

1                   A bill to be entitled  
2           An act relating to state-administered  
3           retirement systems; amending s. 112.63, F.S.;  
4           providing for review and comment on local  
5           government retirement system actuarial  
6           valuation reports and impact statements on a  
7           triennial basis; clarifying the basis of  
8           required payments; amending s. 112.65, F.S.;  
9           modifying the limitation on benefits for  
10          service under more than one retirement system  
11          or plan; amending s. 121.011, F.S.; clarifying  
12          requirements related to consolidation of  
13          existing retirement systems and preservation of  
14          rights; amending s. 121.021, F.S.; redefining  
15          "creditable service" to conform the definition  
16          to existing law; clarifying creditable service  
17          provisions for certain school board employees;  
18          amending s. 121.031, F.S.; authorizing the  
19          Division of Retirement to adopt rules;  
20          reenacting s. 121.051(6), F.S., relating to  
21          Florida Retirement System membership status of  
22          blind vending facility operators; reenacting  
23          ss. 121.052(7)(a), 121.055(3)(a), 121.071(1),  
24          F.S., relating to contribution rates; amending  
25          ss. 121.052, 121.055, 121.071, F.S.; changing  
26          contribution rates for specified classes and  
27          subclasses of the system; correcting an error;  
28          conforming provisions relating to de minimis  
29          accounts to federal law; providing for  
30          withdrawal from the Senior Management Service  
31          Class; amending s. 121.081, F.S.; clarifying

1 provisions relating to past service and prior  
2 service; amending s. 121.091, F.S.; clarifying  
3 proof of disability requirements; modifying  
4 provisions relating to death benefits to permit  
5 purchase of certain retirement credit by joint  
6 annuitants; clarifying the contribution rate  
7 and interest required to be paid for such  
8 purchases; updating references; amending s.  
9 121.122, F.S.; correcting a reference; amending  
10 121.24, F.S.; authorizing the State Retirement  
11 Commission to adopt rules; amending s. 121.35,  
12 F.S.; conforming provisions relating to de  
13 minimis accounts to federal law; amending s.  
14 121.40, F.S., to remove reemployment  
15 limitations and reenacting subsection (12),  
16 relating to contribution rates for the  
17 supplemental retirement program for the  
18 Institute of Food and Agricultural Sciences at  
19 the University of Florida; reenacting s.  
20 413.051(11), (12), F.S., relating to Florida  
21 Retirement System membership eligibility and  
22 retirement contribution payments for blind  
23 vending facility operators; amending s. 112.18,  
24 F.S.; providing presumptions that certain  
25 illnesses incurred by law enforcement officers  
26 are done so in the line of duty; amending ss.  
27 175.071 and 185.06, F.S.; providing, with  
28 respect to the board of trustees for municipal  
29 firefighters' pension trust funds and municipal  
30 police officers' retirement trust funds that  
31 the board may invest in corporations on the

1 National Market System of the Nasdaq Stock  
2 Market; repealing s. 121.027, F.S., relating to  
3 the division's rulemaking authority for ch.  
4 97-180, Laws of Florida; amending s. 112.64,  
5 F.S.; providing a pension experience dividend;  
6 providing for review of actuarial reports by  
7 the Trustees of the Florida Retirement System;  
8 amending s. 216.136, F.S.; creating a Florida  
9 Retirement System Actuarial Assumption  
10 Conference; providing duties and principals;  
11 providing an effective date.

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

14  
15 Section 1. Subsections (4) and (5) of section 112.63,  
16 Florida Statutes, are amended to read:

17 112.63 Actuarial reports and statements of actuarial  
18 impact; review.--

19 (4) Effective July 1, 1999, upon receipt, pursuant to  
20 subsection (2), of an actuarial report, or upon receipt,  
21 pursuant to subsection (3), of a statement of actuarial  
22 impact, the division shall acknowledge such receipt, but shall  
23 only review and comment on each retirement system's or plan's  
24 the actuarial valuations at least on a triennial basis ~~and~~  
25 ~~statements~~. If the division finds that the actuarial  
26 valuation is not complete, accurate, or based on reasonable  
27 assumptions, or if the division does not receive the actuarial  
28 report or statement of actuarial impact, the division shall  
29 notify the local government and request appropriate  
30 adjustment. If, after a reasonable period of time, a  
31 satisfactory adjustment is not made, the affected local

1 government or the division may petition for a hearing under  
2 the provisions of ss. 120.569 and 120.57. If the  
3 administrative law judge recommends in favor of the division,  
4 the division shall perform an actuarial review or prepare the  
5 statement of actuarial impact. The cost to the division of  
6 performing such actuarial review or preparing such statement  
7 shall be charged to the governmental entity of which the  
8 employees are covered by the retirement system or plan. If  
9 payment of such costs is not received by the division within  
10 60 days after receipt by the governmental entity of the  
11 request for payment, the division shall certify to the  
12 Comptroller the amount due, and the Comptroller shall pay such  
13 amount to the division from any funds payable to the  
14 governmental entity of which the employees are covered by the  
15 retirement system or plan. If the administrative law judge  
16 recommends in favor of the local retirement system and the  
17 division performs an actuarial review, the cost to the  
18 division of performing the actuarial review shall be paid by  
19 the division.

20 (5) Payments made to the fund as required by this  
21 chapter shall be based on the normal and past service costs  
22 contained in the ~~state-accepted version of the~~ most recent  
23 actuarial valuation, subject to being state-accepted.

24 Section 2. Subsection (2) of section 112.65, Florida  
25 Statutes, is amended to read:

26 112.65 Limitation of benefits.--

27 (2) No member of a retirement system or plan covered  
28 by this part who is not now a member of such plan shall be  
29 allowed to receive a retirement benefit or pension which is in  
30 part or in whole based upon any service with respect to which  
31 the member is already receiving, or will receive in the

1 future, a retirement benefit or pension from a different  
2 employer's ~~another~~ retirement system or plan. This  
3 restriction does not apply to social security benefits or  
4 federal benefits under chapter 67, Title 10, U.S. Code.

5 Section 3. Paragraph (b) of subsection (2) of section  
6 and paragraph (e) of subsection (3) of section 121.011,  
7 Florida Statutes, 1998 Supplement, are amended to read:

8 121.011 Florida Retirement System.--

9 (2) CONSOLIDATION OF EXISTING SYSTEMS AND LAWS.--

10 (b) The chapters or retirement system laws named in  
11 paragraph (a) are hereby consolidated as separate instruments  
12 appended to the "Florida Retirement System Act" established by  
13 this chapter, and the administration of said chapters or  
14 retirement systems shall be consolidated with the  
15 administration of the Florida Retirement System established by  
16 this chapter, and the Florida Retirement System shall assume  
17 all liabilities related to the payment of benefits to members  
18 and their beneficiaries under the respective retirement  
19 systems of the members and their beneficiaries.

20 (3) PRESERVATION OF RIGHTS.--

21 (e) Any member of the Florida Retirement System or any  
22 member of an existing system under this chapter on July 1,  
23 1975, who is not retired and who is, has been, or shall be,  
24 suspended and reinstated without compensation shall receive  
25 retirement service credit for the period of time from the date  
26 of suspension to the date of reinstatement, provided:

27 1. The creditable service claimed for the period of  
28 suspension does not exceed 24 months;

29 2. The member returns to active employment and remains  
30 on the employer's payroll for at least 1 calendar month ~~30~~  
31 ~~calendar days~~; and

1           3. The member pays into the Retirement System Trust  
2 Fund the total required employer contributions plus the total  
3 employee contributions, if applicable, based on the member's  
4 monthly compensation in effect for the pay period immediately  
5 preceding the period of suspension, prorated for the said  
6 period of suspension, plus interest thereon at a rate of 4  
7 percent per annum compounded annually until July 1, 1975, and  
8 6.5 percent interest thereafter until paid. If permitted by  
9 federal law, the member may pay into the Social Security Trust  
10 Fund the total cost, if any, of providing social security  
11 coverage for the period of suspension if any social security  
12 payments have been made by the employer for the benefit of the  
13 member during such period. Should there be any conflict as to  
14 payment for social security coverage, the payment for  
15 retirement service credit shall be made and retirement service  
16 credit granted regardless of such conflict.

17           Section 4. Paragraph (a) of subsection (17) of section  
18 121.021, Florida Statutes, 1998 Supplement, is amended to  
19 read:

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

23           (17)(a) "Creditable service" of any member means the  
24 sum of his or her past service, prior service, military  
25 service, out-of-state or non-FRS in-state service, workers'  
26 compensation credit, leave-of-absence credit and future  
27 service allowed within the provisions of this chapter if all  
28 required contributions have been paid and all other  
29 requirements of this chapter have been met. However, in no  
30 case shall a member receive credit for more than a year's  
31 service during any 12-month period. Service by ~~as applied to a~~

1 teacher, ~~or~~ a nonacademic employee of a school board, or an  
2 employee of a participating employer other than a school board  
3 whose total employment is to provide services to a school  
4 board for the school year only shall be based on contract  
5 years of employment or school term years of employment, as  
6 provided in chapters 122 and 238, rather than 12-month periods  
7 of employment.

8 Section 5. Subsection (1) of section 121.031, Florida  
9 Statutes, is amended to read:

10 121.031 Administration of system; appropriation;  
11 oaths; actuarial studies; public records.--

12 (1) The Division of Retirement has the authority to  
13 adopt ~~shall make such~~ rules pursuant to ss. 120.54 and  
14 120.536(1) to implement the provisions of law conferring  
15 duties upon the division and to adopt rules as are necessary  
16 for the effective and efficient administration of this system.  
17 The funds to pay the expenses for ~~such~~ administration of the  
18 system are hereby appropriated from the interest earned on  
19 investments made for the retirement and social security trust  
20 funds and the assessments allowed under chapter 650.

21 Section 6. Subsection (6) of section 121.051, Florida  
22 Statutes, 1998 Supplement, as amended by chapter 96-423, Laws  
23 of Florida, is reenacted to read:

24 121.051 Participation in the system.--

25 (6) SEASONAL STATE EMPLOYMENT; BLIND VENDING FACILITY  
26 OPERATORS.--

27 (a) Seasonal state employment shall be included under  
28 this chapter, and the time limit and procedure for claiming  
29 same as set forth in s. 122.07 shall continue under this  
30 chapter for those members transferring to this system and for  
31 all new members.

1 (b)1. All blind or partially sighted persons employed  
2 or licensed by the Division of Blind Services as vending  
3 facility operators on or after December 1, 1970, and prior to  
4 July 1, 1996, are hereby declared to be state employees within  
5 the meaning of this chapter, and all vending facility  
6 operators licensed and employed during that period shall be  
7 compulsory members of the Florida Retirement System in  
8 compliance with this chapter for as long as the member is a  
9 vending facility operator, except as provided in subparagraph  
10 3.

11 2. Blindness shall not be deemed a retirement  
12 disability within the provisions of this chapter for such  
13 members as are contemplated by this paragraph.

14 3. Any vending facility operator as described in  
15 subparagraph 1. may elect, on or before July 31, 1996, to  
16 withdraw from the Florida Retirement System as provided in s.  
17 413.051(11). The election to withdraw shall take effect as of  
18 July 1, 1996, and the decision to withdraw is irrevocable. A  
19 vending facility operator who withdraws from the Florida  
20 Retirement System as provided in this subparagraph shall  
21 retain all creditable service earned in the Florida Retirement  
22 System through the month that retirement contributions ceased  
23 to be reported, and no creditable service shall be earned as a  
24 vending facility operator after such month. However, any such  
25 person may participate in the Florida Retirement System in the  
26 future if employed by a participating employer in a covered  
27 position.

28 4. All blind or partially sighted persons employed or  
29 licensed by the Division of Blind Services as vending facility  
30 operators on or after July 1, 1996, shall be independent  
31



1 contractors within the meaning of this chapter and shall not  
 2 be eligible for membership in the Florida Retirement System.

3 Section 7. Paragraph (a) of subsection (7) of section  
 4 121.052, Florida Statutes, 1998 Supplement, as amended by  
 5 chapters 96-423 and 98-413, Laws of Florida, is reenacted and  
 6 amended to read:

7 121.052 Membership class of elected officers.--

8 (7) CONTRIBUTIONS.--

9 (a) The following table states the required retirement  
 10 contribution rates for members of the Elected Officers' Class  
 11 and their employers in terms of a percentage of the member's  
 12 gross compensation. A change in a contribution rate is  
 13 effective with the first salary paid on or after the beginning  
 14 date of the change. Contributions shall be made or deducted as  
 15 may be appropriate for each pay period and are in addition to  
 16 the contributions required for social security and the Retiree  
 17 Health Insurance Subsidy Trust Fund.

18			
19 Dates of Contribution			
20	Rate Changes	Members	Employers
21			
22	July 1, 1972, through September 30, 1977		
23	Legislators	8%	8%
24	All Other Members	8%	8%
25			
26	October 1, 1977, through September 30, 1978		
27	Legislators	8%	8%
28	All Other Members	4%	12%
29			
30	October 1, 1978, through September 30, 1979		
31	Legislators	8%	10.57%

1	All Other Members	4%	16.78%
2			
3	October 1, 1979, through September 30, 1981		
4	Legislators	8%	10.57%
5	Governor, Lt. Governor, Cabinet		
6	Officers	4%	16.78%
7	All Other Members	0%	20.78%
8			
9	July 1, 1981, through June 30, 1984		
10	County Elected Officers	0%	19.30%
11			
12	July 1, 1984, through September 30, 1984		
13	County Elected Officers	0%	20.25%
14			
15	October 1, 1981, through September 30, 1984		
16	Legislators	0%	19.30%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	21.03%
19	State Attorneys, Public Defenders	0%	20.95%
20	Justices, Judges	0%	22.55%
21			
22	October 1, 1984, through September 30, 1986		
23	Legislators	0%	10.98%
24	Governor, Lt. Governor, Cabinet		
25	Officers	0%	10.98%
26	State Attorneys, Public Defenders	0%	10.98%
27	Justices, Judges	0%	21.79%
28	County Elected Officers	0%	16.97%
29			
30	October 1, 1986, through December 31, 1988		
31	Legislators	0%	11.50%

1	Governor, Lt. Governor, Cabinet		
2	Officers	0%	11.50%
3	State Attorneys, Public Defenders	0%	11.50%
4	Justices, Judges	0%	20.94%
5	County Elected Officers	0%	17.19%
6			
7	January 1, 1989, through December 31, 1989		
8	Legislators	0%	13.70%
9	Governor, Lt. Governor, Cabinet		
10	Officers	0%	13.70%
11	State Attorneys, Public Defenders	0%	13.70%
12	Justices, Judges	0%	22.58%
13	County Elected Officers	0%	18.44%
14			
15	January 1, 1990, through December 31, 1990		
16	Legislators	0%	15.91%
17	Governor, Lt. Governor, Cabinet		
18	Officers	0%	15.91%
19	State Attorneys, Public Defenders	0%	15.91%
20	Justices, Judges	0%	24.22%
21	County Elected Officers	0%	19.71%
22			
23	January 1, 1991, through December 31, 1991		
24	Legislators	0%	17.73%
25	Governor, Lt. Governor, Cabinet		
26	Officers	0%	17.73%
27	State Attorneys, Public Defenders	0%	17.73%
28	Justices, Judges	0%	26.63%
29	County Elected Officers	0%	23.32%
30			
31	January 1, 1992, through December 31, 1992		

1	Legislators	0%	19.94%
2	Governor, Lt. Governor, Cabinet		
3	Officers	0%	19.94%
4	State Attorneys, Public Defenders	0%	19.94%
5	Justices, Judges	0%	28.27%
6	County Elected Officers	0%	24.59%
7			
8	January 1, 1993, through December 31, 1993		
9	Legislators	0%	22.14%
10	Governor, Lt. Governor, Cabinet		
11	Officers	0%	22.14%
12	State Attorneys, Public Defenders	0%	22.14%
13	Justices, Judges	0%	29.91%
14	County Elected Officers	0%	25.84%
15			
16	January 1, 1994, through December 31, 1994		
17	Legislators	0%	22.65%
18	Governor, Lt. Governor, Cabinet		
19	Officers	0%	22.65%
20	State Attorneys, Public Defenders	0%	22.65%
21	Justices, Judges	0%	30.52%
22	County Elected Officers	0%	26.07%
23			
24	January 1, 1995, through December 31, 1995		
25	Legislators	0%	22.80%
26	Governor, Lt. Governor, Cabinet		
27	Officers	0%	22.80%
28	State Attorneys, Public Defenders	0%	22.80%
29	Justices, Judges	0%	30.21%
30	County Elected Officers	0%	27.48%
31			

1	January 1, 1996, through June 30, 1996		
2	Legislators	0%	22.90%
3	Governor, Lt. Governor, Cabinet		
4	Officers	0%	22.90%
5	State Attorneys, Public Defenders	0%	22.90%
6	Justices, Judges	0%	30.15%
7	County Elected Officers	0%	27.54%
8			
9	July 1, 1996, through June 30, 1998		
10	Legislators	0%	23.07%
11	Governor, Lt. Governor, Cabinet		
12	Officers	0%	23.07%
13	State Attorneys, Public Defenders	0%	23.07%
14	Justices, Judges	0%	29.55%
15	County Elected Officers	0%	27.33%
16			
17	<u>Effective July 1, 1998, through</u>		
18	<u>June 30, 1999</u>		
19	Legislators	0%	22.33%
20	Governor, Lt. Governor, Cabinet		
21	Officers	0%	22.33%
22	State Attorneys, Public Defenders	0%	22.33%
23	Justices, Judges	0%	27.21%
24	County Elected Officers	0%	26.99%
25			
26	<u>Effective July 1, 1999</u>		
27	<u>Legislators</u>	<u>0%</u>	<u>14.31%</u>
28	<u>Governor, Lt. Governor, Cabinet</u>		
29	<u>Officers</u>	<u>0%</u>	<u>14.31%</u>
30	<u>State Attorneys, Public</u>		
31	<u>Defenders</u>	<u>0%</u>	<u>14.31%</u>

1	<u>Justices, Judges</u>	<u>0%</u>	<u>20.48%</u>
2	<u>County Elected</u>		
3	<u>Officers</u>	<u>0%</u>	<u>17.05%</u>
4			

5 Section 8. Paragraph (a) of subsection (3) of section  
6 121.055, Florida Statutes, 1998 Supplement, as amended by  
7 chapters 96-423 and 98-413, Laws of Florida, is reenacted and  
8 amended, and paragraph (b) of subsection (1) and paragraph (e)  
9 of subsection (6) of that section are amended, to read:

10 121.055 Senior Management Service Class.--There is  
11 hereby established a separate class of membership within the  
12 Florida Retirement System to be known as the "Senior  
13 Management Service Class," which shall become effective  
14 February 1, 1987.

15 (1)

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

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

30 b. One nonelective full-time position may be  
31 designated for each local agency employer reporting to the

1 Division of Retirement; for local agencies with 100 or more  
2 regularly established positions, additional nonelective  
3 full-time positions may be designated, not to exceed 1 percent  
4 of the regularly established positions within the agency.

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

10 (I) Heads an organizational unit; or

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

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

1 additional service credit in the Senior Management Service  
 2 Class shall not be earned after such withdrawal. Such members  
 3 shall not be eligible to participate in the Senior Management  
 4 Service Optional Annuity Program.

5 (3)(a) The following table states the required  
 6 retirement contribution rates for members of the Senior  
 7 Management Service Class and their employers in terms of a  
 8 percentage of the member's gross compensation. A change in  
 9 the contribution rate is effective with the first salary paid  
 10 on or after the beginning date of the change. Contributions  
 11 shall be made for each pay period and are in addition to the  
 12 contributions required for social security and the Retiree  
 13 Health Insurance Subsidy Trust Fund.

14	15	16	17
	Dates of Contribution		
	Rate Changes	Members	Employers
18	February 1, 1987, through		
19	December 31, 1988	0%	13.88%
20	January 1, 1989, through		
21	December 31, 1989	0%	14.95%
22	January 1, 1990, through		
23	December 31, 1990	0%	16.04%
24	January 1, 1991, through		
25	December 31, 1991	0%	18.39%
26	January 1, 1992, through		
27	December 31, 1992	0%	19.48%
28	January 1, 1993, through		
29	December 31, 1993	0%	20.55%
30	January 1, 1994, through		
31	December 31, 1994	0%	23.07%



1	January 1, 1995, through		
2	December 31, 1995	0%	23.88%
3	January 1, 1996, through		
4	June 30, 1996	0%	24.14%
5	July 1, 1996, through		
6	June 30, 1998	0%	21.58%
7	<del>Effective</del> <u>July 1, 1998, through</u>		
8	<u>June 30, 1999</u>	0%	23.10%
9	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.19%</u>

10

11 (6)

12 (e) Benefits.--

13 1. Benefits shall be payable under the Senior  
 14 Management Service Optional Annuity Program only to  
 15 participants in the program, or their beneficiaries as  
 16 designated by the participant in the contract with a provider  
 17 company, and such benefits shall be paid by the designated  
 18 company in accordance with the terms of the annuity contract  
 19 or contracts applicable to the participant. A participant must  
 20 be terminated from all employment with all Florida Retirement  
 21 System employers as provided in s. 121.021(39) to begin  
 22 receiving the employer-funded benefit. Benefits funded by  
 23 employer contributions shall be payable only as a lifetime  
 24 annuity to the participant, his beneficiary, or his estate,  
 25 except for:

26 a. A lump-sum payment to the beneficiary upon the  
 27 death of the participant; or

28 b. A cash-out of a de minimis account upon the request  
 29 of a former participant who has been terminated for a minimum  
 30 of 6 months from the employment that entitled him to optional  
 31 annuity retirement program participation. A de minimis account

1 is an account with a provider company containing employer  
2 contributions and accumulated earnings of not more than \$5,000  
3 ~~\$3,500~~ made under the provisions of this chapter. Such  
4 cash-out must be a complete liquidation of the account balance  
5 with that company and is subject to the provisions of the  
6 Internal Revenue Code.

7           2. The benefits payable to any person under the Senior  
8 Management Service Optional Annuity Program, and any  
9 contribution accumulated under such program, shall not be  
10 subject to assignment, execution, or attachment or to any  
11 legal process whatsoever.

12           3. A participant who receives optional annuity program  
13 benefits funded by employer contributions shall be deemed to  
14 be retired from a state-administered retirement system in the  
15 event of subsequent employment with any employer that  
16 participates in the Florida Retirement System.

17           Section 9. Subsection (1) of section 121.071, Florida  
18 Statutes, 1998 Supplement, as amended by chapters 96-423 and  
19 98-413, Laws of Florida, is reenacted and amended to read:

20           121.071 Contributions.--Contributions to the system  
21 shall be made as follows:

22           (1) The following tables state the required retirement  
23 contribution rates for members of the Regular Class, Special  
24 Risk Class, or Special Risk Administrative Support Class and  
25 their employers in terms of a percentage of the member's gross  
26 compensation. A change in a contribution rate is effective  
27 with the first salary paid on or after the beginning date of  
28 the change. Contributions shall be made or deducted as may be  
29 appropriate for each pay period and are in addition to the  
30 contributions required for social security and the Retiree  
31 Health Insurance Subsidy Trust Fund.

1 (a) Retirement contributions for regular members are  
 2 as follows:  
 3

4 Dates of Contribution	5 Members	Employers
5 Rate Changes 6 7 December 1, 1970, through December 8 31, 1974, for state agencies, state 9 universities, community colleges, 10 and district school boards	4%	4%
11 12 December 1, 1970, through September 13 30, 1975, for all other local 14 government agencies	4%	4%
15 16 January 1, 1975, through September 17 30, 1978, for state agencies and 18 state universities	0%	9%
19 20 January 1, 1975, through July 31, 21 1978, for community colleges and 22 district school boards	0%	9%
23 24 October 1, 1975, through September 25 30, 1978, for all other local 26 government agencies	0%	9%
27 28 August 1, 1978, through September 30, 29 1981, for community colleges and 30 district school boards	0%	9.1%
31		

1			
2	October 1, 1978, through September		
3	30, 1981, for all other agencies	0%	9.1%
4			
5	October 1, 1981, through		
6	September 30, 1984	0%	10.93%
7	October 1, 1984, through		
8	September 30, 1986	0%	12.24%
9	October 1, 1986, through		
10	December 31, 1988	0%	13.14%
11	January 1, 1989, through		
12	December 31, 1989	0%	13.90%
13	January 1, 1990, through		
14	December 31, 1990	0%	14.66%
15	January 1, 1991, through		
16	December 31, 1991	0%	15.72%
17	January 1, 1992, through		
18	December 31, 1992	0%	16.51%
19	January 1, 1993, through		
20	December 31, 1993	0%	17.27%
21	January 1, 1994, through		
22	December 31, 1994	0%	17.10%
23	January 1, 1995, through		
24	December 31, 1995	0%	16.91%
25	January 1, 1996, through		
26	June 30, 1996	0%	17.00%
27	July 1, 1996, through		
28	June 30, 1998	0%	16.77%
29	<del>Effective</del> July 1, 1998, <u>through</u>		
30	<u>June 30, 1999</u>	0%	15.51%
31	<u>Effective July 1, 1999</u>	0%	<u>9.21%</u>

1			
2	(b) Retirement contributions for special risk members		
3	are as follows:		
4			
5	Dates of Contribution		
6	Rate Changes	Members	Employers
7			
8	December 1, 1970, through		
9	September 30, 1974	6%	6%
10			
11	October 1, 1974, through December 31,		
12	1974, for state agencies, state		
13	universities, community colleges,		
14	and district school boards	8%	8%
15			
16	October 1, 1974, through September		
17	30, 1975, for all other local		
18	government agencies	8%	8%
19			
20	January 1, 1975, through September		
21	30, 1978, for state agencies, state		
22	universities, community colleges,		
23	and district school boards	0%	13%
24			
25	October 1, 1975, through September		
26	30, 1978, for other local		
27	government agencies	0%	13%
28			
29	October 1, 1978, through		
30	September 30, 1981	0%	13.95%
31	October 1, 1981, through		

1	September 30, 1984	0%	13.91%
2	October 1, 1984, through		
3	September 30, 1986	0%	14.67%
4	October 1, 1986, through		
5	December 31, 1988	0%	15.11%
6	January 1, 1989, through		
7	December 31, 1989	0%	17.50%
8	January 1, 1990, through		
9	December 31, 1990	0%	19.90%
10	January 1, 1991, through		
11	December 31, 1991	0%	25.52%
12	January 1, 1992, through		
13	December 31, 1992	0%	26.35%
14	January 1, 1993, through		
15	December 31, 1993	0%	27.14%
16	January 1, 1994, through		
17	December 31, 1994	0%	27.03%
18	January 1, 1995, through		
19	December 31, 1995	0%	26.83%
20	January 1, 1996, through		
21	June 30, 1996	0%	26.84%
22	July 1, 1996, through		
23	June 30, 1998	0%	26.44%
24	<del>Effective</del> <u>July 1, 1998, through</u>		
25	<u>June 30, 1999</u>	0%	24.38%
26	<u>Effective July 1, 1999</u>	<u>0%</u>	<u>20.22%</u>

27  
28  
29  
30  
31

(c) Retirement contributions for special risk  
administrative support members are as follows:

	Members	Employers
1 Dates of Contribution		
2 Rate Changes		
3		
4 July 1, 1982, through		
5 September 30, 1984	0%	11.14%
6 October 1, 1984, through		
7 September 30, 1986	0%	13.09%
8 October 1, 1986, through		
9 December 31, 1988	0%	15.44%
10 January 1, 1989, through		
11 December 31, 1989	0%	14.76%
12 January 1, 1990, through		
13 December 31, 1990	0%	14.09%
14 January 1, 1991, through		
15 December 31, 1991	0%	20.16%
16 January 1, 1992, through		
17 December 31, 1992	0%	19.51%
18 January 1, 1993, through		
19 December 31, 1993	0%	18.83%
20 January 1, 1994, through		
21 December 31, 1994	0%	18.59%
22 January 1, 1995, through		
23 December 31, 1995	0%	17.81%
24 January 1, 1996, through		
25 June 30, 1996	0%	17.80%
26 July 1, 1996, through		
27 June 30, 1998	0%	17.20%
28 <del>Effective</del> <u>July 1, 1998, through</u>		
29 <u>June 30, 1999</u>	0%	14.64%
30 <u>Effective July 1, 1999</u>	<u>0%</u>	<u>11.53%</u>
31		

1 Section 10. Paragraph (i) of subsection (1) and  
2 subsection (2) of section 121.081, Florida Statutes, 1998  
3 Supplement, are amended to read:

4 121.081 Past service; prior service;  
5 contributions.--Conditions under which past service or prior  
6 service may be claimed and credited are:

7 (1)

8 (i) An employee of a state agency who was a member of  
9 a state-administered retirement system and who was granted  
10 educational leave with pay pursuant to a written educational  
11 leave-with-pay policy may claim such period of educational  
12 leave as past service subject to the following conditions:

13 1. The educational leave must have occurred prior to  
14 December 31, 1971;

15 2. The member must have completed at least 10 years of  
16 creditable service excluding the period of the educational  
17 leave;

18 3. The employee must have returned to employment with  
19 a state agency employer who participated in the retirement  
20 system, which return was immediately upon termination of the  
21 educational leave, and must have remained on the employer's  
22 payroll for at least 1 calendar month ~~30 calendar days~~  
23 following the return to employment;

24 4. The employee must be a member of the Florida  
25 Retirement System at the time he or she claims such service;

26 5. Not more than 24 months of creditable service may  
27 be claimed for such period of educational leave with pay;

28 6. The service must not be claimed under any other  
29 state or federal retirement system; and

30 7. The member must pay to the retirement trust fund  
31 for claiming such past-service credit an amount equal to 8



1 percent of his or her gross annual salary immediately prior to  
2 the educational leave with pay for each year of past service  
3 claimed, plus 4 percent interest thereon compounded annually  
4 each June 30 from the first year of service claimed until July  
5 1, 1975, and 6.5 percent interest thereafter on the unpaid  
6 balance compounded annually each June 30 until paid.

7 (2) Prior service, as defined in s. 121.021(19), may  
8 be claimed as creditable service under the Florida Retirement  
9 System after a member has been reemployed for 1 complete year  
10 of creditable service within a period of 12 consecutive  
11 ~~continuous~~ months, except as provided in paragraph (c).  
12 Service performed as a participant of the optional retirement  
13 program for the State University System under s. 121.35 or the  
14 Senior Management Service Optional Annuity Program under s.  
15 121.055 may be used to satisfy the reemployment requirement of  
16 1 complete year of creditable service ~~12 continuous-month~~  
17 ~~requirement~~. The member shall not be permitted to make any  
18 contributions for prior service until after completion of the  
19 1 year of creditable service ~~12-month period~~. The required  
20 contributions for claiming the various types of prior service  
21 are:

22 (a) For prior service performed prior to the date the  
23 system becomes noncontributory for the member and for which  
24 the member had credit under one of the existing retirement  
25 systems and received a refund of contributions upon  
26 termination of employment, the member shall contribute 4  
27 percent of all salary received during the period being  
28 claimed, plus 4 percent interest compounded annually from date  
29 of refund until July 1, 1975, and 6.5 percent interest  
30 compounded annually thereafter, until full payment is made to  
31 the Retirement Trust Fund. A member who elected to transfer to

1 the Florida Retirement System from an existing system may  
2 receive credit for prior service under the existing system if  
3 he or she was eligible under the existing system to claim the  
4 prior service at the time of the transfer. Contributions for  
5 such prior service shall be determined by the applicable  
6 provisions of the system under which the prior service is  
7 claimed and shall be paid by the member, with matching  
8 contributions paid by the employer at the time the service was  
9 performed. Effective July 1, 1978, the account of a person who  
10 terminated under s. 238.05(3) may not be charged interest for  
11 contributions that remained on deposit in the Annuity Savings  
12 Trust Fund established under chapter 238, upon retirement  
13 under this chapter or chapter 238.

14 (b) For prior service performed prior to the date the  
15 system becomes noncontributory for the member and for which  
16 the member had credit under the Florida Retirement System and  
17 received a refund of contributions upon termination of  
18 employment, the member shall contribute at the rate that was  
19 required of him or her during the period of service being  
20 claimed, on all salary received during such period, plus 4  
21 percent interest compounded annually from date of refund until  
22 July 1, 1975, and 6.5 percent interest compounded annually  
23 thereafter, until the full payment is made to the Retirement  
24 Trust Fund.

25 (c) For prior service as defined in s. 121.021(19)(b)  
26 and (c) during which no contributions were made because the  
27 member did not participate in a retirement system, the member  
28 shall contribute 14.38 percent of all salary received during  
29 such period or 14.38 percent of \$100 per month during such  
30 period, whichever is greater, plus 4 percent interest  
31 compounded annually from the first year of service claimed

1 until July 1, 1975, and 6.5 percent interest compounded  
2 annually thereafter, until full payment is made to the  
3 Retirement Trust Fund.

4 (d) In order to claim credit for prior service as  
5 defined in s. 121.021(19)(d) for which no retirement  
6 contributions were paid during the period of such service, the  
7 member shall contribute the total employee and employer  
8 contributions which were required to be made to the Highway  
9 Patrol Pension Trust Fund, as provided in chapter 321, during  
10 the period claimed, plus 4 percent interest compounded  
11 annually from the first year of service until July 1, 1975,  
12 and 6.5 percent interest compounded annually thereafter, until  
13 full payment is made to the Retirement Trust Fund. However,  
14 any governmental entity which employed such member may elect  
15 to pay up to 50 percent of the contributions and interest  
16 required to purchase this prior service credit.

17 (e) For service performed under the Florida Retirement  
18 System after December 1, 1970, that was never reported to the  
19 division due to error, retirement credit may be claimed by a  
20 member of the Florida Retirement System. The division shall  
21 adopt rules establishing criteria for claiming such credit and  
22 detailing the documentation required to substantiate the  
23 error.

24 (f) The employer may not be required to make  
25 contributions for prior service credit for any member, except  
26 that the employer shall pay the employer portion of  
27 contributions for any legislator who elects to withdraw from  
28 the Florida Retirement System and later rejoins the system and  
29 pays any employee contributions required in accordance with s.  
30 121.052(3)(d).

31

1           Section 11. Paragraph (c) of subsection (4), paragraph  
2 (f) of subsection (7), and paragraphs (a) and (i) of  
3 subsection (13) of section 121.091, Florida Statutes, 1998  
4 Supplement, are amended to read:

5           121.091 Benefits payable under the system.--Benefits  
6 may not be paid under this section unless the member has  
7 terminated employment as provided in s. 121.021(39)(a) or  
8 begun participation in the Deferred Retirement Option Program  
9 as provided in subsection (13), and a proper application has  
10 been filed in the manner prescribed by the division. The  
11 division may cancel an application for retirement benefits  
12 when the member or beneficiary fails to timely provide the  
13 information and documents required by this chapter and the  
14 division's rules. The division shall adopt rules establishing  
15 procedures for application for retirement benefits and for the  
16 cancellation of such application when the required information  
17 or documents are not received.

18           (4) DISABILITY RETIREMENT BENEFIT.--

19           (b) Total and permanent disability.--A member shall be  
20 considered totally and permanently disabled if, in the opinion  
21 of the administrator, he or she is prevented, by reason of a  
22 medically determinable physical or mental impairment, from  
23 rendering useful and efficient service as an officer or  
24 employee.

25           (c) Proof of disability.--The administrator, before  
26 approving payment of any disability retirement benefit, shall  
27 require proof that the member is totally and permanently  
28 disabled as provided herein:

29           1. Such, ~~which~~ proof shall include the certification  
30 of the member's total and permanent disability by two licensed  
31 physicians of the state and such other evidence of disability

1 as the administrator may require, including reports from  
2 vocational rehabilitation, evaluation, or testing specialists  
3 who have evaluated the applicant for employment.

4 2. It must be documented that:

5 a. The member's medical condition occurred or became  
6 symptomatic during the time the member was employed in an  
7 employee/employer relationship with his or her employer;

8 b. The member was totally and permanently disabled at  
9 the time he or she terminated covered employment; and

10 c. The member has not been employed with any other  
11 employer after such termination.

12 3. If the application is for in-line-of-duty  
13 disability, in addition to the requirements of subparagraph  
14 2., it must be documented by competent medical evidence that  
15 the disability was caused by a job-related illness or accident  
16 which occurred while the member was in an employee/employer  
17 relationship with his or her employer.

18 4. The unavailability of an employment position that  
19 the member is physically and mentally capable of performing  
20 will not be considered as proof of total and permanent  
21 disability.

22 (7) DEATH BENEFITS.--

23 (f) Notwithstanding any other provisions in this  
24 chapter to the contrary and upon application to the  
25 administrator, an eligible joint annuitant, of a member whose  
26 employment is terminated by death within 1 year of such member  
27 satisfying the service requirements for vesting and retirement  
28 eligibility, shall be permitted to purchase only the  
29 additional service credit necessary to vest and qualify for  
30 retirement benefits, not to exceed a total of 1 year of  
31 credit, by one or a combination of the following methods:

1           1. Such eligible joint annuitant may use the deceased  
2 member's accumulated hours of annual, sick, and compensatory  
3 leave to purchase additional creditable service, on an hour by  
4 hour basis, provided that such deceased member's accumulated  
5 leave is sufficient to cover the additional months required.  
6 For each month of service credit needed prior to the final  
7 month, credit for the total number of work hours in that month  
8 must be purchased, using an equal number of the deceased  
9 member's accumulated leave hours. Service credit required for  
10 the final month in which the deceased member would have become  
11 vested shall be awarded upon the purchase of 1 hour of credit.  
12 Such eligible joint annuitant shall pay the contribution rate  
13 in effect for the period of time being claimed for ~~at the time~~  
14 ~~of purchase of~~ the deceased member's class of membership,  
15 multiplied by such member's monthly salary at the time of  
16 death, plus 6.5 percent interest compounded annually. The  
17 accumulated leave payment used in the average final  
18 compensation shall not include that portion of the payment  
19 that represents any leave hours used in the purchase of such  
20 creditable service.

21           2. Such eligible joint annuitant may purchase  
22 additional months of creditable service, ~~up to a maximum of 1~~  
23 ~~year,~~ for any periods of out-of-state service as provided in  
24 s. 121.1115, and ~~or~~ in-state service as provided in s.  
25 121.1122, that the deceased member would have been eligible to  
26 purchase prior to his or her death.

27  
28 Service purchased under this paragraph shall be added to the  
29 creditable service of the member and used to vest for  
30 retirement eligibility, and shall be used in the calculation  
31 of any benefits which may be payable to the eligible joint

1 annuitant. Any benefits paid in accordance with this  
2 paragraph shall only be made prospectively.

3 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
4 and subject to the provisions of this section, the Deferred  
5 Retirement Option Program, hereinafter referred to as the  
6 DROP, is a program under which an eligible member of the  
7 Florida Retirement System may elect to participate, deferring  
8 receipt of retirement benefits while continuing employment  
9 with his or her Florida Retirement System employer. The  
10 deferred monthly benefits shall accrue in the System Trust  
11 Fund on behalf of the participant, plus interest compounded  
12 monthly, for the specified period of the DROP participation,  
13 as provided in paragraph (c). Upon termination of employment,  
14 the participant shall receive the total DROP benefits and  
15 begin to receive the previously determined normal retirement  
16 benefits. Participation in the DROP does not guarantee  
17 employment for the specified period of DROP.

18 (a) Eligibility of member to participate in the  
19 DROP.--All active Florida Retirement System members in a  
20 regularly established position, and all active members of  
21 either the Teachers' Retirement System established in chapter  
22 238 or the State and County Officers' and Employees'  
23 Retirement System established in chapter 122 which systems are  
24 consolidated within the Florida Retirement System under s.  
25 121.011, are eligible to elect participation in the DROP  
26 provided that:

27 1. The member is not a renewed member of the Florida  
28 Retirement System under s. 121.122, or a member of the State  
29 Community College System Optional Retirement Program under s.  
30 121.051, the Senior Management Service Optional Annuity  
31

1 Program under s. 121.055, or the optional retirement program  
2 for the State University System under s. 121.35.

3         2. Election to participate is made within 12 months  
4 immediately following the date on which the member first  
5 reaches normal retirement date, or, for a member who reaches  
6 normal retirement date based on service before he or she  
7 reaches age 62, or age 55 for Special Risk Class members,  
8 election to participate may be deferred to the 12 months  
9 immediately following the date the member attains 57, or age  
10 52 ~~50~~ for Special Risk Class members. For a member who first  
11 reached normal retirement date or the deferred eligibility  
12 date described above prior to the effective date of this  
13 section, election to participate shall be made within 12  
14 months after the effective date of this section. A member who  
15 fails to make an election within such 12-month limitation  
16 period shall forfeit all rights to participate in the DROP.  
17 The member shall advise his or her employer and the division  
18 in writing of the date on which the DROP shall begin. Such  
19 beginning date may be subsequent to the 12-month election  
20 period, but must be within the 60-month limitation period as  
21 provided in subparagraph (b)1. When establishing eligibility  
22 of the member to participate in the DROP or the 60-month  
23 maximum participation period, the member may elect to include  
24 or exclude any optional service credit purchased by the member  
25 from the total service used to establish the normal retirement  
26 date. A member with dual normal retirement dates shall be  
27 eligible to elect to participate in DROP within 12 months  
28 after attaining normal retirement date in either class.

29         3. The employer of a member electing to participate in  
30 the DROP, or employers if dually employed, shall acknowledge  
31 in writing to the division the date the member's participation



1 in the DROP begins and the date the member's employment and  
2 DROP participation will terminate.

3 4. Simultaneous employment of a participant by  
4 additional Florida Retirement System employers subsequent to  
5 the commencement of participation in the DROP shall be  
6 permissible provided such employers acknowledge in writing a  
7 DROP termination date no later than the participant's existing  
8 termination date or the 60-month limitation period as provided  
9 in subparagraph (b)1.

10 5. A DROP participant may change employers while  
11 participating in the DROP, subject to the following:

12 a. A change of employment must take place without a  
13 break in service so that the member receives salary for each  
14 month of continuous DROP participation. If a member receives  
15 no salary during a month, DROP participation shall cease  
16 unless the employer verifies a continuation of the employment  
17 relationship for such participant pursuant to s.  
18 121.021(39)(b).

19 b. Such participant and new employer shall notify the  
20 division on forms required by the division as to the identity  
21 of the new employer.

22 c. The new employer shall acknowledge, in writing, the  
23 participant's DROP termination date, which may be extended but  
24 not beyond the original 60-month period provided in  
25 subparagraph (b)1., shall acknowledge liability for any  
26 additional retirement contributions and interest required if  
27 the participant fails to timely terminate employment, and  
28 shall be subject to the adjustment required in  
29 sub-subparagraph (c)5.d~~(c)4.d~~.

30 (i) Contributions.--

31

1           1. All employers paying the salary of a DROP  
2 participant filling a regularly established position shall  
3 contribute 11.56 percent of such participant's gross  
4 compensation, which shall constitute the entire employer DROP  
5 contribution with respect to such participant. Such  
6 contributions, payable to the System Trust Fund in the same  
7 manner as required in s. 121.071, shall be made as appropriate  
8 for each pay period and are in addition to contributions  
9 required for social security and the Retiree Health Insurance  
10 Subsidy Trust Fund. Such employer, social security, and  
11 health insurance subsidy contributions are not included in the  
12 DROP.

13           2. The employer shall, in addition to subparagraph 1.,  
14 also withhold one-half of the entire social security  
15 contribution required for the participant. Contributions for  
16 social security by each participant and each employer, in the  
17 amount required for social security coverage as now or  
18 hereafter provided by the federal Social Security Act, shall  
19 be in addition to contributions specified in subparagraph 1.

20           3. All employers paying the salary of a DROP  
21 participant filling a regularly established position shall  
22 contribute the 0.66 percent of such participant's gross  
23 compensation required in s. 121.071(4), which shall constitute  
24 the employer's health insurance subsidy contribution with  
25 respect to such participant. Such contributions shall be  
26 deposited by the administrator in the Retiree Health Insurance  
27 Subsidy Trust Fund.

28           Section 12. Subsection (3) of section 121.122, Florida  
29 Statutes, 1998 Supplement, is amended to read:

30           121.122 Renewed membership in system.--Except as  
31 provided in s. 121.053, effective July 1, 1991, any retiree of

1 a state-administered retirement system who is employed in a  
2 regularly established position with a covered employer shall  
3 be enrolled as a compulsory member of the Regular Class of the  
4 Florida Retirement System or, effective July 1, 1997, any  
5 retiree of a state-administered retirement system who is  
6 employed in a position included in the Senior Management  
7 Service Class shall be enrolled as a compulsory member of the  
8 Senior Management Service Class of the Florida Retirement  
9 System as provided in s. 121.055, and shall be entitled to  
10 receive an additional retirement benefit, subject to the  
11 following conditions:

12 (3) Such member shall be entitled to purchase  
13 additional retirement credit in the Regular Class or the  
14 Senior Management Service Class, as applicable, for any  
15 postretirement service performed in a regularly established  
16 position as follows:

17 (a) For regular class service prior to July 1, 1991,  
18 by paying the Regular Class applicable employee and employer  
19 contributions for the period being claimed, plus 4 percent  
20 interest compounded annually from first year of service  
21 claimed until July 1, 1975, and 6.5 percent interest  
22 compounded thereafter, until full payment is made to the  
23 Florida Retirement System Trust Fund; or

24 (b) For Senior Management Service Class prior to June  
25 1, 1997, as provided in s. 121.055(1)(i)(~~h~~).

26  
27 The contribution for postretirement service between July 1,  
28 1985, and July 1, 1991, for which the reemployed retiree  
29 contribution was paid, shall be the difference between such  
30 contribution and the total applicable contribution for the  
31 period being claimed, plus interest. The employer of such

1 member may pay the applicable employer contribution in lieu of  
2 the member. If a member does not wish to claim credit for all  
3 of the postretirement service for which he or she is eligible,  
4 the service the member claims must be the most recent service.

5 Section 13. Present subsection (5) of section 121.24,  
6 Florida Statutes, is renumbered as subsection (6), and a new  
7 subsection (5) is added to that section, to read:

8 121.24 Conduct of commission business; legal and other  
9 assistance; compensation.--

10 (5) The State Retirement Commission has the authority  
11 to adopt rules pursuant to ss. 120.54 and 120.536(1) to  
12 implement the provisions of law conferring duties upon the  
13 commission.

14 Section 14. Paragraph (a) of subsection (5) of section  
15 121.35, Florida Statutes, 1998 Supplement, is amended to read:

16 121.35 Optional retirement program for the State  
17 University System.--

18 (5) BENEFITS.--

19 (a) Benefits shall be payable under the optional  
20 retirement program only to vested participants in the program,  
21 or their beneficiaries as designated by the participant in the  
22 contract with a provider company, and such benefits shall be  
23 paid only by the designated company in accordance with the  
24 terms of the annuity contract or contracts applicable to the  
25 participant. The participant must be terminated from all  
26 employment with all Florida Retirement System employers, as  
27 provided in s. 121.021(39), to begin receiving the  
28 employer-funded benefit. Benefits funded by employer  
29 contributions shall be payable only as a lifetime annuity to  
30 the participant, his beneficiary, or his estate, except for:

31

1           1. A lump-sum payment to the beneficiary upon the  
2 death of the participant; or

3           2. A cash-out of a de minimis account upon the request  
4 of a former participant who has been terminated for a minimum  
5 of 6 months from the employment that entitled him to optional  
6 retirement program participation. A de minimis account is an  
7 account with a provider company containing employer  
8 contributions and accumulated earnings of not more than \$5,000  
9 ~~\$3,500~~ made under the provisions of this chapter. Such  
10 cash-out must be a complete liquidation of the account balance  
11 with that company and is subject to the provisions of the  
12 Internal Revenue Code.

13           Section 15. Paragraph (e) of subsection (4) and  
14 subsection (11) of section 121.40, Florida Statutes, 1998  
15 Supplement, are amended, and subsection (12) of that section,  
16 as amended by chapters 96-423 and 98-413, Laws of Florida, is  
17 reenacted to read:

18           121.40 Cooperative extension personnel at the  
19 Institute of Food and Agricultural Sciences; supplemental  
20 retirement benefits.--

21           (4) ELIGIBILITY FOR SUPPLEMENT.--To be eligible for a  
22 benefit pursuant to the provisions of this section, a person  
23 must meet all of the following eligibility criteria:

24           (e) The person must not be entitled to any benefit  
25 from a state-supported retirement system or from social  
26 security based upon service as a cooperative extension  
27 employee of the institute. Participation in the Institute of  
28 Food and Agricultural Sciences Supplemental Retirement Program  
29 shall not constitute membership in the Florida Retirement  
30 System.

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

1           ~~(a)~~ Any person who is receiving a supplemental  
2 retirement benefit under this section may be reemployed by any  
3 private or public employer after retirement and receive  
4 supplemental retirement benefits pursuant to this section and  
5 compensation from his or her employer, without any  
6 limitations. However, if a retired participant who is  
7 receiving a supplemental retirement benefit under this section  
8 is reemployed at the institute in a position as a cooperative  
9 extension employee of the institute, he or she shall forfeit  
10 all rights to supplemental retirement benefits in accordance  
11 with the eligibility provisions of paragraph (4)(e).~~except~~  
12 ~~that no person may receive both a salary from reemployment~~  
13 ~~with any agency participating in the Florida Retirement System~~  
14 ~~and supplemental retirement benefits under this section for a~~  
15 ~~period of 12 months immediately subsequent to the date of~~  
16 ~~retirement.~~

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

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

10 ~~(c) The reemployment by an employer participating in~~  
11 ~~the Florida Retirement System of any person receiving~~  
12 ~~supplemental retirement benefits under this section shall have~~  
13 ~~no effect on the amount of the supplemental benefit of that~~  
14 ~~person. Prior to July 1, 1991, upon employment of any person,~~  
15 ~~other than an elected officer as provided in s. 121.053, who~~  
16 ~~is receiving supplemental retirement benefits under this~~  
17 ~~section, the employer shall pay retirement contributions in an~~  
18 ~~amount equal to the unfunded actuarial accrued liability~~  
19 ~~portion of the employer contribution which would be required~~  
20 ~~for regular members of the Florida Retirement System.~~  
21 ~~Effective July 1, 1991, contributions shall be made as~~  
22 ~~provided in s. 121.122 for renewed membership.~~

23 ~~(d) The limitations of this subsection apply to~~  
24 ~~reemployment in any capacity with an "employer" as defined in~~  
25 ~~s. 121.021(10), irrespective of the category of funds from~~  
26 ~~which the person is compensated.~~

27 (12) CONTRIBUTIONS.--

28 (a) For the purposes of funding the supplemental  
29 benefits provided by this section, the institute is authorized  
30 and required to pay, commencing July 1, 1985, the necessary  
31 monthly contributions from its appropriated budget. These

1 amounts shall be paid into the Institute of Food and  
 2 Agricultural Sciences Supplemental Retirement Trust Fund,  
 3 which is hereby created.

4 (b) The monthly contributions required to be paid  
 5 pursuant to paragraph (a) on the gross monthly salaries, from  
 6 all sources with respect to such employment, paid to those  
 7 employees of the institute who hold both state and federal  
 8 appointments and who participate in the federal Civil Service  
 9 Retirement System shall be as follows:

11 Dates of Contribution	Percentage
12 Rate Changes	Due
14 July 1, 1985, through December 31, 1988	6.68%
15 January 1, 1989, through December 31, 1993	6.35%
16 January 1, 1994, through December 31, 1994	6.69%
17 January 1, 1995, through June 30, 1996	6.82%
18 July 1, 1996, through June 30, 1998	5.64%
19 Effective July 1, 1998	7.17%

20  
 21 Section 16. Subsection (11) of section 413.051,  
 22 Florida Statutes, 1998 Supplement, as amended by chapter  
 23 96-423, Laws of Florida, and subsection (12) of that section,  
 24 as amended by chapters 96-423 and 98-149, Laws of Florida, are  
 25 reenacted to read:

26 413.051 Eligible blind persons; operation of vending  
 27 stands.--

28 (11) Effective July 1, 1996, blind licensees who  
 29 remain members of the Florida Retirement System pursuant to s.  
 30 121.051(6)(b)1. shall pay any unappropriated retirement costs  
 31 from their net profits or from program income. Within 30 days



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

24 (12) The Division of Blind Services may adopt rules to  
25 permit the division to establish and maintain vending  
26 facilities, issue licenses, establish and maintain a vending  
27 facility training program, provide vendors access to financial  
28 data of the program, set aside funds from net proceeds of the  
29 vending facility, provide for the transfer and promotion of  
30 vendors, establish a vendors committee, provide for an  
31 operation agreement, provide duties and responsibilities of

1 the division with respect to the vending facility program, and  
2 provide procedures for newspaper vending sales.

3 Section 17. Section 112.18, Florida Statutes, is  
4 amended to read:

5 112.18 Firefighters and law enforcement officers;  
6 special provisions relative to disability.--

7 (1) Any condition or impairment of health of any  
8 Florida state, municipal, county, port authority, special tax  
9 district, or fire control district firefighter or law  
10 enforcement officer caused by tuberculosis, heart disease, or  
11 hypertension resulting in total or partial disability or death  
12 shall be presumed to have been accidental and to have been  
13 suffered in the line of duty unless the contrary be shown by  
14 competent evidence. However, any such firefighter or law  
15 enforcement officer shall have successfully passed a physical  
16 examination upon entering into any such service as a  
17 firefighter or law enforcement officer, which examination  
18 failed to reveal any evidence of any such condition. Such  
19 presumption shall not apply to benefits payable under or  
20 granted in a policy of life insurance or disability insurance,  
21 unless the insurer and insured have negotiated for such  
22 additional benefits to be included in the policy contract.

23 (2) This section shall be construed to authorize the  
24 above governmental entities to negotiate policy contracts for  
25 life and disability insurance to include accidental death  
26 benefits or double indemnity coverage which shall include the  
27 presumption that any condition or impairment of health of any  
28 firefighter caused by tuberculosis, heart disease, or  
29 hypertension resulting in total or partial disability or death  
30 was accidental and suffered in the line of duty, unless the  
31 contrary be shown by competent evidence.

1           Section 18. Paragraph (b) of subsection (1) of section  
2 175.071, Florida Statutes, 1998 Supplement, is amended to  
3 read:

4           175.071 General powers and duties of board of  
5 trustees.--For any municipality, special fire control  
6 district, chapter plan, local law municipality, local law  
7 special fire control district, or local law plan under this  
8 chapter:

9           (1) The board of trustees may:

10           (b) Invest and reinvest the assets of the  
11 firefighters' pension trust fund in:

12           1. Time or savings accounts of a national bank, a  
13 state bank insured by the Bank Insurance Fund, or a savings,  
14 building, and loan association insured by the Savings  
15 Association Insurance Fund which is administered by the  
16 Federal Deposit Insurance Corporation or a state or federal  
17 chartered credit union whose share accounts are insured by the  
18 National Credit Union Share Insurance Fund.

19           2. Obligations of the United States or obligations  
20 guaranteed as to principal and interest by the government of  
21 the United States.

22           3. Bonds issued by the State of Israel.

23           4. Bonds, stocks, or other evidences of indebtedness  
24 issued or guaranteed by a corporation organized under the laws  
25 of the United States, any state or organized territory of the  
26 United States, or the District of Columbia, provided:

27           a. The corporation is listed on any one or more of the  
28 recognized national stock exchanges or on the National Market  
29 System of the Nasdaq Stock Market and, in the case of bonds  
30 only, holds a rating in one of the three highest  
31 classifications by a major rating service; and

1           b. The board of trustees shall not invest more than 5  
2 percent of its assets in the common stock or capital stock of  
3 any one issuing company, nor shall the aggregate investment in  
4 any one issuing company exceed 5 percent of the outstanding  
5 capital stock of that company or the aggregate of its  
6 investments under this subparagraph at cost exceed 50 percent  
7 of the assets of the fund.

8  
9 This paragraph shall apply to all boards of trustees and  
10 participants. However, in the event that a municipality or  
11 special fire control district has a duly enacted pension plan  
12 pursuant to, and in compliance with, s. 175.351, and the  
13 trustees thereof desire to vary the investment procedures  
14 herein, the trustees of such plan shall request a variance of  
15 the investment procedures as outlined herein only through a  
16 municipal ordinance, special act of the Legislature, or  
17 resolution by the governing body of the special fire control  
18 district; where a special act, or a municipality by ordinance  
19 adopted prior to July 1, 1998, permits a greater than  
20 50-percent equity investment, such municipality shall not be  
21 required to comply with the aggregate equity investment  
22 provisions of this paragraph. Notwithstanding any other  
23 provision of law to the contrary, nothing in this section may  
24 be construed to take away any preexisting legal authority to  
25 make equity investments that exceed the requirements of this  
26 paragraph. The board of trustees may invest up to 10 percent  
27 of plan assets in foreign securities.

28           Section 19. Paragraph (b) of subsection (1) of section  
29 185.06, Florida Statutes, 1998 Supplement, is amended to read:

1           185.06 General powers and duties of board of  
2 trustees.--For any municipality, chapter plan, local law  
3 municipality, or local law plan under this chapter:

4           (1) The board of trustees may:

5           (b) Invest and reinvest the assets of the retirement  
6 trust fund in:

7           1. Time or savings accounts of a national bank, a  
8 state bank insured by the Bank Insurance Fund, or a savings  
9 and loan association insured by the Savings Association  
10 Insurance Fund which is administered by the Federal Deposit  
11 Insurance Corporation or a state or federal chartered credit  
12 union whose share accounts are insured by the National Credit  
13 Union Share Insurance Fund.

14           2. Obligations of the United States or obligations  
15 guaranteed as to principal and interest by the United States.

16           3. Bonds issued by the State of Israel.

17           4. Bonds, stocks, or other evidences of indebtedness  
18 issued or guaranteed by a corporation organized under the laws  
19 of the United States, any state or organized territory of the  
20 United States, or the District of Columbia, provided:

21           a. The corporation is listed on any one or more of the  
22 recognized national stock exchanges or on the National Market  
23 System of the Nasdaq Stock Market and, in the case of bonds  
24 only, holds a rating in one of the three highest  
25 classifications by a major rating service; and

26           b. The board of trustees shall not invest more than 5  
27 percent of its assets in the common stock or capital stock of  
28 any one issuing company, nor shall the aggregate investment in  
29 any one issuing company exceed 5 percent of the outstanding  
30 capital stock of the company or the aggregate of its

31

1 investments under this subparagraph at cost exceed 50 percent  
2 of the fund's assets.

3  
4 This paragraph shall apply to all boards of trustees and  
5 participants. However, in the event that a municipality has a  
6 duly enacted pension plan pursuant to, and in compliance with,  
7 s. 185.35 and the trustees thereof desire to vary the  
8 investment procedures herein, the trustees of such plan shall  
9 request a variance of the investment procedures as outlined  
10 herein only through a municipal ordinance or special act of  
11 the Legislature; where a special act, or a municipality by  
12 ordinance adopted prior to July 1, 1998, permits a greater  
13 than 50-percent equity investment, such municipality shall not  
14 be required to comply with the aggregate equity investment  
15 provisions of this paragraph. Notwithstanding any other  
16 provision of law to the contrary, nothing in this section may  
17 be construed to take away any preexisting legal authority to  
18 make equity investments that exceed the requirements of this  
19 paragraph. The board of trustees may invest up to 10 percent  
20 of plan assets in foreign securities.

21 Section 20. Section 121.027, Florida Statutes, is  
22 repealed.

23 Section 21. Subsection (4) of section 112.64, Florida  
24 Statutes, is amended to read:

25 112.64 Administration of funds; amortization of  
26 unfunded liability.--

27 (4) The net increase, if any, in unfunded liability  
28 under the plan arising from significant plan amendments  
29 adopted, changes in actuarial assumptions, changes in funding  
30 methods, or actuarial gains or losses shall be amortized  
31 within 30 plan years. In the event that there is no unfunded

1 liability under the plan, then the Division of Retirement and  
2 the plan actuary will determine plan contributions in a manner  
3 designed to maintain the fully funded status of the plan, and  
4 to minimize volatility in retirement system contribution  
5 rates. If, as a result of favorable experience, the plan's  
6 funded ratio of assets divided by actuarial liability exceeds  
7 120%, then a portion of the plan's surplus assets shall be  
8 applied as a "pension experience dividend" to directly offset  
9 not more than 20% of the next year's otherwise determined  
10 contribution. It is the legislative intent that any pension  
11 experience dividend afforded pursuant to this section be  
12 recognized as a nonrecurring payroll cost reduction.

13           Section 22. The trustees of the Florida Retirement  
14 System may review the actuarial report prepared in accordance  
15 with Florida law. Furthermore, in the discharge of their  
16 fiduciary duties, the Trustees should review the process by  
17 which FRS contribution rates are reviewed or adopted and  
18 submit any comments regarding the process to the Governor and  
19 legislative leadership.

20           Section 23. Subsection (11) is added to section  
21 216.136, Florida Statutes, to read:

22           216.136 Consensus estimating conferences; duties and  
23 principals.--

24           (11) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION  
25 CONFERENCE.--

26           (a) Duties.--The Florida Retirement System Actuarial  
27 Assumption Conference shall by consensus develop official  
28 information with respect to the economic and noneconomic  
29 assumptions and funding methods of the Florida Retirement  
30 System necessary to perform the study. Such information shall  
31 include: an analysis of the actuarial assumptions and

1 actuarial methods and a determination of whether changes to  
2 the assumptions or methods need to be made due to experience  
3 changes or revised future forecasts.

4 (b) Principals.--The members of the conference shall  
5 include the Executive Office of the Governor, the coordinator  
6 of the Office of Economic and Demographic Research, and  
7 professional staff of the Senate and House of Representatives  
8 who have forecasting expertise, or their designees. The  
9 Executive Office of the Governor shall have the responsibility  
10 of presiding over the sessions of the conference. The State  
11 Board of Administration and the Division of Retirement shall  
12 be participants, as defined in s. 216.134, in the conference.

13 Section 24. This act shall take effect upon becoming a  
14 law, except that the reenactment of subsection (6) of section  
15 121.051, paragraph (a) of subsection (7) of section 121.052,  
16 paragraph (a) of subsection (3) of section 121.055, subsection  
17 (1) of section 121.071, subsection (12) of section 121.40, and  
18 subsections (11) and (12) of section 413.051, Florida  
19 Statutes, shall operate retroactively to June 7, 1996.  
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