

By the Committee on Governmental Oversight and Productivity

302-575-99

1 A bill to be entitled
 2 An act relating to the Florida Retirement
 3 System; creating s. 121.46, F.S.; authorizing
 4 employers within the state retirement system to
 5 offer a supplemental defined contribution
 6 retirement account; limiting the total annual
 7 contribution to the account; authorizing the
 8 employer to contribute up to one-half of the
 9 total contribution amount; providing for an
 10 employer to make the contribution conditional
 11 upon the attainment of performance objectives;
 12 providing for the Division of Retirement to
 13 issue a request for proposals for investment
 14 carriers to manage the accounts; providing
 15 rulemaking authority; providing an effective
 16 date.

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

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 20 Section 1. Section 121.46, Florida Statutes, is
 21 created to read:
 22 121.46 Performance supplement; authorization;
 23 application.--Each employer within the Florida Retirement
 24 System may offer a supplemental defined contribution
 25 retirement account to its employees in an amount not to exceed
 26 \$500 per year. The account must be available to all employees
 27 who are not paid from an appropriation category for other
 28 personal services and must be available to employees who
 29 participate in any optional annuity program authorized under
 30 this chapter. Each employer may contribute up to one-half of
 31 the total contribution amount per year and may make its annual

1 contribution conditional upon an employer unit attaining
2 performance objectives, as determined by the employer's
3 governing body. For a state agency, the annual contribution
4 may be conditioned upon attainment of specified output or
5 outcome expectations established in the agency's approved
6 performance-based budget under s. 216.0166. An employer may
7 not establish a performance-based retirement supplemental
8 account until the division has applied for and received
9 approval from the Internal Revenue Service. Upon such
10 approval, the division shall issue a request for proposals to
11 obtain investment carriers to manage the accounts on the
12 employee's behalf. The division shall adopt rules to
13 administer this section.

14 Section 2. This act shall take effect July 1, 1999.

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17 SENATE SUMMARY

18 Provides for employers within the Florida Retirement
19 System to offer supplemental retirement accounts. Limits
20 the amount of the annual contribution to \$500. Authorizes
21 an employer to contribute up to one-half of the total
22 contribution amount. Provides for an employer to base its
23 contribution upon the attainment of performance
24 objectives. Requires that the Division of Retirement of
25 the Department of Management Services obtain approval for
26 performance-based retirement accounts from the Internal
27 Revenue Service. (See bill for details.)
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