~~the premiums; the plan's ability to adequately provide service~~
29 ~~coverage and administrative support services as determined by~~
30 ~~the division; plan benefits in addition to the minimum benefit~~
31 ~~package; accessibility to providers; and the financial~~

1 ~~solvency of the plan.~~ Nothing shall preclude the department
2 ~~division~~ from negotiating regional or statewide contracts with
3 health maintenance organization plans when this is
4 cost-effective and when the department ~~division~~ determines
5 that the plan offers high value to enrollees ~~has the best~~
6 ~~overall benefit package for the service areas involved.~~

7 ~~However, no HMO shall be eligible for a contract if the HMO's~~
8 ~~retiree Medicare premium exceeds the retiree rate as set by~~
9 ~~the division for the state group health insurance plan.~~

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

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

22 ~~3.4.~~ In addition to contracting pursuant to
23 subparagraph 2., the department ~~division~~ shall enter into
24 contract with any HMO to participate in the state group
25 insurance program which:

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

28 b. Does not currently meet the 25 percent
29 non-Medicare/non-Medicaid enrollment composition requirement
30 established by the Department of Health ~~and Human Services~~

31

1 excluding participants enrolled in the state group insurance
2 program;

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

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

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

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

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

26 5.6. Any HMO participating in the state group
27 insurance program shall submit health care utilization and
28 cost data to the department, in such form and in such manner
29 as the division shall require, as a condition of participating
30 in the program. The department shall enter into negotiations
31 with its contracting HMOs to determine the nature and scope of

1 the data submission and the final requirements, format,
2 penalties associated with noncompliance, and timetables for
3 submission. These determinations shall be adopted by rule.

4 ~~Any HMO participating in the state group insurance program~~
5 ~~shall, upon the request of the division, submit to the~~
6 ~~division standardized data for the purpose of comparison of~~
7 ~~the appropriateness, quality, and efficiency of care provided~~
8 ~~by the HMO. Such standardized data shall include: membership~~
9 ~~profiles; inpatient and outpatient utilization by age and sex;~~
10 ~~type of service, provider type, and facility; and emergency~~
11 ~~care experience. Requirements and timetables for submission of~~
12 ~~such standardized data and such other data as the division~~
13 ~~deems necessary to evaluate the performance of participating~~
14 ~~HMOs shall be adopted by rule.~~

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

29 a. Based upon a desired benefit package, the
30 department division shall issue a request for proposal for
31 health insurance providers interested in participating in the

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

21 b. Pursuant to the applicable provisions of s.
22 110.161, and s. 125 of the Internal Revenue Code of 1986, the
23 department ~~division~~ shall enroll in the pretax benefit program
24 those state employees who voluntarily elect coverage in any of
25 the supplemental insurance benefit plans as provided by
26 sub-subparagraph a.

27 c. Nothing herein contained shall be construed to
28 prohibit insurance providers from continuing to provide or
29 offer supplemental benefit coverage to state employees as
30 provided under existing agency plans.

31

1 ~~(h)(i)~~ The benefits of the insurance authorized by
2 this section shall not be in lieu of any benefits payable
3 under chapter 440, the Workers' Compensation Law. The
4 insurance authorized by this law shall not be deemed to
5 constitute insurance to secure workers' compensation benefits
6 as required by chapter 440.

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

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

20 (b) If a state officer or full-time state employee
21 selects membership in a health maintenance organization as
22 authorized by paragraph (3)(g), the officer or employee is
23 entitled to a state contribution toward individual and
24 dependent membership as provided by the Legislature through
25 the appropriations act.

26 (c) During each policy or budget year, no state agency
27 shall contribute a greater percentage of the premium cost for
28 its officers or employees for any type of coverage under the
29 state group insurance program than any other agency, nor shall
30 any greater percentage contribution of premium cost be made
31

1 for employees in one state collective bargaining unit than for
2 those in any other state collective bargaining unit.

3 (d) The state contribution for a part-time permanent
4 state employee who elects to participate in the program shall
5 be prorated so that the percentage of the cost contributed for
6 the part-time permanent employee bears that relation to the
7 percentage of cost contributed for a similar full-time
8 employee that the part-time employee's normal workday bears to
9 a full-time employee's normal workday.

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

29 1. ~~At the time of the employee's death, the child is~~
30 ~~dependent upon the employee for support; and~~
31

1 ~~2. The surviving child continues to be a dependent for~~
2 ~~support, or the surviving child is a full-time or part-time~~
3 ~~student and is dependent for support.~~

4 (f) Pursuant to the request of each state officer,
5 full-time or part-time state employee, or retiree
6 participating in the state group insurance program, and upon
7 certification of the employing agency approved by the
8 department ~~Division of State Group Insurance~~, the Comptroller
9 shall deduct from the salary or retirement warrant payable to
10 each participant the amount so certified and shall handle such
11 deductions in accordance with rules established by the
12 department ~~division~~.

13 (g) No administrative or civil proceeding shall be
14 commenced to collect an underpayment or refund an overpayment
15 of premiums collected pursuant to this subsection unless such
16 claim is filed with the department ~~Division of State Group~~
17 ~~Insurance~~ within 2 years after the alleged underpayment or
18 overpayment was made. For purposes of this paragraph, a
19 payroll deduction, salary reduction, or contribution by an
20 agency is deemed to be made on the date the salary warrant is
21 issued.

22 (h) State employees may participate in the state group
23 health insurance plan at the time of receiving their state
24 retirement benefits.

25 (5) DEPARTMENT ~~DIVISION OF STATE GROUP INSURANCE~~
26 ~~POWERS AND DUTIES~~.--The department ~~division~~ is responsible for
27 the administration of the state group insurance program. The
28 department ~~division~~ shall initiate and supervise the program
29 as established by this section and shall adopt such rules as
30 are necessary to perform its responsibilities. To implement
31

1 this program, the department ~~division~~ shall, with prior
2 approval by the Legislature:

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

16 (b) Prepare, in cooperation with the Department of
17 Insurance, the specifications necessary to implement the
18 program.

19 (c) Contract on a competitive proposal basis with an
20 insurance carrier or carriers, or professional administrator,
21 determined by the Department of Insurance to be fully
22 qualified, financially sound, and capable of meeting all
23 servicing requirements. Alternatively, the department
24 ~~division~~ may self-insure any plan or plans contained in the
25 state group insurance program subject to approval based on
26 actuarial soundness by the Department of Insurance. The
27 department ~~division~~ may contract with an insurance company or
28 professional administrator qualified and approved by the
29 Department of Insurance to administer such plan. Before
30 entering into any contract, the department ~~division~~ shall
31 advertise for competitive proposals, and such contract shall

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

20 (d) With respect to the state group health insurance
21 plan, be authorized to require copayments with respect to all
22 providers under the plan.

23 (e) Have authority to establish a voluntary program
24 for comprehensive health maintenance, which may include health
25 educational components and health appraisals.

26 (f) With respect to any contract with an insurance
27 carrier or carriers or professional administrator entered into
28 by the department ~~division~~, require that the state and the
29 enrollees be held harmless and indemnified for any financial
30 loss caused by the failure of the insurance carrier or
31

1 professional administrator to comply with the terms of the
2 contract.

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

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

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

19
20 Final decisions concerning enrollment, the existence of
21 coverage, or covered benefits under the state group ~~health~~
22 insurance program ~~plan~~ shall not be delegated or deemed to
23 have been delegated by the department ~~division~~.

24 (6) DEPOSIT OF PREMIUMS AND REFUNDS.--Premium dollars
25 collected and not required to pay the costs of the program,
26 prior to being paid to the carrier insurance company, shall be
27 invested, and the earnings from such investment shall be
28 deposited in a trust fund to be designated in the State
29 Treasury and utilized for increased benefits or reduced
30 premiums for the participants or may be used to pay for the
31 administration of the state group insurance program. Any

1 refunds paid the state by the insurance carrier from premium
2 dollar reserves held by the carrier and earned on such refunds
3 shall be deposited in the trust fund and used for such
4 purposes.

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

12 (8) COVERAGE FOR LEGISLATIVE MEMBERS AND
13 EMPLOYEES.--The Legislature may provide coverage for its
14 members and employees under all or any part of the state group
15 insurance program; may provide coverage for its members and
16 employees under a legislative group insurance program in lieu
17 of all or any part of the state group insurance program; and,
18 notwithstanding the provisions of paragraph (4)(c), may assume
19 the cost of any group insurance coverage provided to its
20 members and employees. Effective July 1, 1999, any legislative
21 member who terminates his or her elected service after July 1,
22 1999, after having vested in the state retirement system, may
23 purchase coverage in the state group health insurance plan at
24 the same premium cost as that for retirees and surviving
25 spouses. Such legislators may also elect to continue coverage
26 under the group term life insurance program prevailing for
27 current members at the premium cost in effect for that plan.

28 (9) PUBLIC RECORDS LAW; EXEMPTION.--Patient medical
29 records and medical claims records of state employees, former
30 state employees, and their eligible covered dependents in the
31 custody or control of the state group insurance program are

1 confidential and exempt from the provisions of s. 119.07(1).
2 Such records shall not be furnished to any person other than
3 the affected state employee or former state employee or his or
4 her ~~the employee's~~ legal representative, except upon written
5 authorization of the employee or former state employee, but
6 may be furnished in any civil or criminal action, unless
7 otherwise prohibited by law, upon the issuance of a subpoena
8 from a court of competent jurisdiction and proper notice to
9 the state employee, former state employee, or his or her ~~the~~
10 ~~employee's~~ legal representative by the party seeking such
11 records.

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

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

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

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

28 (11) NOTICE BY HEALTH CARE PROVIDERS.--Any health care
29 provider that has entered into a contract with a carrier or
30 professional administrator that has contracted with the
31 department ~~division~~ to administer the self-insurance program

1 under this section shall provide written notification to the
2 enrollee and the carrier or administrator at least 10 days
3 before assigning or transferring the responsibility for
4 collecting any payment or debt related to the plan to a
5 collection agency or to any other third party.

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

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

10 110.12315 Prescription drug program.--The state
11 employees' prescription drug program is established. This
12 program shall be administered by the Department of Management
13 Services, according to the terms and conditions of the plan as
14 established by the relevant provisions of the annual General
15 Appropriations Act and implementing legislation, subject to
16 the following conditions:

17 (1) The Department of Management Services shall allow
18 prescriptions written by health care providers under the plan
19 to be filled by any licensed pharmacy pursuant to contractual
20 claims-processing provisions. Nothing in this section may be
21 construed as prohibiting a mail order prescription drug
22 program distinct from the service provided by retail
23 pharmacies.

24 (2) In providing for reimbursement of pharmacies for
25 prescription medicines dispensed to members of the state group
26 health insurance plan and their dependents under the state
27 employees' prescription drug program:

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

31

1 (b) There shall be a 30-day supply limit for
2 prescription card purchases and 90-day supply limit for mail
3 order or mail order prescription drug purchases.

4 (c) The current pharmacy dispensing fee remains in
5 effect.

6 (3) The Department of Management Services shall
7 establish the reimbursement schedule for prescription
8 pharmaceuticals dispensed under the program. Reimbursement
9 rates for a prescription pharmaceutical must be based on the
10 cost of the generic equivalent drug if a generic equivalent
11 exists, unless the physician prescribing the pharmaceutical
12 clearly states on the prescription that the brand name drug is
13 medically necessary or that the drug product is included on
14 the formulary of drug products that may not be interchanged as
15 provided in chapter 465, in which case reimbursement must be
16 based on the cost of the brand name drug as specified in the
17 reimbursement schedule adopted by the Department of Management
18 Services.

19 (4) The Department of Management Services shall
20 conduct a prescription utilization review program. In order
21 to participate in the state employees' prescription drug
22 program, retail pharmacies dispensing prescription medicines
23 to members of the state group health insurance plan or their
24 covered dependents, or to subscribers or covered dependents of
25 a health maintenance organization plan under the state group
26 insurance program, shall make their records available for this
27 review.

28 (5) The Department of Management Services shall
29 implement such additional cost-saving measures and adjustments
30 as may be required to balance program funding within
31 appropriations provided, including a trial or starter dose

1 program and dispensing of long-term-maintenance medication in
2 lieu of acute therapy medication.

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

10 Section 8. The Department of Management Services shall
11 not implement a prior authorization program or a restricted
12 formulary program that restricts a non-HMO enrollee's access
13 to prescription drugs beyond the provisions of paragraph (b)
14 related specifically to generic equivalents for prescriptions
15 and the provisions in paragraph (d) related specifically to
16 starter dose programs or the dispensing of long-term
17 maintenance medications. The prior authorization program
18 expanded pursuant to section 8 of the 1998-1999 General
19 Appropriations Act is hereby terminated. If this section
20 conflicts with any General Appropriations Act or any act
21 implementing a General Appropriations Act, the Legislature
22 intends that the provisions of this section shall prevail.
23 This section shall take effect upon becoming law.

24 Section 9. Section 110.1232, Florida Statutes, is
25 amended to read:

26 110.1232 Health insurance coverage for persons retired
27 under state-administered retirement systems before January 1,
28 1976, and for spouses.--Notwithstanding any provisions of law
29 to the contrary, the Department of Management Services
30 Division of State Group Insurance shall provide health
31 insurance coverage under in the State Group Health Insurance

1 Program Plan for persons who retired before ~~prior to~~ January
2 1, 1976, under any of the state-administered retirement
3 systems and who are not covered by social security and for the
4 spouses and surviving spouses of such retirees who are also
5 not covered by social security. Such health insurance
6 coverage shall provide the same benefits as provided to other
7 retirees who are entitled to participate under s. 110.123. The
8 claims experience of this group shall be commingled with the
9 claims experience of other members covered under s. 110.123.

10 Section 10. Section 110.1234, Florida Statutes, is
11 amended to read:

12 110.1234 Health insurance for retirees under the
13 Florida Retirement System; Medicare supplement and fully
14 insured coverage.--

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

27 (2) The Department of Management Services ~~Division of~~
28 ~~State Group Insurance~~ shall solicit competitive bids from
29 state-licensed insurance companies to provide and administer
30 fully insured health insurance coverage for all public
31 employees who retired from a state or local public employer

1 who are not covered by Medicare, Parts A and B. The
2 ~~department division~~ may authorize one company to offer such
3 coverage if the proposed benefits and premiums are reasonable.
4 If such coverage is authorized, all premiums shall be paid for
5 by the retiree.

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

8 110.161 State employees; pretax benefits program.--

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

16 (6) The Department of Management Services ~~Division of~~
17 ~~State Group Insurance~~ is authorized to administer the
18 ~~establish a~~ pretax benefits program established for all
19 employees so that ~~whereby~~ employees may ~~would~~ receive benefits
20 that ~~which~~ are not includable in gross income under the
21 Internal Revenue Code of 1986. The pretax benefits program:
22 ~~shall be implemented in phases.~~

23 (a) ~~Phase one~~ Shall allow employee contributions to
24 premiums for the state group insurance ~~health~~ program
25 administered under s. 110.123 ~~and state life insurance~~ to be
26 paid on a pretax basis unless an employee elects not to
27 participate.

28 (b) ~~Phase two~~ Shall allow employees to voluntarily
29 establish expense reimbursement plans from their salaries on a
30 pretax basis to pay for qualified medical and dependent care
31

1 expenses, including premiums paid by employees for qualified
2 supplemental insurance.

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

9 (7) The Legislature recognizes that a substantial
10 amount of the employer savings realized by the implementation
11 of a pretax benefits program will be the result of diminutions
12 in the state's employer contribution to the Federal Insurance
13 Contributions Act tax. There is hereby created the Pretax
14 Benefits Trust Fund in the Department of Management Services
15 ~~Division of State Group Insurance~~. Each agency shall transfer
16 to the Pretax Benefits Trust Fund the employer FICA
17 contributions saved by the state as a result of the
18 implementation of the pretax benefits program authorized
19 pursuant to this section. Any moneys forfeited pursuant to
20 employees' salary reduction agreements to participate in ~~phase~~
21 ~~one or phase two~~ of the program must also be deposited in the
22 Pretax Benefits Trust Fund. Moneys in the Pretax Benefits
23 Trust Fund shall be used for the pretax benefits program,
24 including its administration by the Department of Management
25 Services or a third-party administrator.

26 Section 12. Paragraph (b) of subsection (4) of section
27 112.05, Florida Statutes, is amended to read:

28 112.05 Retirement; cost-of-living adjustment;
29 employment after retirement.--

30 (4)

31

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

25 Section 13. Paragraph (d) of subsection (4) of section
26 112.3173, Florida Statutes, is amended to read:

27 112.3173 Felonies involving breach of public trust and
28 other specified offenses by public officers and employees;
29 forfeiture of retirement benefits.--

30 (4) NOTICE.--

31

1 (d) The Commission on Ethics shall forward any notice
2 and any other document received by it pursuant to this
3 subsection to the governing body of the public retirement
4 system of which the public officer or employee is a member or
5 from which the public officer or employee may be entitled to
6 receive a benefit. When called on by the Commission on Ethics,
7 the Department of Management Services ~~Division of Retirement~~
8 shall assist the commission in identifying the appropriate
9 public retirement system.

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

12 112.352 Definitions.--The following words and phrases
13 as used in this act shall have the following meaning unless a
14 different meaning is required by the context:

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

17 Section 15. Section 112.354, Florida Statutes, is
18 amended to read:

19 112.354 Eligibility for supplement.--Each retired
20 member or, if applicable, a joint annuitant, except any person
21 receiving survivor benefits under the teachers' retirement
22 system of the state in accordance with s. 238.07(16), shall be
23 entitled to receive a supplement computed in accordance with
24 s. 112.355 upon:

25 (1) Furnishing to the Department of Management
26 Services ~~Division of Retirement~~ evidence from the Social
27 Security Administration setting forth the retired member's
28 social security benefit or certifying the noninsured status of
29 the retired member under the Social Security Act, and
30
31

1 (2) Filing written application with the Department of
2 Management Services ~~Division of Retirement~~ for such
3 supplement.

4 Section 16. Section 112.356, Florida Statutes, is
5 amended to read:

6 112.356 Payment of supplement.--Any supplement due and
7 payable under this act shall be paid by the department
8 ~~division~~ or under the direction and control of the department
9 ~~division~~, based on information furnished by the retired
10 member, or a joint annuitant, and the administrator of the
11 system under which retirement benefits are being paid,
12 beginning on the first day of the month coincident with or
13 next following the later of the effective date of this act and
14 the date of approval of the application for supplement by the
15 department division, and payable thereafter on the first day
16 of each month in the normal or optional form in which
17 retirement benefits under the applicable system are being
18 paid; provided, however, that if application for supplement is
19 made subsequent to December 31, 1967, not more than 6
20 retroactive monthly supplements shall be paid.

21 Section 17. Section 112.358, Florida Statutes, is
22 amended to read:

23 112.358 Administration of system.--The Department of
24 Management Services ~~Division of Retirement~~ shall make such
25 rules and regulations as are necessary for the effective and
26 efficient administration of this act and the cost to pay the
27 expenses of such administration is hereby appropriated out of
28 the appropriate retirement fund.

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

1 112.361 Additional and updated supplemental retirement
2 benefits.--

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

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

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

13 (a) Furnishing to the department ~~division~~ evidence
14 from the Social Security Administration setting forth the
15 retired member's social security benefit or certifying the
16 noninsured status of the retired member under the Social
17 Security Act, and

18 (b) Filing written application with the department
19 ~~division~~ for such supplement.

20 (6) PAYMENT OF SUPPLEMENT.--Any supplement due and
21 payable under this section shall be paid by the department
22 ~~division~~ or under the direction and control of the department
23 ~~division~~, based on information furnished by the retired
24 member, or a joint annuitant, and the administrator of the
25 system under which retirement benefits are being paid,
26 beginning on the first day of the month coincident with or
27 next following the later of:

28 (a) July 1, 1969, or

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

31

1 and payable thereafter on the first day of each month in the
2 normal or optional form in which retirement benefits under the
3 applicable system are being paid. However, no retroactive
4 monthly supplements shall be paid for any period prior to the
5 date specified in this paragraph.

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

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

14 112.362 Recomputation of retirement benefits.--

15 (4)(a) Effective July 1, 1980, any person who retired
16 prior to July 1, 1987, under a state-supported retirement
17 system with not less than 10 years of creditable service and
18 who is not receiving or entitled to receive federal social
19 security benefits shall, upon reaching 65 years of age and
20 upon application to the Department of Management Services
21 ~~Division of Retirement~~, be entitled to receive a minimum
22 monthly benefit equal to \$16.50 multiplied by the member's
23 total number of years of creditable service and adjusted by
24 the actuarial factor applied to the original benefit for
25 optional forms of retirement. Thereafter, the minimum monthly
26 benefit shall be recomputed as provided in paragraph (5)(a).
27 Application for this minimum monthly benefit shall include
28 certification by the retired member that he or she is not
29 receiving and is not entitled to receive social security
30 benefits and shall include written authorization for the
31 Department of Management Services ~~Division of Retirement~~ to

1 have access to information from the Federal Social Security
2 Administration concerning the member's entitlement to or
3 eligibility for social security benefits. The minimum benefit
4 provided by this paragraph shall not be paid unless and until
5 the application requirements of this paragraph are satisfied.

6 (b) Effective July 1, 1978, the surviving spouse or
7 beneficiary who is receiving or entitled to receive a monthly
8 benefit commencing prior to July 1, 1987, from the account of
9 any deceased retired member who had completed at least 10
10 years of creditable service shall, at the time such deceased
11 retiree would have reached age 65, if living, and, upon
12 application to the Department of Management Services ~~Division~~
13 ~~of Retirement~~, be entitled to receive the minimum monthly
14 benefit described in paragraph (a), adjusted by the actuarial
15 factor applied to the optional form of benefit payable to said
16 surviving spouse or beneficiary, provided said person is not
17 receiving or entitled to receive federal social security
18 benefits. Application for this minimum monthly benefit shall
19 include certification by the surviving spouse or beneficiary
20 that he or she is not receiving and is not entitled to receive
21 social security benefits and shall include written
22 authorization for the Department of Management Services
23 ~~Division of Retirement~~ to have access to information from the
24 Federal Social Security Administration concerning such
25 person's entitlement to or eligibility for social security
26 benefits. The minimum benefit provided by this paragraph
27 shall not be paid unless and until the application
28 requirements of this paragraph are satisfied.

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

1 112.363 Retiree health insurance subsidy.--
2 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
3 SUBSIDY.--A person who is retired under a state-administered
4 retirement system, or a beneficiary who is a spouse or
5 financial dependent entitled to receive benefits under a
6 state-administered retirement system, is eligible for health
7 insurance subsidy payments provided under this section; except
8 that pension recipients under ss. 121.40, 238.07(16)(a), and
9 250.22, recipients of health insurance coverage under s.
10 110.1232, or any other special pension or relief act shall not
11 be eligible for such payments. Payment of the retiree health
12 insurance subsidy shall be made only after coverage for health
13 insurance for the retiree or beneficiary has been certified in
14 writing to the Department of Management Services ~~Division of~~
15 ~~Retirement~~. Participation in a former employer's group health
16 insurance program is not a requirement for eligibility under
17 this section. However, participants in the Senior Management
18 Service Optional Annuity Program as provided in s. 121.055(6)
19 and the State University System Optional Retirement Program as
20 provided in s. 121.35 shall not receive the retiree health
21 insurance subsidy provided in this section. The employer of
22 such participant shall pay the contributions required in
23 subsection (8) to the annuity program provided in s.
24 121.055(6)(d) or s. 121.35(4)(a), as applicable.
25 (4) PAYMENT OF RETIREE HEALTH INSURANCE
26 SUBSIDY.--Beginning January 1, 1988, any monthly retiree
27 health insurance subsidy amount due and payable under this
28 section shall be paid to retired members by the Department of
29 Management Services ~~Division of Retirement~~ or under the
30 direction and control of the department ~~division~~.
31

1 (7) ADMINISTRATION OF SYSTEM.--The Department of
2 Management Services ~~Division of Retirement~~ may adopt such
3 rules and regulations as are necessary for the effective and
4 efficient administration of this section. The cost of
5 administration shall be appropriated from the trust fund.

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

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

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

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

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

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

23
24 Such contributions shall be submitted to the Department of
25 Management Services ~~Division of Retirement~~ and deposited in
26 the Retiree Health Insurance Subsidy Trust Fund.

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

29 112.63 Actuarial reports and statements of actuarial
30 impact; review.--

31

1 (2) The frequency of actuarial reports must be at
2 least every 3 years commencing from the last actuarial report
3 of the plan or system or October 1, 1980, if no actuarial
4 report has been issued within the 3-year period prior to
5 October 1, 1979. The results of each actuarial report shall be
6 filed with the plan administrator within 60 days of
7 certification. Thereafter, the results of each actuarial
8 report shall be made available for inspection upon request.
9 Additionally, each retirement system or plan covered by this
10 act which is not administered directly by the Department of
11 Management Services ~~Division of Retirement~~ shall furnish a
12 copy of each actuarial report to the Department of Management
13 Services ~~Division of Retirement~~ within 60 days after receipt
14 from the actuary. The requirements of this section are
15 supplemental to actuarial valuations necessary to comply with
16 the requirements of ss. 11.45 and 218.32.

17 (4) Upon receipt, pursuant to subsection (2), of an
18 actuarial report, or upon receipt, pursuant to subsection (3),
19 of a statement of actuarial impact, the Department of
20 Management Services ~~division~~ shall review and comment on the
21 actuarial valuations and statements. If the department
22 ~~division~~ finds that the actuarial valuation is not complete,
23 accurate, or based on reasonable assumptions, or if the
24 department ~~division~~ does not receive the actuarial report or
25 statement of actuarial impact, the department ~~division~~ shall
26 notify the local government and request appropriate
27 adjustment. If, after a reasonable period of time, a
28 satisfactory adjustment is not made, the affected local
29 government or the department ~~division~~ may petition for a
30 hearing under the provisions of ss. 120.569 and 120.57. If the
31 administrative law judge recommends in favor of the department

1 ~~division~~, the department division shall perform an actuarial
2 review or prepare the statement of actuarial impact. The cost
3 to the department division of performing such actuarial review
4 or preparing such statement shall be charged to the
5 governmental entity of which the employees are covered by the
6 retirement system or plan. If payment of such costs is not
7 received by the department division within 60 days after
8 receipt by the governmental entity of the request for payment,
9 the department division shall certify to the Comptroller the
10 amount due, and the Comptroller shall pay such amount to the
11 department division from any funds payable to the governmental
12 entity of which the employees are covered by the retirement
13 system or plan. If the administrative law judge recommends in
14 favor of the local retirement system and the department
15 ~~division~~ performs an actuarial review, the cost to the
16 department division of performing the actuarial review shall
17 be paid by the department division.

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

20 112.64 Administration of funds; amortization of
21 unfunded liability.--

22 (1) Employee contributions shall be deposited in the
23 retirement system or plan at least monthly. Employer
24 contributions shall be deposited at least quarterly; however,
25 any revenues received from any source by an employer which are
26 specifically collected for the purpose of allocation for
27 deposit into a retirement system or plan shall be so deposited
28 within 30 days of receipt by the employer. All employers and
29 employees participating in the Florida Retirement System and
30 other existing retirement systems which are administered by
31

1 the Department of Management Services ~~Division of Retirement~~
2 shall continue to make contributions at least monthly.

3 Section 23. Subsections (1) and (3) of section
4 112.658, Florida Statutes, are amended to read:

5 112.658 Office of Program Policy Analysis and
6 Government Accountability to determine compliance of the
7 Florida Retirement System.--

8 (1) The Office of Program Policy Analysis and
9 Government Accountability shall determine, through the
10 examination of actuarial reviews, financial statements, and
11 the practices and procedures of the Department of Management
12 Services ~~Division of Retirement~~, the compliance of the Florida
13 Retirement System with the provisions of this act.

14 (3) The Office of Program Policy Analysis and
15 Government Accountability shall employ the same actuarial
16 standards to monitor the Department of Management Services
17 ~~Division of Retirement~~ as the Department of Management
18 Services ~~Division of Retirement~~ uses to monitor local
19 governments.

20 Section 24. Section 112.665, Florida Statutes, is
21 amended to read:

22 112.665 Duties of Department of Management Services
23 ~~Division of Retirement~~.--

24 (1) The Department of Management Services ~~Division of~~
25 ~~Retirement~~ shall:

26 (a) Gather, catalog, and maintain complete,
27 computerized data information on all public employee
28 retirement systems or plans in the state, based upon a review
29 of audits, reports, and other data pertaining to the systems
30 or plans;

31

1 (b) Receive and comment upon all actuarial reviews of
2 retirement systems or plans maintained by units of local
3 government;

4 (c) Cooperate with local retirement systems or plans
5 on matters of mutual concern and provide technical assistance
6 to units of local government in the assessment and revision of
7 retirement systems or plans;

8 (d) Issue, by January 1 annually, a report to the
9 President of the Senate and the Speaker of the House of
10 Representatives, which report details division activities,
11 findings, and recommendations concerning all governmental
12 retirement systems. The report may include legislation
13 proposed to carry out such recommendations;

14 (e) Issue, by January 1 annually, a report to the
15 Special District Information Program of the Department of
16 Community Affairs that includes the participation in and
17 compliance of special districts with the local government
18 retirement system provisions in s. 112.63 and the
19 state-administered retirement system provisions as specified
20 in chapter 121; and

21 (f) Adopt reasonable rules to administer the
22 provisions of this part.

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

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

30
31

1 121.021 Definitions.--The following words and phrases
2 as used in this chapter have the respective meanings set forth
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 (5) "Administrator" means the Secretary ~~director~~ of
7 the Department of Management Services ~~Division of Retirement~~.

8 (32) "State agency" means the Department of Management
9 Services ~~Division of Retirement~~ within the provisions and
10 contemplation of chapter 650.

11 (39)(a) "Termination" occurs, except as provided in
12 paragraph (b), when a member ceases all employment
13 relationships with employers under this system, as defined in
14 subsection (10), but in the event a member should be employed
15 by any such employer within the next calendar month,
16 termination shall be deemed not to have occurred. A leave of
17 absence shall constitute a continuation of the employment
18 relationship, except that a leave of absence without pay due
19 to disability may constitute termination for a member, if such
20 member makes application for and is approved for disability
21 retirement in accordance with s. 121.091(4). The department
22 ~~division~~ may require other evidence of termination as it deems
23 necessary.

24 Section 26. Section 121.025, Florida Statutes, is
25 amended to read:

26 121.025 Administrator; powers and duties.--The
27 Secretary ~~director~~ of the Department of Management Services
28 ~~Division of Retirement~~ shall be the administrator of the
29 retirement and pension systems assigned or transferred to the
30 Department of Management Services ~~Division of Retirement~~ by
31 law and shall have the authority to sign the contracts

1 necessary to carry out the duties and responsibilities
2 assigned by law to the Department of Management Services
3 ~~Division of Retirement~~.

4 Section 27. Section 121.027, Florida Statutes, is
5 amended to read:

6 121.027 Rulemaking authority for ch. 97-180.--The
7 Department of Management Services ~~Division of Retirement~~ shall
8 have rulemaking authority for administering all the provisions
9 of chapter 97-180, Laws of Florida.

10 Section 28. Subsections (1), (2), and (5) of section
11 121.031, Florida Statutes, are amended to read:

12 121.031 Administration of system; appropriation;
13 oaths; actuarial studies; public records.--

14 (1) The Department of Management Services ~~Division of~~
15 ~~Retirement~~ shall make such rules as are necessary for the
16 effective and efficient administration of this system. The
17 funds to pay the expenses for such administration are hereby
18 appropriated from the interest earned on investments made for
19 the retirement and social security trust funds and the
20 assessments allowed under chapter 650.

21 (2) The Department of Management Services ~~Division of~~
22 ~~Retirement~~ is authorized to require oaths, by affidavit or
23 otherwise, and acknowledgments from persons in connection with
24 the administration of its duties and responsibilities under
25 this chapter.

26 (5) The names and addresses of retirees are
27 confidential and exempt from the provisions of s. 119.07(1) to
28 the extent that no state or local governmental agency may
29 provide the names or addresses of such persons in aggregate,
30 compiled, or list form to any person except to a public agency
31 engaged in official business. However, a state or local

1 government agency may provide the names and addresses of
2 retirees from that agency to a bargaining agent as defined in
3 s. 447.203(12) or to a retiree organization for official
4 business use. Lists of names or addresses of retirees may be
5 exchanged by public agencies, but such lists shall not be
6 provided to, or open for inspection by, the public. Any
7 person may view or copy any individual's retirement records at
8 the Department of Management Services ~~Division of Retirement~~,
9 one record at a time, or may obtain information by a separate
10 written request for a named individual for which information
11 is desired.

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

15 121.051 Participation in the system.--

16 (1) COMPULSORY PARTICIPATION.--

17 (c)1. After June 30, 1983, a member of an existing
18 system who is reemployed after terminating employment shall
19 have at the time of reemployment the option of selecting to
20 remain in the existing retirement system or to transfer to the
21 Florida Retirement System. Failure to submit such selection
22 in writing to the Department of Management Services ~~Division~~
23 ~~of Retirement~~ within 6 months of reemployment shall result in
24 compulsory membership in the Florida Retirement System.

25 2. After June 30, 1988, the provisions of subparagraph
26 1. shall not apply to a member of an existing system who is
27 reemployed within 12 months after terminating employment. Such
28 member shall continue to have membership in the existing
29 system upon reemployment and shall not be permitted to become
30 a member of the Florida Retirement System, except by

31

1 transferring to that system as provided in ss. 121.052 and
2 121.055.

3 (2) OPTIONAL PARTICIPATION.--

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

24 2. Any city or special district that has an existing
25 retirement system covering the employees in the units that are
26 to be brought under the Florida Retirement System may
27 participate only after holding a referendum in which all
28 employees in the affected units have the right to participate.
29 Only those employees electing coverage under the Florida
30 Retirement System by affirmative vote in said referendum shall
31 be eligible for coverage under this chapter, and those not

1 participating or electing not to be covered by the Florida
2 Retirement System shall remain in their present systems and
3 shall not be eligible for coverage under this chapter. After
4 the referendum is held, all future employees shall be
5 compulsory members of the Florida Retirement System.

6 3. The governing body of any city or special district
7 complying with subparagraph 1. may elect to provide, or not
8 provide, benefits based on past service of officers and
9 employees as described in s. 121.081(1). However, if such
10 employer elects to provide past service benefits, such
11 benefits must be provided for all officers and employees of
12 its covered group.

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

18 5. Subject to the conditions set forth in subparagraph
19 6., the governing body of any hospital licensed under chapter
20 395 which is governed by the board of a special district as
21 defined in s. 189.403(1) or by the board of trustees of a
22 public health trust created under s. 154.07, hereinafter
23 referred to as "hospital district," and which participates in
24 the system, may elect to cease participation in the system
25 with regard to future employees in accordance with the
26 following procedure:

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

1 b. From 7 to 15 days before such hearing, notice of
2 intent to withdraw, specifying the time and place of the
3 hearing, must be provided in writing to employees of the
4 hospital district proposing partial withdrawal and must be
5 published in a newspaper of general circulation in the area
6 affected, as provided by ss. 50.011-50.031. Proof of
7 publication of such notice shall be submitted to the
8 Department of Management Services ~~Division of Retirement~~.

9 c. The governing body of any hospital district seeking
10 to partially withdraw from the system must, before such
11 hearing, have an actuarial report prepared and certified by an
12 enrolled actuary, as defined in s. 112.625(3), illustrating
13 the cost to the hospital district of providing, through the
14 retirement plan that the hospital district is to adopt,
15 benefits for new employees comparable to those provided under
16 the Florida Retirement System.

17 d. Upon meeting all applicable requirements of this
18 subparagraph, and subject to the conditions set forth in
19 subparagraph 6., partial withdrawal from the system and
20 adoption of the alternative retirement plan may be
21 accomplished by resolution duly adopted by the hospital
22 district board. The hospital district board must provide
23 written notice of such withdrawal to the division by mailing a
24 copy of the resolution to the division, postmarked no later
25 than December 15, 1995. The withdrawal shall take effect
26 January 1, 1996.

27 6. Following the adoption of a resolution under
28 sub-subparagraph 5.d., all employees of the withdrawing
29 hospital district who were participants in the Florida
30 Retirement System prior to January 1, 1996, shall remain as
31 participants in the system for as long as they are employees

1 of the hospital district, and all rights, duties, and
2 obligations between the hospital district, the system, and the
3 employees shall remain in full force and effect. Any employee
4 who is hired or appointed on or after January 1, 1996, may not
5 participate in the Florida Retirement System, and the
6 withdrawing hospital district shall have no obligation to the
7 system with respect to such employees.

8 (f) Whenever an employer that participates in the
9 Florida Retirement System undertakes the transfer, merger, or
10 consolidation of governmental services or functions, the
11 employer must notify the department division at least 60 days
12 prior to such action and shall provide documentation as
13 required by the department division.

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

16 121.0511 Revocation of election and alternative
17 plan.--The governing body of any municipality or independent
18 special district that has elected to participate in the
19 Florida Retirement System may revoke its election in
20 accordance with the following procedure:

21 (2) At least 7 days, but not more than 15 days, before
22 the hearing, notice of intent to revoke, specifying the time
23 and place of the hearing, must be published in a newspaper of
24 general circulation in the area affected, as provided by ss.
25 50.011-50.031. Proof of publication of the notice must be
26 submitted to the Department of Management Services ~~Division of~~
27 ~~Retirement~~.

28 Section 31. Paragraph (a) of subsection (3),
29 subsection (4), and paragraph (c) of subsection (7) of section
30 121.0515, Florida Statutes, 1998 Supplement, are amended to
31 read:

1 121.0515 Special risk membership; criteria;
2 designation and removal of classification; credits for past
3 service and prior service; retention of special risk normal
4 retirement date.--

5 (3) PROCEDURE FOR DESIGNATING.--

6 (a) Any member of the Florida Retirement System
7 employed by a county, city, or special district who feels that
8 he or she meets the criteria set forth in this section for
9 membership in the Special Risk Class may request that his or
10 her employer submit an application to the department ~~division~~
11 requesting that the department ~~division~~ designate him or her
12 as a special risk member. If the employer agrees that the
13 member meets the requirements for special risk membership, the
14 employer shall submit an application to the department
15 ~~division~~ in behalf of the employee containing a certification
16 that the member meets the criteria for special risk membership
17 set forth in this section and such other supporting
18 documentation as may be required by administrative rule. The
19 department ~~division~~ shall, within 90 days, either designate or
20 refuse to designate the member as a special risk member. If
21 the employer declines to submit the member's application to
22 the department ~~division~~ or if the department ~~division~~ does not
23 designate the member as a special risk member, the member or
24 the employer may appeal to the State Retirement Commission, as
25 provided in s. 121.23, for designation as a special risk
26 member. A member who receives a final affirmative ruling
27 pursuant to such appeal for special risk membership shall have
28 special risk membership retroactive to the date such member
29 would have had special risk membership had such membership
30 been approved by the employer and the department ~~division~~, as
31 determined by the department ~~division~~, and the employer

1 contributions shall be paid in full within 1 year after such
2 final ruling.

3 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member
4 who is a special risk member on October 1, 1978, and who fails
5 to meet the criteria for special risk membership established
6 by this section shall have his or her special risk designation
7 removed and thereafter shall be a regular member and shall
8 earn only regular membership credit. The department ~~division~~
9 shall have the authority to review the special risk
10 designation of members to determine whether or not those
11 members continue to meet the criteria for special risk
12 membership.

13 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT
14 DATE.--

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

17 Section 32. Paragraph (e) of subsection (3) of section
18 121.052, Florida Statutes, 1998 Supplement, is amended to
19 read:

20 121.052 Membership class of elected officers.--

21 (3) PARTICIPATION AND WITHDRAWAL,
22 GENERALLY.--Effective July 1, 1990, participation in the
23 Elected State and County Officers' Class shall be compulsory
24 for elected officers listed in paragraphs (2)(a)-(d) and (f)
25 assuming office on or after said date, unless the elected
26 officer elects membership in another class or withdraws from
27 the Florida Retirement System as provided in paragraphs
28 (3)(a)-(d):

29 (e) Effective July 1, 1997, the governing body of a
30 municipality or special district may, by majority vote, elect
31 to designate all its elected positions for inclusion in the

1 Elected State and County Officers' Class. Such election shall
2 be made between July 1, 1997, and December 31, 1997, and shall
3 be irrevocable. The designation of such positions shall be
4 effective the first day of the month following receipt by the
5 ~~department~~ division of the ordinance or resolution passed by
6 the governing body.

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

11 121.052 Membership class of elected officers.--

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

13 (d) Any member of the Florida Retirement System who
14 serves as the elected mayor of a consolidated local
15 government, which government by its charter has chosen status
16 as a municipality rather than a county government for purposes
17 of the state retirement system administered under this
18 chapter, may elect membership in the Elected State and County
19 Officers' Class established by this section for the duration
20 of the term of office. Any such mayor or former mayor shall be
21 eligible for membership in this class for the term of office,
22 provided the member or the local government employer pays the
23 retirement contributions that would have been paid had actual
24 participation commenced at that time, plus interest at 6.5
25 percent compounded each June 30 from date of participation
26 until date of payment. No retirement credit will be allowed
27 under this subsection for any such service which is used to
28 obtain a benefit under any local retirement system.

29 Section 34. Paragraphs (b) and (h) of subsection (1)
30 and paragraphs (d) and (f) of subsection (6) of section
31

1 121.055, Florida Statutes, 1998 Supplement, are amended to
2 read:

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

8 (1)

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

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

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

30 c. Each position added to the class must be a
31 managerial or policymaking position filled by an employee who

1 is not subject to continuing contract and serves at the
2 pleasure of the local agency employer without civil service
3 protection, and who:

4 (I) Heads an organizational unit; or

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

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

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

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

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

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

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

31 (I) Heads an organizational unit; or

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 35. 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 36. 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 37. Paragraph (b) of subsection (14) of
4 section 121.091, Florida Statutes, 1998 Supplement, is amended
5 to read:

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

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

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

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

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

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

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

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

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

14 Section 38. 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 39. 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 40. 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 41. 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 42. 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 43. 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 44. 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 45. 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 46. 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 47. 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 48. 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 49. 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 50. 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 51. 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 52. Paragraph (b) of subsection (3), paragraph
23 (b) of subsection (11), and paragraphs (a) and (b) of
24 subsection (14) of section 121.40, Florida Statutes, 1998
25 Supplement, are amended to read:

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

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

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

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

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

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

30 (14) ADMINISTRATION OF SYSTEM.--

31

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 53. 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 54. 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 55. 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 56. 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 57. 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 58. 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.

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1 Section 59. 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 60. 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 61. 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 62. 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 63. 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 64. 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 65. 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 66. 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 67. 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 68. 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 69. Subsection (1) of section 189.412, Florida
4 Statutes, is amended to read:

5 189.412 Special District Information Program; duties
6 and responsibilities.--The Special District Information
7 Program of the Department of Community Affairs is created and
8 has the following special duties:

9 (1) The collection and maintenance of special district
10 compliance status reports from the Auditor General, the
11 Department of Banking and Finance, the Division of Bond
12 Finance of the State Board of Administration, the Department
13 of Management Services ~~Division of Retirement~~, the Department
14 of Revenue, and the Commission on Ethics for the reporting
15 required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149,
16 112.63, 200.068, 218.32, 218.34, 218.38, and 280.17 and
17 chapter 121 and from state agencies administering programs
18 that distribute money to special districts. The special
19 district compliance status reports must consist of a list of
20 special districts used in that state agency and a list of
21 which special districts did not comply with the reporting
22 statutorily required by that agency.

23 Section 70. Paragraph (ii) of subsection (4) of
24 section 215.20, Florida Statutes, 1998 Supplement, is amended
25 to read:

26 215.20 Certain income and certain trust funds to
27 contribute to the General Revenue Fund.--

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

1 (ii) The Police and Firefighters' Premium Tax Trust
2 Fund established within the ~~Division of Retirement of the~~
3 Department of Management Services.

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

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

15 215.28 United States securities, purchase by state and
16 county officers and employees; deductions from salary.--

17 (3) All deductions so made by any such disbursing
18 authority shall be deposited in a trust account separate and
19 apart from the funds of the state, county, or subordinate
20 agency. Such account will be subject to withdrawal only for
21 the purchase of United States securities on behalf of officers
22 and employees, or for refunds to such persons in accordance
23 with the provisions of this law. Whenever the sum of \$18.75
24 or the purchase price of the security requested to be
25 purchased is accumulated from deductions so made from the
26 salaries or wages of an officer or employee, such disbursing
27 agent shall arrange the purchase of the bond or security
28 applied for and have it registered in the name or names
29 requested in the deduction authorization. Securities so
30 purchased will be delivered in such manner as may be
31 convenient for the issuing agent and the purchaser. Any

1 interest earned on moneys in such account while awaiting the
2 accumulation of the purchase price of the security shall be
3 transferred to the Florida Retirement System Trust Fund as
4 reimbursement for administrative costs incurred by the
5 Department of Management Services ~~Division of Retirement~~ under
6 this section.

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

9 215.50 Custody of securities purchased; income.--

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

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

28 238.01 Definitions.--The following words and phrases
29 as used in this chapter shall have the following meanings
30 unless a different meaning is plainly required by the context:
31

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

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

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

27 (13) "Earnable compensation" means the full
28 compensation payable to a teacher working the full working
29 time for his or her position. In respect to plans A, B, C, and
30 D only, in cases where compensation includes maintenance, the
31 Department of Management Services ~~division~~ shall fix the value

1 of that part of the compensation not paid in money; provided
2 that all members shall from July 1, 1955, make contributions
3 to the retirement system on the basis of "earnable
4 compensation" as defined herein and all persons who are
5 members on July 1, 1955, may, upon application, have their
6 "earnable compensation" for the time during which they have
7 been members prior to that date determined on the basis of
8 "earnable compensation" as defined in this law, upon paying to
9 the retirement system, on or before the date of retirement, a
10 sum equal to the additional contribution with accumulated
11 regular interest thereon they would have made if "earnable
12 compensation" had been defined, at the time they became
13 members, as it is now defined. However, earnable compensation
14 for all plan years beginning on or after July 1, 1990, shall
15 not include any amounts in excess of the compensation
16 limitation (originally \$200,000) established by s. 401(a)(17)
17 of the Internal Revenue Code prior to the Omnibus Budget
18 Reconciliation Act of 1993, which limitation shall be adjusted
19 for changes in the cost of living since 1989, in the manner
20 provided by s. 401(a)(17) of the Internal Revenue Code of
21 1991. This limitation, which has been part of the Teachers'
22 Retirement System since plan years beginning on or after July
23 1, 1990, shall be adjusted as required by federal law for
24 qualified government plans.

25 Section 74. Section 238.02, Florida Statutes, is
26 amended to read:

27 238.02 Name and date of establishment.--A retirement
28 system is established and placed under the management of the
29 Department of Management Services ~~Division of Retirement~~ for
30 the purpose of providing retirement allowances and other
31 benefits for teachers of the state. The retirement system

1 shall begin operations on July 1, 1939. It has such powers
2 and privileges of a corporation as may be necessary to carry
3 out effectively the provisions of this chapter and shall be
4 known as the "Teachers' Retirement System of the State," and
5 by such name all of its business shall be transacted, all of
6 its funds invested, and all of its cash and securities and
7 other property held in trust for the purpose for which
8 received.

9 Section 75. Section 238.03, Florida Statutes, is
10 amended to read:

11 238.03 Administration.--

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

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

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

27 (4) The department ~~division~~ shall employ such agents,
28 servants and employees as in its judgment may be necessary to
29 carry out the terms and provisions of this chapter and shall
30 provide for their compensation. Among the employees of the
31 department ~~division~~ shall be an actuary who shall be the

1 technical adviser of the department ~~division~~ on matters
2 regarding the operation of the funds created by the provisions
3 of this chapter and who shall perform such other duties as are
4 required in connection therewith.

5 (5) In the year 1943 and at least once in each 5-year
6 period thereafter, the actuary shall make an actuarial
7 investigation of the mortality, service and salary experience
8 of the members and beneficiaries as defined in this chapter,
9 and shall make a valuation of the various funds created by the
10 chapter, and having regard to such investigation and
11 valuation, the department ~~division~~ shall adopt such mortality
12 and service tables as shall be deemed necessary, and shall
13 certify the rates of contribution payable under the provisions
14 of this chapter.

15 (6) The actuary shall make an annual valuation of the
16 assets and liabilities of the funds of the retirement system
17 on the basis of the tables adopted by the department ~~division~~
18 in accordance with the requirements of this section, and shall
19 prepare an annual statement of the amounts to be contributed
20 by the state in accordance with s. 238.09.

21 (7) The department ~~division~~ shall publish annually the
22 valuation, as certified by the actuary, of the assets and
23 liabilities of the various funds created by this chapter, a
24 statement as to the receipts and disbursements of the funds,
25 and a statement as to the accumulated cash and securities of
26 the funds.

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

30 (9) The department ~~division~~ is authorized to
31 photograph and reduce to microfilm as a permanent record, its

1 ledger sheets showing the salary and contributions of members
2 of the retirement system, also the records of deceased members
3 of the system and thereupon to destroy the documents from
4 which such films are photographed.

5 Section 76. Paragraph (b) of subsection (1),
6 paragraphs (a) and (b) of subsection (3), and subsection (4)
7 of section 238.05, Florida Statutes, are amended to read:

8 238.05 Membership.--

9 (1) The membership of the retirement system shall
10 consist of the following:

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

19 (3) Except as otherwise provided in s. 238.07(9),
20 membership of any person in the retirement system will cease
21 if he or she is continuously unemployed as a teacher for a
22 period of more than 5 consecutive years, or upon the
23 withdrawal by the member of his or her accumulated
24 contributions as provided in s. 238.07(13), or upon
25 retirement, or upon death; provided that the adjustments
26 prescribed below are to be made for persons who enter the
27 Armed Forces of the United States during a period of war or
28 national emergency and for persons who are granted leaves of
29 absence. Any member of the retirement system who within 1
30 year before the time of entering the Armed Forces of the
31 United States was a teacher, as defined in s. 238.01, or was

1 engaged in other public educational work within the state, and
2 member of the Teachers' Retirement System at the time of
3 induction, or who has been or is granted leave of absence,
4 shall be permitted to elect to continue his or her membership
5 in the Teachers' Retirement System; and membership service
6 shall be allowed for the period covered by service in the
7 Armed Forces of the United States or by leave of absence under
8 the following conditions:

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

21 (b) A person who enters or who has entered the Armed
22 Forces of the United States may either continue his or her
23 membership according to the plan outlined under paragraph (a)
24 or, in lieu thereof, may file with the department ~~division~~ at
25 any time following the close of his or her military service an
26 application that his or her membership be continued and that
27 membership service be allowed for not more than 5 years of his
28 or her period of service in the Armed Forces of the United
29 States during any period of war or national emergency;
30 provided that any such person shall, prior to retirement, pay
31 in full his or her contributions with accumulated regular

1 interest to the retirement system for the period for which he
2 or she is entitled to membership service on the basis of his
3 or her last previous annual salary as a teacher. Such
4 contributions with interest may be paid to the department
5 ~~division~~ at one time or in monthly, quarterly, semiannual, or
6 annual payments in the person's discretion.

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

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

16 238.07 Regular benefits; survivor benefits.--

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

1 execution and filing of such application, it is his or her
2 desire to retire notwithstanding that during such period of
3 notification he or she may have separated from service. Upon
4 receipt of such application for retirement, the department
5 ~~division~~ shall retire such member not more than 90 days
6 thereafter. Before such member may retire he or she must file
7 with the department ~~division~~ his or her written selection of
8 one of the optional benefits provided in s. 238.08.

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

22 (12)(a) Once each year during the first 5 years
23 following the retirement of a member on a disability
24 retirement allowance, and once in every 3-year period
25 thereafter, the department ~~division~~ may require any disability
26 beneficiary who has not yet attained his or her minimum
27 service retirement age to undergo a medical examination by a
28 physician licensed by this state and to submit any other
29 evidence of disability as required by the department ~~division~~.
30 Should a disability beneficiary who has not yet attained his
31 or her minimum service retirement age refuse to submit to any

1 such medical examination, his or her retirement allowance
2 shall be discontinued until his or her withdrawal of such
3 refusal, and should such refusal continue for 1 year, all of
4 the disability beneficiary's rights in and to his or her
5 pension shall be forfeited.

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

25 (13) Should a member cease to be a teacher except by
26 death or by retirement under the provisions of this chapter,
27 the member shall be paid the amount of his or her accumulated
28 contributions. Should a member die before retirement, the
29 amount of his or her accumulated contributions shall be paid
30 to such person, if any, as he or she shall have nominated by
31 written designation duly executed and filed with the

1 department division; otherwise, to his or her executors or
2 administrators.

3 (15A)(a) Any member of the Teachers' Retirement System
4 who has heretofore, or who hereafter, retires with no less
5 than 10 years of creditable service and who has passed his or
6 her 65th birthday, may, upon application to the department
7 division, have his or her retirement allowance redetermined
8 and thereupon shall be entitled to a monthly service
9 retirement allowance which shall be equal to \$4 multiplied by
10 the number of years of the member's creditable service which
11 shall be payable monthly during his or her retirement;
12 provided, that the amount of retirement allowance as
13 determined hereunder, shall be reduced by an amount equal to:

14 1. Any social security benefits received by the
15 member, and

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

19 (b) No payment shall be made to a member of the
20 Teachers' Retirement System under this act, until the
21 department division has determined the social security status
22 of such member.

23 (c) Eligibility of a member of the Teachers'
24 Retirement System shall be determined under the social
25 security laws and regulations; provided, however, that a
26 member shall be considered eligible if the member or the
27 member's spouse has reached 65 years of age and would draw
28 social security if the member or the member's spouse were not
29 engaged in activity that results in the member or the member's
30 spouse receiving income that would make him or her ineligible
31 to receive social security benefits. A member of the

1 Teachers' Retirement System shall be deemed to be eligible for
2 social security benefits if the member has this eligibility in
3 his or her own right or through his or her spouse.

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

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

12 (f) This subsection shall take effect on January 1,
13 1962.

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

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

19 2. A child is a natural or legally adopted child of a
20 member, who:

21 a. Is under 18 years of age, or

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

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

1
 2 No person shall be considered a child who has married or,
 3 except as provided in sub-subparagraph 2.b. or as to a child
 4 who is physically or mentally incapable of self-support as
 5 hereinbefore set forth, has become 18 years of age.

6 3. A parent is a natural parent of a member and
 7 includes a lawful spouse of a natural parent.

8 4. A beneficiary is a person who is entitled to
 9 benefits under this subsection by reason of his or her
 10 relation to a deceased member during the lifetime of such
 11 member.

12 (d) Limitations on rights of beneficiary are:

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

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

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 28 2. Upon the death of a member, the department ~~division~~
 29 shall make a determination of the beneficiary or beneficiaries
 30 of the deceased member and shall pay survivor benefits to such
 31 beneficiary or beneficiaries beginning 1 month immediately

1 following the death of the member except where the beneficiary
2 has not reached the age required to receive benefits under
3 paragraph (b), in which event the payment of survivor benefits
4 shall begin as of the month immediately following the month in
5 which the beneficiary reaches the required age. When required
6 by the department ~~division~~, the beneficiary or beneficiaries
7 shall file an application for survivor benefits upon forms
8 prescribed by the department ~~division~~.

9 3. The beneficiaries of a member to receive survivor
10 benefits are fixed by this subsection, and a member may not
11 buy or otherwise change such benefits. He or she may,
12 however, designate the beneficiary to receive the \$500 death
13 benefits. If a member fails to make this designation, the
14 \$500 death benefits shall be paid to his or her executor or
15 administrator.

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

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

29 238.08 Optional benefits.--A member may elect to
30 receive his or her benefits under the terms of this chapter
31

1 according to the provisions of any one of the following
2 options:

3 (2) Option two. A member may elect to receive on
4 retirement the actuarial equivalent (at that time) of his or
5 her retirement allowance in a reduced retirement allowance
6 payable throughout life, with the provisions that if the
7 member dies before he or she has received in payment of his or
8 her annuity the amount of his or her accumulated
9 contributions, as they were at the time of his or her
10 retirement, the balance shall be paid to such person, if any,
11 as he or she shall nominate by written designation duly
12 acknowledged and filed with the department ~~division~~;
13 otherwise, to his or her executors or administrators.

14 (5)

15 (b) A member who elects Option three or Option four
16 shall, on a form provided for that purpose, designate his or
17 her spouse as beneficiary to receive the benefits which
18 continue to be payable upon the death of the member. After
19 such benefits have commenced under Option three or Option
20 four, the retired member may change the designation of his or
21 her spouse as beneficiary only twice. If such a retired
22 member remarries and wishes to make such a change, he or she
23 may do so by filing with the department ~~division~~ a notarized
24 change of spouse designation form and shall notify the former
25 spouse in writing of such change. Upon receipt of a completed
26 change of spouse designation form, the department ~~division~~
27 shall adjust the member's monthly benefit by the application
28 of actuarial tables and calculations developed to ensure that
29 the benefit paid is the actuarial equivalent of the present
30 value of the member's current benefit. The consent of a
31

1 retired member's formerly designated spouse as beneficiary to
2 any such change shall not be required.

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

7 (a) If the deceased member's surviving spouse has
8 previously received a refund of the member's accumulated
9 contributions made to the retirement system, such spouse may
10 pay to the department ~~Division of Retirement~~ an amount equal
11 to the sum of the amount of the deceased member's
12 contributions previously refunded and regular interest
13 compounded annually on the amount of such refunded
14 contributions from the date of refund to the date of payment
15 to the department ~~division~~, and by so doing be entitled to
16 receive the monthly retirement benefit provided in paragraph
17 (c).

18 (b) If the deceased member's surviving spouse has not
19 received a refund of the deceased member's accumulated
20 contributions, such spouse shall, upon application to the
21 department ~~division~~ within 30 days of the death of the member,
22 receive the monthly retirement benefit provided in paragraph
23 (c).

24 (c) The monthly benefit payable to the spouse
25 described in paragraph (a) or paragraph (b) shall be the
26 amount which would have been payable to the deceased member's
27 spouse, assuming that the member retired on the date of his or
28 her death and had selected the option in subsection (3), such
29 benefit to be based on the ages of the spouse and member as of
30 the date of death of the member. The benefit shall commence on
31 the first day of the month following the payment of the

1 aforesaid amount to the department ~~division~~, if paragraph (a)
2 is applicable, or on the first day of the month following the
3 receipt of the spouse's application by the department
4 ~~division~~, if paragraph (b) is applicable.

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

15 Section 79. Paragraphs (a), (c), and (d) of subsection
16 (1), paragraphs (b), (c), and (e) of subsection (3), and
17 paragraph (b) of subsection (5) of section 238.09, Florida
18 Statutes, are amended to read;

19 238.09 Method of financing.--All of the assets of the
20 retirement system shall be credited, according to the purposes
21 for which they are held, to one of four funds; namely, the
22 Annuity Savings Trust Fund, the Pension Accumulation Trust
23 Fund, the Expense Trust Fund, and the Survivors' Benefit Trust
24 Fund.

25 (1) The Annuity Savings Trust Fund shall be a fund in
26 which shall be accumulated contributions made from the
27 salaries of members under the provisions of paragraph (c) or
28 paragraph (f). Contribution to, payments from, the Annuity
29 Savings Trust Fund shall be made as follows:

30 (a) With respect to plan A, B, C, or D, upon the basis
31 of such tables as the Department of Management Services

1 ~~Division of Retirement~~ shall adopt, and regular interest, the
2 actuary of the retirement system shall determine for each
3 member the proportion of earnable compensation which, when
4 deducted from each payment of his or her prospective earnable
5 annual compensation prior to his or her minimum service
6 retirement age, and accumulated at regular interest until such
7 age, shall be computed to provide at such age:

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

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

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

20
21 In the case of any member who has attained his or her minimum
22 service retirement age prior to becoming a member, the
23 proportion of salary applicable to such member, with respect
24 to plan A, B, C, or D, shall be the proportion computed for
25 the age 1 year younger than his or her minimum service
26 retirement age.

27 (c) The department ~~Division of Retirement~~ shall
28 certify to each employer the proportion of the earnable
29 compensation of each member who is compensated by the
30 employer, and the employer shall cause to be deducted from the
31 salary of each member on each and every payroll for each and

1 every payroll period an amount equal to the proportion of the
2 member's earnable compensation so computed. With respect to
3 plan A, B, C, or D, the employer shall not make any deduction
4 for annuity purposes from the compensation of a member who has
5 attained the age of 60 years, if such member elects not to
6 contribute.

7 (d) In determining the amount earnable by a member in
8 a payroll period, the department ~~division~~ may consider the
9 rate of compensation payable to such member on the first day
10 of the payroll period as continuing throughout such payroll
11 period, and it may omit deductions from compensation for any
12 period less than a full payroll period if a teacher was not a
13 member on the first day of the payroll period, and to
14 facilitate the making of deductions, it may modify any
15 deduction required of any member by such an amount as shall
16 not exceed one-tenth of 1 percent of the annual salary from
17 which said deduction is to be made.

18 (3) The Pension Accumulation Trust Fund shall be the
19 fund in which shall be accumulated all reserves for the
20 payment of all annuities or benefits in lieu of annuities on
21 retired members and all pensions and other benefits payable
22 from contributions made by the members and by the employers,
23 from which annuities, pensions and benefits in lieu thereof
24 shall be paid. Contributions to, and payments from, the
25 Pension Accumulation Trust Fund, other than as set forth in
26 subsections (2) and (3) herein, shall be made as follows:

27 (b) On the basis of regular interest and of such
28 mortality and other tables as shall be adopted by the
29 department ~~division~~, the actuary engaged by the department
30 ~~division~~ to make each valuation required by this chapter
31 shall, during the period over which the accrued liability

1 contribution is payable, determine, immediately after making
2 such valuation, the uniform and constant percentage of the
3 earnable compensation of the average new entrant, which, if
4 contributed on the basis of his or her compensation throughout
5 his or her entire period of service, would be sufficient to
6 provide for the payment of any pension payable by the state on
7 his or her account. The rate percent so determined shall be
8 known as the normal contribution rate. After the accrued
9 liability contribution has ceased to be payable, the normal
10 contribution rate shall be the rate percent of the earnable
11 compensation of all members, obtained by deducting from the
12 total liabilities of the Pension Accumulation Trust Fund the
13 amount of the funds in hand to the credit of that fund and
14 dividing the remainder by 1 percent of the present value of
15 the prospective future salaries of all members as computed on
16 the basis of the mortality and service tables adopted by the
17 department ~~division~~ and on the basis of regular interest. The
18 normal rate of contribution shall be determined and certified
19 to the department ~~division~~ by the actuary after each valuation
20 and shall continue in force until a new valuation and
21 certification are made.

22 (c) Immediately succeeding the first valuation, the
23 actuary engaged by the department ~~division~~ shall compute the
24 rate percent of the total earnable compensation of all members
25 which is equivalent to 4 percent of the amount of the total
26 liability for pensions on account of all members and
27 beneficiaries and not dischargeable by the present assets of
28 the Pension Accumulation Trust Fund and by the aforesaid
29 normal contribution if made on account of such members during
30 the remainder of their active service. The rate percent,
31

1 originally so determined, shall be known as the accrued
2 liability contribution rate.

3 (e) The accrued liability contribution shall be
4 discontinued as soon as the accumulated reserve in the Pension
5 Accumulation Trust Fund shall equal the present value, as
6 actuarially computed and approved by the department ~~division~~,
7 of the total liability of such fund less the present value,
8 computed on the basis of the normal contribution rate, then in
9 force of the prospective normal contributions to be received
10 on account of persons who are at that time members.

11 (5)

12 (b) The department ~~division~~ shall annually certify to
13 each employer, at the time it makes the certification to the
14 employer under paragraph (1)(c), the rate of
15 twenty-five-hundredths percent to be applied by the employer
16 to the salary 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 twenty-five-hundredths
20 percent of the member's salary paid by the employer and the
21 employer shall remit monthly such deducted amounts to the
22 department ~~division~~ which shall place the same in the
23 Survivors' Benefit Trust Fund of the Teachers' Retirement
24 System of the state. The amount of contributions by a member
25 to the Survivors' Benefit Trust Fund shall, in no event, be
26 refundable to the member or his or her beneficiaries.

27 Section 80. Section 238.10, Florida Statutes, is
28 amended to read:

29 238.10 Management of funds.--The Department of
30 Management Services ~~Division of Retirement~~, annually, shall
31 allow regular interest on the amount for the preceding year to

1 the credit of each of the funds of the retirement system, and
2 to the credit of the individual account therein, if any, with
3 the exception of the expense fund, from the interest and
4 dividends earned from investments.

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

8 238.11 Collection of contributions.--

9 (1) The collection of contributions shall be as
10 follows:

11 (b) Each employer shall transmit monthly to the
12 Department of Management Services ~~Division of Retirement~~ a
13 warrant for the total amount of such deductions. Each employer
14 shall also transmit monthly to the department ~~division~~ a
15 warrant for such employer contribution set aside as provided
16 for in paragraph (a) of this subsection. The department
17 ~~division~~, after making records of all such warrants, shall
18 transmit them to the Department of Banking and Finance for
19 delivery to the Treasurer of the state who shall collect them.

20 (2) The collection of the state contribution shall be
21 made as follows:

22 (b) The Department of Management Services ~~division~~
23 shall certify one-fourth of the amount so ascertained for each
24 year to the Comptroller on or before the last day of July,
25 October, January, and April of each year. The Comptroller
26 shall, on or before the first day of August, November,
27 February, and May of each year, draw his or her warrant or
28 warrants on the Treasurer for the respective amounts due the
29 several funds of the retirement system. On the receipt of the
30 warrant or warrants of the Comptroller, the Treasurer shall

31

1 immediately transfer to the several funds of the retirement
2 system the amounts due.

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

7 (a) On April 1 of each year, the Department of
8 Management Services ~~division~~ shall certify to any such
9 nonprofit professional association or corporation of teachers
10 the amounts which will become due and payable during the
11 ensuing fiscal year to each of the funds of the retirement
12 system to which such contributions are payable as set forth in
13 this law.

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

30 Section 82. Section 238.12, Florida Statutes, is
31 amended to read:

1 238.12 Duties of employers.--

2 (1) Each employer shall keep such records and, from
3 time to time, shall furnish such information as the Department
4 of Management Services ~~Division of Retirement~~ may require in
5 the discharge of its duties. Upon the employment of any
6 teacher to whom this chapter may apply, the teacher shall be
7 informed by his or her employer of his or her duties and
8 obligations in connection with the retirement system as a
9 condition of his or her employment. Every teacher accepting
10 employment shall be deemed to consent and agree to any
11 deductions from his or her compensation required in this
12 chapter and to all other provisions of this chapter.

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

17 (3) Each employer shall, on the first day of each
18 calendar month, or at such less frequent intervals as the
19 department ~~division~~ may approve, notify the department
20 ~~division~~ of the employment of new teachers, removals,
21 withdrawals and changes in salary of members that have
22 occurred during the preceding month, or the period covered
23 since the last notification.

24 Section 83. Section 238.14, Florida Statutes, is
25 amended to read:

26 238.14 Protection against fraud.--Any person who shall
27 knowingly make any false statement, or shall falsify or permit
28 to be falsified any record or records of this retirement
29 system in any attempt to defraud such system as a result of
30 such act, shall be guilty of a misdemeanor of the second
31 degree, punishable as provided in s. 775.082 or s. 775.083.

1 Should any change or error in records result in any member or
2 beneficiary receiving from the retirement system more or less
3 than he or she would have been entitled to receive had the
4 records been correct, then on discovery of any such error the
5 department ~~division~~ shall correct such error, and, as far as
6 practicable, shall adjust the payments in such a manner that
7 the actuarial equivalent of the benefit, to which such member
8 or beneficiary was correctly entitled, shall be paid.

9 Section 84. Section 238.15, Florida Statutes, is
10 amended to read:

11 238.15 Exemption of funds from taxation, execution,
12 and assignment.--The pensions, annuities or any other benefits
13 accrued or accruing to any person under the provisions of this
14 chapter and the accumulated contributions and cash securities
15 in the funds created under this chapter are exempted from any
16 state, county or municipal tax of the state, and shall not be
17 subject to execution or attachment or to any legal process
18 whatsoever, and shall be unassignable, except:

19 (1) That any teacher who has retired shall have the
20 right and power to authorize in writing the Department of
21 Management Services ~~Division of Retirement~~ to deduct from his
22 or her monthly retirement allowance money for the payment of
23 the premiums on group insurance for hospital, medical and
24 surgical benefits, under a plan or plans for such benefits
25 approved in writing by the Insurance Commissioner and
26 Treasurer of the state, and upon receipt of such request the
27 department ~~division~~ shall make the monthly payments as
28 directed; and

29 (2) As may be otherwise specifically provided for in
30 this chapter.

31

1 Section 85. Paragraph (b) of subsection (3) of section
2 238.171, Florida Statutes, is amended to read:

3 238.171 Monthly allowance; when made.--

4 (3)

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

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

16 238.181 Reemployment after retirement; conditions and
17 limitations.--

18 (2)

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

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

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

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

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

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

19 (e) The Board of Trustees of the Florida School for
20 the Deaf and the Blind may reemploy a retired member as a
21 substitute teacher, substitute residential instructor, or
22 substitute nurse on a noncontractual basis after he or she has
23 been retired for 1 calendar month, in accordance with s.
24 121.021(39). Any retired member who is reemployed within 1
25 calendar month after retirement shall void his or her
26 application for retirement benefits. The Board of Trustees of
27 the Florida School for the Deaf and the Blind reemploying such
28 teachers, residential instructors, or nurses is subject to the
29 retirement contribution required by paragraph (g).
30 Reemployment of a retired member as a substitute teacher,
31 substitute residential instructor, or substitute nurse is

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

26 (f) The State University System may reemploy a retired
27 member as an adjunct faculty member or as a participant in a
28 phased retirement program within the State University System
29 after the retired member has been retired for 1 calendar
30 month, in accordance with s. 121.021(39). Any retired member
31 who is reemployed within 1 calendar month after retirement

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

30 Section 87. Section 238.32, Florida Statutes, is
31 amended to read:

1 238.32 Service credit in disputed cases.--The
2 Department of Management Services ~~Division of Retirement~~ may
3 in its discretion allow or deny a member service credit in
4 disputed or doubtful cases for employment in Florida and
5 out-of-state schools in order to serve the best interests of
6 the state and the member, subject to the membership dates set
7 forth in s. 238.06(4).

8 Section 88. Paragraph (c) of subsection (1),
9 paragraphs (a), (b), and (f) of subsection (3), paragraph (b)
10 of subsection (4), and paragraph (b) of subsection (6) of
11 section 240.3195, Florida Statutes, are amended to read:

12 240.3195 State Community College System Optional
13 Retirement Program.--Each community college may implement an
14 optional retirement program, if such program is established
15 therefor pursuant to s. 240.319(3)(r), under which annuity
16 contracts providing retirement and death benefits may be
17 purchased by, and on behalf of, eligible employees who
18 participate in the program. Except as otherwise provided
19 herein, this retirement program, which shall be known as the
20 State Community College System Optional Retirement Program,
21 may be implemented and administered only by an individual
22 community college or by a consortium of community colleges.

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

24 (c) "Department" ~~"Division"~~ means the ~~Division of~~
25 ~~Retirement of the~~ Department of Management Services.

26 (3)(a) With respect to any employee who is eligible to
27 participate in the optional retirement program by reason of
28 qualifying employment commencing before the program's
29 activation:

30 1. The employee may elect to participate in the
31 optional retirement program in lieu of participation in the

1 Florida Retirement System. To become a program participant,
2 the employee must file with the personnel officer of the
3 college, within 60 days after the program's activation, both a
4 written election on a form provided by the department ~~division~~
5 and a completed application for an individual contract or
6 certificate.

7 2. An employee's participation in the optional
8 retirement program commences on the first day of the next full
9 calendar month following the filing of the election and
10 completed application with the program administrator and
11 receipt of such election by the department ~~division~~. An
12 employee's membership in the Florida Retirement System
13 terminates on this same date.

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

18 (b) With respect to any employee who becomes eligible
19 to participate in an optional retirement program by reason of
20 qualifying employment commencing on or after the program's
21 activation:

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

30 2. An employee's participation in the optional
31 retirement program commences on the first day of the next full

1 calendar month following the filing of the election and
2 completed application with the program administrator and
3 receipt of such election by the department ~~division~~. An
4 employee's membership in the Florida Retirement System
5 terminates on this same date.

6 3. If the employee makes an election to participate in
7 the optional retirement program before the community college
8 submits its initial payroll for the employee, participation in
9 the optional retirement program commences on the first date of
10 employment.

11 4. Any such employee who fails to make an election to
12 participate in the optional retirement program within 60 days
13 after commencing qualifying employment has elected to retain
14 membership in the Florida Retirement System.

15 (f) If a program participant becomes ineligible to
16 continue participating in the optional retirement program
17 pursuant to the criteria referenced in subsection (2), the
18 employee becomes a member of the Florida Retirement System if
19 eligible. The college must notify the department ~~Division of~~
20 ~~Retirement~~ of an employee's change in eligibility status
21 within 30 days after the event that makes the employee
22 ineligible to continue participation in the optional
23 retirement program.

24 (4)

25 (b) Each community college must contribute on behalf
26 of each program participant an amount equal to the unfunded
27 actuarial accrued liability portion of the employer
28 contribution which would be required if the program
29 participant were a member of the Regular Class of the Florida
30 Retirement System. Payment of this contribution must be made
31

1 directly by the college to the department ~~division~~ for deposit
2 in the Florida Retirement System Trust Fund.

3 (6)

4 (b) The program administrator shall solicit
5 competitive bids or issue a request for proposal and select no
6 more than four companies from which annuity contracts may be
7 purchased under the optional retirement program. In making
8 these selections, the program administrator shall consider the
9 following factors:

10 1. The financial soundness of the company.

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

13 3. The nature and extent of the rights and benefits
14 provided to program participants in relation to the premiums
15 paid.

16 4. The suitability of the rights and benefits provided
17 to the needs of eligible employees and the interests of the
18 college in the recruitment and retention of employees.

19
20 In lieu of soliciting competitive bids or issuing a request
21 for proposals, the program administrator may authorize the
22 purchase of annuity contracts under the optional retirement
23 program from those companies currently selected by the
24 department ~~Division of Retirement~~ to offer such contracts
25 through the State University System Optional Retirement
26 Program, as set forth in s. 121.35.

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

29 250.22 Retirement.--
30
31

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

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

6 321.17 Contributions; leaving patrol; leave of
7 absence; transferees.--

8 (2) Such members as are eligible for service credit as
9 set forth under s. 321.19(1) may pay to the Treasurer to the
10 credit of the Highway Patrol Pension Trust Fund, the sum of \$5
11 for each month of such service credit. Satisfactory proof of
12 former service must be furnished the Department of Management
13 Services ~~Division of Retirement~~ in the form of a sworn,
14 written statement from the member's former employer or other
15 reliable person, or other documents of proof as may be
16 required by them. Such money as becomes due by reason of this
17 clause shall be paid by said employee in equal monthly
18 payments over a period not to exceed 60 months after October
19 1, 1945. Employees who fail to take advantage of the benefits
20 offered under s. 321.19(1) within 90 days after October 1,
21 1945, shall forfeit such service credits forever. New members
22 who may hereafter enter the service of division of the Florida
23 Highway Patrol who fail to take advantage of the benefits
24 offered under s. 321.19(1) within 90 days after time of
25 employment shall forfeit such service credits forever.

26 Section 91. Paragraph (d) of subsection (1) of section
27 321.19, Florida Statutes, is amended to read:

28 321.19 Computing length of service; definitions;
29 examining committee.--

30 (1)
31

1 (d) The surviving spouse or other dependent of any
2 member whose employment is terminated by death shall, upon
3 application to the Department of Management Services ~~director~~
4 ~~of the Division of Retirement~~, be permitted to pay the
5 required contributions for any service performed by the member
6 which could have been claimed by the member at the time of his
7 or her death. Such service shall be added to the creditable
8 service of the member and used in the calculation of any
9 benefits which may be payable to the surviving spouse or other
10 surviving dependent.

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

14 321.191 Non-service-connected disability retirement.--

15 (1) A member who becomes totally and permanently
16 disabled after completing 10 years of service shall be
17 entitled to a disability benefit. The disability retirement
18 date for such member shall be the first day of the month
19 following the month during which the Department of Management
20 Services ~~Division of Retirement~~ approved payment of disability
21 retirement benefits.

22 (2) A member shall be considered totally and
23 permanently disabled if, in the opinion of the Department of
24 Management Services ~~Division of Retirement~~, he or she is
25 prevented by physical or mental impairment from engaging in
26 any gainful activity for which he or she is, or may reasonably
27 become, fitted by education, training, or experience. The
28 decision of the Department of Management Services ~~division~~
29 shall be final and binding.

30 (4) The Department of Management Services ~~division~~,
31 before approving payment of any disability retirement benefit,

1 may require proof, in such form as it may decide, that the
2 member is disabled as defined herein.

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

9 Section 93. Section 321.202, Florida Statutes, is
10 amended to read:

11 321.202 Termination by death subsequent to normal
12 retirement date but prior to actual retirement.--If the
13 employment of a member is terminated by reason of his or her
14 death subsequent to the member's normal retirement date but
15 prior to his or her actual retirement, it shall be assumed
16 that the member retired as of his or her date of death and
17 that the member had elected the optional form of payment most
18 favorable to his or her legal spouse as determined by the
19 Department of Management Services ~~Division of Retirement~~. The
20 benefits so determined shall be payable monthly to the spouse
21 until the death of the spouse.

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

24 321.203 Reemployment after retirement; conditions and
25 limitations.--

26 (2) Any person to whom the limitation in subsection
27 (1) applies who violates such reemployment limitation and is
28 reemployed with any agency participating in the Florida
29 Retirement System prior to completion of the 12-month
30 limitation period shall give timely notice of this fact in
31 writing to his or her employer and to the division; and his or

1 her retirement benefits shall be suspended for the balance of
2 the 12-month limitation period. Any person employed in
3 violation of this section and any employing agency which
4 knowingly employs or appoints such person without notifying
5 the Department of Management Services ~~Division of Retirement~~
6 to suspend retirement benefits shall be jointly and severally
7 liable for reimbursement to the retirement trust fund of any
8 benefits paid during the reemployment limitation period. To
9 avoid liability, such employing agency shall have a written
10 statement from the retiree that he or she is not retired from
11 a state-administered retirement system. Any retirement
12 benefits received by such person while he or she is reemployed
13 during this reemployment limitation period shall be repaid to
14 the trust fund, and his or her retirement benefits shall
15 remain suspended until such repayment has been made. Any
16 benefits suspended beyond the reemployment limitation period
17 shall apply toward the repayment of benefits received in
18 violation of the reemployment limitation.

19 Section 95. Section 321.2205, Florida Statutes, is
20 amended to read:

21 321.2205 Surviving spouses' benefit
22 options.--Notwithstanding any other provision in this chapter
23 to the contrary, the following provisions shall apply to any
24 member who has accumulated at least 10 years of service and
25 dies:

26 (1) If the deceased member's surviving spouse has
27 previously received a refund of the member's contributions
28 made to the Highway Patrol Pension Trust Fund, such spouse may
29 pay to the Department of Management Services ~~Division of~~
30 ~~Retirement~~ an amount equal to the sum of the amount of the
31 deceased member's contributions previously refunded and

1 interest at 3 percent compounded annually on the amount of
2 such refunded contributions from the date of refund to the
3 date of payment to the Department of Management Services
4 ~~Division of Retirement~~, and receive the monthly retirement
5 benefit provided in subsection (3).

6 (2) If the deceased member's surviving spouse has not
7 received a refund of the deceased member's contribution, such
8 spouse shall, upon application to the Department of Management
9 Services ~~Division of Retirement~~, receive the monthly
10 retirement benefit provided in subsection (3).

11 (3) The monthly benefit payable to the spouse
12 described in subsection (1) or subsection (2) shall be the
13 amount which would have been payable to the deceased member's
14 spouse, assuming that the member had retired on the date of
15 his or her death and had selected the option in s. 321.20
16 which would afford the surviving spouse the greatest amount of
17 benefits, such benefit to be based on the ages of the spouse
18 and member as of the date of death of the member. Such
19 benefit shall commence on the first day of the month following
20 the payment of the aforesaid amount to the Department of
21 Management Services ~~Division of Retirement~~, if subsection (1)
22 is applicable, or on the first day of the month following the
23 receipt of the spouse's application by the Department of
24 Management Services ~~Division of Retirement~~, if subsection (2)
25 is applicable.

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

28 413.051 Eligible blind persons; operation of vending
29 stands.--

30 (11) Effective July 1, 1996, blind licensees who
31 remain members of the Florida Retirement System pursuant to s.

1 121.051(6)(b)1. shall pay any unappropriated retirement costs
2 from their net profits or from program income. Within 30 days
3 after the effective date of this act, each blind licensee who
4 is eligible to maintain membership in the Florida Retirement
5 System under s. 121.051(6)(b)1., but who elects to withdraw
6 from the system as provided in s. 121.051(6)(b)3., must, on or
7 before July 31, 1996, notify the Division of Blind Services
8 and the Department of Management Services ~~Division of~~
9 ~~Retirement~~ in writing of his or her election to withdraw.
10 Failure to timely notify the divisions shall be deemed a
11 decision to remain a compulsory member of the Florida
12 Retirement System. However, if, at any time after July 1,
13 1996, sufficient funds are not paid by a blind licensee to
14 cover the required contribution to the Florida Retirement
15 System, that blind licensee shall become ineligible to
16 participate in the Florida Retirement System on the last day
17 of the first month for which no contribution is made or the
18 amount contributed is insufficient to cover the required
19 contribution. For any blind licensee who becomes ineligible
20 to participate in the Florida Retirement System as described
21 in this subsection, no creditable service shall be earned
22 under the Florida Retirement System for any period following
23 the month that retirement contributions ceased to be reported.
24 However, any such person may participate in the Florida
25 Retirement System in the future if employed by a participating
26 employer in a covered position.

27 Section 97. Paragraph (c) of subsection (4) of section
28 633.382, Florida Statutes, is amended to read:

29 633.382 Firefighters; supplemental compensation.--

30 (4) FUNDING.--

31

1 (c) There is appropriated from the Police and
2 Firefighter's Premium Tax Trust Fund to the Firefighters'
3 Supplemental Compensation Trust Fund, which is hereby created
4 under the Department of Revenue, all moneys which have not
5 been distributed to municipalities and special fire control
6 districts in accordance with s. 175.121 as a result of the
7 limitation contained in s. 175.122 on the disbursement of
8 revenues collected pursuant to chapter 175 or as a result of
9 any municipality or special fire control district not having
10 qualified in any given year, or portion thereof, for
11 participation in the distribution of the revenues collected
12 pursuant to chapter 175. The total required annual
13 distribution from the Firefighters' Supplemental Compensation
14 Trust Fund shall equal the amount necessary to pay
15 supplemental compensation as provided in this section,
16 provided that:

17 1. Any deficit in the total required annual
18 distribution shall be made up from accrued surplus funds
19 existing in the Firefighters' Supplemental Compensation Trust
20 Fund on June 30, 1990, for as long as such funds last. If the
21 accrued surplus is insufficient to cure the deficit in any
22 given year, the proration of the appropriation among the
23 counties, municipalities, and special fire service taxing
24 districts shall equal the ratio of compensation paid in the
25 prior year to county, municipal, and special fire service
26 taxing district firefighters pursuant to this section. This
27 ratio shall be provided annually to the Department of Revenue
28 by the Division of State Fire Marshal. Surplus funds that
29 have accrued or accrue on or after July 1, 1990, shall be
30 redistributed to municipalities and special fire control
31 districts as provided in subparagraph 2.

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

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

11 650.02 Definitions.--For the purpose of this chapter:

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

14 Section 99. Each department of the executive branch
15 shall survey each board, commission, and other such entity
16 under its jurisdiction and recommend whether the entity should
17 be abolished, continued, or revised. This information shall be
18 provided to the Department of Management Services in the
19 electronic format provided by that department. The Department
20 of Management Services shall report the findings from all
21 departments to the Governor and the Legislature by December 1,
22 1999.

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

25 215.94 Designation, duties, and responsibilities of
26 functional owners.--

27 (5) The Department of Management Services shall be the
28 functional owner of the Cooperative Personnel Employment
29 Subsystem. The department shall design, implement, and
30 operate the subsystem in accordance with the provisions of ss.

31

1 110.116 and 215.90-215.96. The subsystem shall include, but
2 shall not be limited to, functions for:

3 (a) Maintenance of employee and position data,
4 including funding sources and percentages and salary lapse.
5 The employee data shall include, but not be limited to,
6 information to meet the payroll system requirements of the
7 Department of Banking and Finance and to meet the employee
8 benefit system requirements of ~~the Division of State Employees~~
9 ~~insurance in~~ the Department of Management Services.

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

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