

1                                   A bill to be entitled  
2           An act relating to the Florida Retirement  
3           System; amending ss. 121.021, 121.0515,  
4           121.052, 121.053, 121.055, 121.081, 121.091,  
5           121.1115, 121.1122, 121.031, and 121.121, F.S.;  
6           prescribing the method for calculating average  
7           final compensation; providing that members  
8           employed in a regularly established position  
9           shall be vested after 5 years of creditable  
10          service; providing that any terminated,  
11          inactive member must be actively employed in a  
12          covered position for 1 calendar year or more on  
13          or after the bill's effective date to achieve  
14          vested status with 5 years of service;  
15          providing for employer contribution rate  
16          increases to each membership class; adding to  
17          the Special Risk Class of membership certain  
18          aerial firefighting surveillance positions;  
19          upgrading service credit for certain years for  
20          special risk members; providing for funding of  
21          changes to the definition of average final  
22          compensation from the assets of the Florida  
23          Retirement System Trust Fund in an amount and  
24          manner sufficient to maintain actuarial  
25          soundness; providing for employer contribution  
26          rate decreases to each membership class;  
27          providing for the development of a rate  
28          stabilization mechanism; providing for funding  
29          of the 1999 actuarial experience study from  
30          excess assets of the Florida Retirement System  
31          Trust Fund; adding assistant state attorneys,

1           assistant statewide prosecutors, and assistant  
2           public defenders to the Senior Management  
3           Service Class of the system; providing a  
4           legislative declaration of an important state  
5           interest; providing an appropriation; providing  
6           effective dates.

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

9  
10           Section 1. Subsections (24), (29), and (45) of section  
11   121.021, Florida Statutes, are amended to read:

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

15           (24) "Average final compensation" means the average of  
16   the 3 5 highest fiscal years of compensation for creditable  
17   service prior to retirement, termination, or death. For  
18   in-line-of-duty disability benefits, if less than 3 5 years of  
19   creditable service have been completed, the term "average  
20   final compensation" means the average annual compensation of  
21   the total number of years of creditable service. Each year  
22   used in the calculation of average final compensation shall  
23   commence on July 1.

24           (a) The average final compensation shall include:

25           1. Accumulated annual leave payments, not to exceed  
26   500 hours; and

27           2. All payments defined as compensation in subsection  
28   (22).

29           (b) The average final compensation shall not include:

30           1. Compensation paid to professional persons for  
31   special or particular services;

- 1           2. Payments for accumulated sick leave made due to  
2 retirement or termination;
- 3           3. Payments for accumulated annual leave in excess of  
4 500 hours;
- 5           4. Bonuses as defined in subsection (47);
- 6           5. Third party payments made on and after July 1,  
7 1990; or
- 8           6. Fringe benefits (for example, automobile allowances  
9 or housing allowances).
- 10          (29) "Normal retirement date" means the first day of  
11 any month following the date a member attains one of the  
12 following statuses:
- 13           (a) If a Regular Class member, the member:
- 14           1. Completes 5 ~~10~~ or more years of creditable service  
15 and attains age 62; or
- 16           2. Completes 30 years of creditable service,  
17 regardless of age, which may include a maximum of 4 years of  
18 military service credit as long as such credit is not claimed  
19 under any other system.
- 20           (b) If a Special Risk Class member, the member:
- 21           1. Completes 5 ~~10~~ or more years of creditable service  
22 in the Special Risk Class and attains age 55;
- 23           2. Completes 25 years of creditable service in the  
24 Special Risk Class, regardless of age; or
- 25           3. Completes 25 years of creditable service and  
26 attains age 52, which service may include a maximum of 4 years  
27 of military service credit as long as such credit is not  
28 claimed under any other system and the remaining years are in  
29 the Special Risk Class.
- 30           (c) If a Senior Management Service Class member, the  
31 member:

1           1. Completes 5 7 years of creditable service in the  
2 Senior Management Service Class and attains age 62; or

3           2. Completes 30 years of any creditable service,  
4 regardless of age, which may include a maximum of 4 years of  
5 military service credit as long as such credit is not claimed  
6 under any other system.

7           (d) If an Elected Officers' Class member, the member:

8           1. Completes 5 8 years of creditable service in the  
9 Elected Officers' Class and attains age 62; or

10          2. Completes 30 years of any creditable service,  
11 regardless of age, which may include a maximum of 4 years of  
12 military service credit as long as such credit is not claimed  
13 under any other system.

14  
15 "Normal retirement age" is attained on the "normal retirement  
16 date."

17          (45)(a) "Vested" or "vesting" means the guarantee that  
18 a member is eligible to receive a future retirement benefit  
19 upon completion of the required years of creditable service  
20 for the employee's class of membership, even though the member  
21 may have terminated covered employment before reaching normal  
22 or early retirement date. Being vested does not entitle a  
23 member to a disability benefit based on a disability caused by  
24 an injury or disease that occurs after termination of covered  
25 employment.

26          **(b) Effective July 1, 2000, a 5-year vesting**  
27 **requirement shall be implemented for the Florida Retirement**  
28 **System. Pursuant thereto:**

29           **1. Any member employed in a regularly established**  
30 **position on July 1, 2000, who completes or has completed a**  
31

1 total of 5 years of creditable service will be considered  
2 vested as described in paragraph (a).

3 2. Any member not employed in a regularly established  
4 position on July 1, 2000, will be deemed vested upon  
5 completion of 5 years of creditable service, provided that  
6 such member is employed in a covered position for at least 1  
7 work year after July 1, 2000. However, no member shall be  
8 required to complete more years of creditable service than  
9 would have been required for that member to vest under  
10 retirement laws in effect before July 1, 2000.

11 Section 2. Subsection (2) and paragraph (a) of  
12 subsection (7) of section 121.0515, Florida Statutes, are  
13 amended to read:

14 121.0515 Special risk membership; criteria;  
15 designation and removal of classification; credits for past  
16 service and prior service; retention of special risk normal  
17 retirement date.--

18 (2) CRITERIA.--A member, to be designated as a special  
19 risk member, must meet the following criteria:

20 (a) The member must be employed as a law enforcement  
21 officer and be certified, or required to be certified, in  
22 compliance with s. 943.1395; however, sheriffs and elected  
23 police chiefs shall be excluded from meeting the certification  
24 requirements of this paragraph. In addition, the member's  
25 duties and responsibilities must include the pursuit,  
26 apprehension, and arrest of law violators or suspected law  
27 violators; or the member must be an active member of a bomb  
28 disposal unit whose primary responsibility is the location,  
29 handling, and disposal of explosive devices; or the member  
30 must be the supervisor or command officer of a member or  
31 members who have such responsibilities; provided, however,

1 administrative support personnel, including, but not limited  
2 to, those whose primary duties and responsibilities are in  
3 accounting, purchasing, legal, and personnel, shall not be  
4 included;

5 (b) The member must be employed as a firefighter and  
6 be certified, or required to be certified, in compliance with  
7 s. 633.35 and be employed solely within the fire department of  
8 a local government ~~the employer,~~ or an agency of state  
9 government with firefighting responsibilities. In addition,  
10 the member's duties and responsibilities must include  
11 on-the-scene fighting of fires or direct supervision of  
12 firefighting units or aerial firefighting surveillance  
13 performed by fixed-wing pilots employed by the Department of  
14 Agriculture and Consumer Services, Division of Forestry, or  
15 the member must be the supervisor or command officer of a  
16 member or members who have such responsibilities; provided,  
17 however, administrative support personnel, including, but not  
18 limited to, those whose primary duties and responsibilities  
19 are in accounting, purchasing, legal, and personnel, shall not  
20 be included;

21 (c) The member must be employed as a correctional  
22 officer and be certified, or required to be certified, in  
23 compliance with s. 943.1395. In addition, the member's  
24 primary duties and responsibilities must be the custody, and  
25 physical restraint when necessary, of prisoners or inmates  
26 within a prison, jail, or other criminal detention facility,  
27 or while on work detail outside the facility, or while being  
28 transported; or the member must be the supervisor or command  
29 officer of a member or members who have such responsibilities;  
30 provided, however, administrative support personnel,  
31 including, but not limited to, those whose primary duties and

1 responsibilities are in accounting, purchasing, legal, and  
2 personnel, shall not be included; however, superintendents and  
3 assistant superintendents shall participate in the Special  
4 Risk Class; or

5 (d) The member must be employed by a licensed Advance  
6 Life Support (ALS) or Basic Life Support (BLS) employer as an  
7 emergency medical technician or a paramedic and be certified  
8 in compliance with s. 401.27. In addition, the member's  
9 primary duties and responsibilities must include on-the-scene  
10 emergency medical care. However, administrative support  
11 personnel, including, but not limited to, those whose primary  
12 responsibilities are in accounting, purchasing, legal, and  
13 personnel, shall not be included.

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

16 (a) A special risk member who is moved or reassigned  
17 to a nonspecial risk law enforcement, firefighting,  
18 correctional, or emergency medical care administrative support  
19 position with the same agency, or who is subsequently employed  
20 in such a position with any law enforcement, firefighting,  
21 correctional, or emergency medical care agency under the  
22 Florida Retirement System, shall participate in the Special  
23 Risk Administrative Support Class and shall earn credit for  
24 such service at the same percentage rate as that earned by a  
25 regular member. Notwithstanding the provisions of subsection  
26 (4), service in such an administrative support position shall,  
27 for purposes of s. 121.091, apply toward satisfaction of the  
28 special risk normal retirement date, as defined in s.  
29 121.021(29)(b), provided that, while in such position, the  
30 member remains certified as a law enforcement officer,  
31 firefighter, correctional officer, emergency medical

1 technician, or paramedic; remains subject to reassignment at  
2 any time to a position qualifying for special risk membership;  
3 and completes an aggregate of 5 ~~10~~ or more years of service as  
4 a designated special risk member prior to retirement.

5 Section 3. Paragraphs (b) and (c) of subsection (12)  
6 of section 121.052, Florida Statutes, are amended to read:

7 121.052 Membership class of elected officers.--

8 (12) BENEFITS.--

9 (b) The benefit provisions of s. 121.091(2)-(6), (8),  
10 (9), and (11), relating to benefits payable for dual normal  
11 retirement ages, early retirement, disability retirement,  
12 termination benefits, optional forms of retirement,  
13 designation of beneficiaries, employment after retirement, and  
14 method of computing actuarial equivalent, respectively, shall  
15 also apply to members of the Elected Officers' Class, ~~except~~  
16 ~~that only 8 years of creditable service in this class are~~  
17 ~~needed to attain the benefits specified in s. 121.091(3) and~~  
18 ~~(5)~~. These provisions shall be construed in such manner as to  
19 make them compatible with the provisions of this section.

20 (c) The benefit provisions of s. 121.091(7), relating  
21 to death benefits, shall apply to members of the Elected  
22 Officers' Class and shall be construed in such manner as to  
23 make them compatible with the provisions of this section ~~and~~  
24 ~~however, only 8 years of creditable service in this class are~~  
25 ~~needed to obtain such benefits~~, except that:

26 1. If any elected official dies in office who would  
27 have been vested under the Elected Officers' Class, any other  
28 class of the Florida Retirement System, or any other  
29 state-administered retirement system, if the official had  
30 lived to complete his or her term of office, the official's  
31 spouse may elect to leave the official's retirement



1 contributions in the retirement trust fund and pay into said  
2 fund any required contributions which would have been paid by  
3 the officer or the employer had the officer lived to complete  
4 the term of office.

5         2. If a deceased member's surviving spouse as  
6 described in subparagraph 1. previously received a refund of  
7 the member's contributions made to the retirement trust fund,  
8 the surviving spouse may pay into the retirement trust fund an  
9 amount equal to the deceased member's contributions previously  
10 refunded, together with interest at 4 percent compounded  
11 annually on the amount of such refunded contributions from the  
12 date of refund until July 1, 1975, and at 6.5 percent  
13 compounded annually thereafter to the date of payment, plus  
14 such additional contributions as may be required under  
15 subparagraph 1., in order to become vested, as applicable.

16  
17 Upon conclusion of the term of office to which the deceased  
18 officer was elected, a spouse who pays into the retirement  
19 trust fund such additional or refunded contributions, plus  
20 interest, shall be eligible to receive a monthly benefit in  
21 the same manner as the surviving spouse of a member who dies  
22 after accumulating the required number of years of creditable  
23 service as described herein.

24         Section 4. Paragraph (a) of subsection (1) of section  
25 121.053, Florida Statutes, is amended to read:

26         121.053 Participation in the Elected Officers' Class  
27 for retired members.--

28         (1)(a) Any member who retired under any existing  
29 system as defined in s. 121.021(2), and receives a benefit  
30 thereof, and who serves in an office covered by the Elected  
31 Officers' Class for a period of at least 5 ~~8~~ years, shall be

1 entitled to receive an additional retirement benefit for such  
2 elected officer service prior to July 1, 1990, under the  
3 Elected Officers' Class of the Florida Retirement System, as  
4 follows:

5         1. Upon completion of 5 ~~8~~ or more years of creditable  
6 service in an office covered by the Elected Officers' Class,  
7 s. 121.052, such member shall notify the administrator of his  
8 or her intent to purchase elected officer service prior to  
9 July 1, 1990, and shall pay the member contribution applicable  
10 for the period being claimed, plus 4 percent interest  
11 compounded annually from the first year of service claimed  
12 until July 1, 1975, and 6.5 percent interest compounded  
13 annually thereafter, until full payment is made to the Florida  
14 Retirement System Trust Fund; however, such member may  
15 purchase retirement credit under the Elected Officers' Class  
16 only for such service as an elected officer.

17         2. Upon payment of the amount specified in  
18 subparagraph 1., the employer shall pay into the Florida  
19 Retirement System Trust Fund the applicable employer  
20 contribution for the period of elected officer service prior  
21 to July 1, 1990, being claimed by the member, plus 4 percent  
22 interest compounded annually from the first year of service  
23 claimed until July 1, 1975, and 6.5 percent interest  
24 compounded annually thereafter, until full payment is made to  
25 the Florida Retirement System Trust Fund.

26         Section 5. Paragraph (h) of subsection (1) and  
27 paragraph (b) of subsection (4) of section 121.055, Florida  
28 Statutes, are amended to read:

29         121.055 Senior Management Service Class.--There is  
30 hereby established a separate class of membership within the  
31 Florida Retirement System to be known as the "Senior

1 Management Service Class," which shall become effective  
2 February 1, 1987.

3 (1)

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

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

25 b. One nonelective full-time position may be  
26 designated for each state attorney and public defender  
27 reporting to the Department of Management Services; for  
28 agencies with 200 or more regularly established positions  
29 under the state attorney or public defender, additional  
30 nonelective full-time positions may be designated, not to  
31

1 exceed 0.5 percent of the regularly established positions  
2 within the agency.

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

7 (I) Heads an organizational unit; or

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

11 2. Participation in this class shall be compulsory,  
12 except as provided in subparagraph 3., for any judicial  
13 employee who holds a position designated for coverage in the  
14 Senior Management Service Class, and such participation shall  
15 continue until the employee terminates employment in a covered  
16 position. Effective January 1, 2001, participation in this  
17 class is compulsory for assistant state attorneys, assistant  
18 statewide prosecutors, and assistant public defenders.

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

23 (4)

24 (b) Service in an eligible position prior to February  
25 1, 1987, or after January 31, 1987, shall satisfy the  
26 requirement of attaining the normal retirement date as defined  
27 in s. 121.021(29) for a Senior Management Service Class  
28 member, provided the employee is a member of the Senior  
29 Management Service Class after January 31, 1987. A member of  
30 this class who fails to complete 5 7 years of creditable  
31 service in an eligible position shall be required to satisfy

1 the requirements for the normal retirement date for a regular  
2 member as provided in s. 121.021(29).

3 Section 6. Paragraph (i) of subsection (1) and  
4 paragraph (b) of subsection (2) of section 121.081, Florida  
5 Statutes, are amended to read:

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

9 (1)

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

15 1. The educational leave must have occurred prior to  
16 December 31, 1971;

17 2. The member must have completed at least 5 ~~10~~ years  
18 of creditable service excluding the period of the educational  
19 leave;

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

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

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

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

1           7. The member must pay to the retirement trust fund  
2 for claiming such past-service credit an amount equal to 8  
3 percent of his or her gross annual salary immediately prior to  
4 the educational leave with pay for each year of past service  
5 claimed, plus 4 percent interest thereon compounded annually  
6 each June 30 from the first year of service claimed until July  
7 1, 1975, and 6.5 percent interest thereafter on the unpaid  
8 balance compounded annually each June 30 until paid.

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

23           (b) For prior service performed prior to the date the  
24 system became ~~becomes~~ noncontributory for the member, and for  
25 which the member had credit under the Florida Retirement  
26 System and received a refund of contributions upon termination  
27 of employment, the member shall contribute at the rate that  
28 was required of him or her during the period of service being  
29 claimed, on all salary received during such period, plus 4  
30 percent interest compounded annually from the date of refund  
31 until July 1, 1975, and 6.5 percent interest compounded

1 annually thereafter, until the full payment is made to the  
2 Florida Retirement System Trust Fund.

3 Section 7. Paragraph (a) of subsection (1), paragraphs  
4 (a), (h), and (j) of subsection (4) of section 121.091,  
5 Florida Statutes, are amended 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. The  
12 department may cancel an application for retirement benefits  
13 when the member or beneficiary fails to timely provide the  
14 information and documents required by this chapter and the  
15 department's rules. The department shall adopt rules  
16 establishing procedures for application for retirement  
17 benefits and for the cancellation of such application when the  
18 required information or documents are not received.

19 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or  
20 her normal retirement date, the member, upon application to  
21 the administrator, shall receive a monthly benefit which shall  
22 begin to accrue on the first day of the month of retirement  
23 and be payable on the last day of that month and each month  
24 thereafter during his or her lifetime. The normal retirement  
25 benefit, including any past or additional retirement credit,  
26 may not exceed 100 percent of the average final compensation.  
27 The amount of monthly benefit shall be calculated as the  
28 product of A and B, subject to the adjustment of C, if  
29 applicable, as set forth below:

30 (a)1. For creditable years of Regular Class service, A  
31 is 1.60 percent of the member's average final compensation, up

1 to the member's normal retirement date. Upon completion of the  
2 first year after the normal retirement date, A is 1.63 percent  
3 of the member's average final compensation. Following the  
4 second year after the normal retirement date, A is 1.65  
5 percent of the member's average final compensation. Following  
6 the third year after the normal retirement date, and for  
7 subsequent years, A is 1.68 percent of the member's average  
8 final compensation.

9 2. For creditable years of special risk service, ~~A is:~~

10 a. A is 2.00 ~~Two~~ percent of the member's average final  
11 compensation for all creditable years prior to October 1,  
12 1974;

13 b. A is 3.00 ~~Three~~ percent of the member's average  
14 final compensation for all creditable years after September  
15 30, 1974, and before October 1, 1978;

16 c. A is 2.00 ~~Two~~ percent of the member's average final  
17 compensation for all creditable years after September 30,  
18 1978, and before January 1, 1989;

19 d. A is 2.20 ~~Two and two-tenths~~ percent of the  
20 member's final monthly compensation for all creditable years  
21 after December 31, 1988, and before January 1, 1990;

22 e. A is 2.40 ~~Two and four-tenths~~ percent of the  
23 member's average final compensation for all creditable years  
24 after December 31, 1989, and before January 1, 1991;

25 f. A is 2.60 ~~Two and six-tenths~~ percent of the  
26 member's average final compensation for all creditable years  
27 after December 31, 1990, and before January 1, 1992;

28 g. A is 2.80 ~~Two and eight-tenths~~ percent of the  
29 member's average final compensation for all creditable years  
30 after December 31, 1991, and before January 1, 1993; ~~and~~

31



1           h. A is 3.00 ~~Three~~ percent of the member's average  
2 final compensation for all creditable years after December 31,  
3 1992;

4           i. A is 3.00 percent of the member's average final  
5 compensation for all creditable years of service after  
6 September 30, 1978, and before January 1, 1993, for any  
7 special risk member who retires after July 1, 2000;

8           3. For creditable years of Senior Management Service  
9 Class service after January 31, 1987, A is 2 percent;

10          4. For creditable years of Elected Officers' Class  
11 service as a Supreme Court Justice, district court of appeal  
12 judge, circuit judge, or county court judge, A is 3 1/3  
13 percent of the member's average final compensation, and for  
14 all other creditable service in such class, A is 3.00 ~~3~~  
15 percent of average final compensation;

16          (4) DISABILITY RETIREMENT BENEFIT.--

17          (a) Disability retirement; entitlement and effective  
18 date.--

19          1. A member who becomes totally and permanently  
20 disabled, as defined in paragraph (b), after completing 5  
21 years of creditable service, or a member who becomes totally  
22 and permanently disabled in the line of duty regardless of  
23 service, shall be entitled to a monthly disability benefit~~+~~  
24 ~~except that any member with less than 5 years of creditable~~  
25 ~~service on July 1, 1980, or any person who becomes a member of~~  
26 ~~the Florida Retirement System on or after such date must have~~  
27 ~~completed 10 years of creditable service prior to becoming~~  
28 ~~totally and permanently disabled in order to receive~~  
29 ~~disability retirement benefits for any disability which occurs~~  
30 ~~other than in the line of duty. However, if a member employed~~  
31 ~~on July 1, 1980, with less than 5 years of creditable service~~

1 ~~as of that date, becomes totally and permanently disabled~~  
2 ~~after completing 5 years of creditable service and is found~~  
3 ~~not to have attained fully insured status for benefits under~~  
4 ~~the federal Social Security Act, such member shall be entitled~~  
5 ~~to a monthly disability benefit.~~

6           2. If the division has received from the employer the  
7 required documentation of the member's termination of  
8 employment, the effective retirement date for a member who  
9 applies and is approved for disability retirement shall be  
10 established by rule of the division.

11           3. For a member who is receiving Workers' Compensation  
12 payments, the effective disability retirement date may not  
13 precede the date the member reaches Maximum Medical  
14 Improvement (MMI), unless the member terminates employment  
15 prior to reaching MMI.

16           (h) Recovery from disability.--The administrator may  
17 require periodic reexaminations at the expense of the  
18 retirement fund. The division may adopt rules establishing  
19 procedures for conducting and review of such reexaminations.

20           1. If the administrator finds that a member who is  
21 receiving disability benefits is, at any time prior to his or  
22 her normal retirement date, no longer disabled, the  
23 administrator shall direct that the benefits be discontinued.  
24 The decision of the administrator on this question shall be  
25 final and binding. If such member:

26           a. Does not reenter the employ of an employer and was  
27 not vested as of the disability retirement date, he or she  
28 shall be entitled to a refund of the excess, if any, of his or  
29 her accumulated contributions over the total disability  
30 benefits received up to the date of recovery.

31

1           b. Does not reenter the employ of an employer, but was  
2 vested as of the disability retirement date, he or she may  
3 elect to receive:

4           (I) A refund of the excess, if any, of his or her  
5 accumulated contributions over the total disability benefits  
6 received up to the date of recovery; or

7           (II) A deferred benefit commencing on the last day of  
8 the month of the normal retirement date which shall be payable  
9 on the last day of the month thereafter during his or her  
10 lifetime. The amount of such monthly benefit shall be  
11 computed in the same manner as for a normal retirement  
12 benefit, in accordance with subsection (1), but shall be based  
13 on average monthly compensation and creditable service as of  
14 the member's disability retirement date.

15           c. Reenters employment of an employer within 6 months  
16 after recovery, the member's service will be deemed to have  
17 been continuous, but the period beginning with the first month  
18 for which he or she received a disability benefit payment and  
19 ending with the date he or she reentered employment will not  
20 be considered as creditable service for the purpose of  
21 computing benefits except as provided in sub-subparagraph d.  
22 As used in this section, the term "accumulated contributions"  
23 for such member means the excess of the member's accumulated  
24 contributions as of the disability retirement date over the  
25 total disability benefits received under paragraph (e).

26           d. Terminates his or her disability benefit, reenters  
27 covered employment, and is continuously employed for a minimum  
28 of 1 year of creditable service, he or she may claim as  
29 creditable service the months during which he or she was  
30 receiving a disability benefit, upon payment of the required  
31 contributions. Contributions shall equal the total required

1 employee and employer contribution rate applicable during the  
2 period the retiree received retirement benefits, multiplied  
3 times his or her rate of monthly compensation prior to the  
4 commencement of disability retirement for each month of the  
5 period claimed, plus 4 percent interest until July 1, 1975,  
6 and 6.5 percent interest thereafter, compounded annually each  
7 June 30 to the date of payment. If the member does not claim  
8 credit for all of the months he or she received disability  
9 benefits, the months claimed must be the most recent months of  
10 retirement. Such credit for periods of disability, when  
11 purchased under the Florida Retirement System, shall apply  
12 toward vesting requirements for eligibility to purchase  
13 additional credit for other service.

14         2. Both the member receiving disability benefits who  
15 reenters employment and the employer employing such disability  
16 retiree shall notify the division immediately upon  
17 reemployment, and the division shall terminate such member's  
18 disability benefits, effective the first day of the month  
19 following the month in which notification of recovery is  
20 received. If the member is reemployed with a Florida  
21 Retirement System employer at the time of benefit termination,  
22 and he or she has received disability retirement benefit and  
23 salary payments concurrently prior to notifying the division,  
24 he or she may elect within 30 days to:

25             a. Retain the retirement benefits received prior to  
26 termination of disability benefits and begin receiving  
27 retirement service credit effective upon the date of  
28 termination of benefits; or

29             b. Repay, within 12 months after his or her decision  
30 to receive service credit, the retirement benefits received  
31 for each month of reemployment prior to termination of

1 disability benefits and begin receiving retirement service  
2 credit effective upon the date of reemployment. Any such  
3 unpaid benefits shall have compound interest of 6.5 percent  
4 added June 30.

5  
6 A member may not receive both retirement service credit for  
7 employment and retirement benefits for the same month.

8 3. If, after recovery of disability and reentry into  
9 covered employment, the member again becomes disabled and is  
10 again approved for disability retirement, the Option 1 monthly  
11 retirement benefit shall not be less than the Option 1 monthly  
12 benefit calculated at the time of the previous disability,  
13 plus any cost of living increases up to the time the  
14 disability benefit was terminated upon his or her reentry into  
15 covered employment.

16 (j) Disability retirement of justice or judge by order  
17 of Supreme Court.--

18 1. If a member is a justice of the Supreme Court,  
19 judge of a district court of appeal, circuit judge, or judge  
20 of a county court who has served for 5 ~~10~~ years or more as an  
21 elected constitutional judicial officer, including service as  
22 a judicial officer in any court abolished pursuant to Art. V  
23 of the State Constitution, and who is retired for disability  
24 by order of the Supreme Court upon recommendation of the  
25 Judicial Qualifications Commission pursuant to the provisions  
26 of Art. V of the State Constitution, the member's Option 1  
27 monthly benefit as provided in subparagraph (6)(a)1. shall not  
28 be less than two-thirds of his or her monthly compensation as  
29 of the member's disability retirement date. Such a member may  
30 alternatively elect to receive a disability retirement benefit  
31 under any other option as provided in paragraph (6)(a).

1           2. Should any justice or judge who is a member of the  
2 Florida Retirement System be retired for disability by order  
3 of the Supreme Court upon recommendation of the Judicial  
4 Qualifications Commission pursuant to the provisions of Art. V  
5 of the State Constitution, then all contributions to his or  
6 her account and all contributions made on his or her behalf by  
7 the employer shall be transferred to and deposited in the  
8 General Revenue Fund of the state, and there is hereby  
9 appropriated annually out of the General Revenue Fund, to be  
10 paid into the Florida Retirement System Fund, an amount  
11 necessary to pay the benefits of all justices and judges  
12 retired from the Florida Retirement System pursuant to Art. V  
13 of the State Constitution.

14           Section 8. Paragraph (b) of subsection (1) of section  
15 121.1115, Florida Statutes, is amended to read:

16           21.1115 Purchase of retirement credit for  
17 out-of-state and federal service.--Effective January 1, 1995,  
18 a member of the Florida Retirement System may purchase  
19 creditable service for periods of public employment in another  
20 state and receive creditable service for such periods of  
21 employment. Service with the Federal Government, including any  
22 military service, may be claimed. Upon completion of each year  
23 of service earned under the Florida Retirement System, a  
24 member may purchase up to 1 year of retirement credit for his  
25 or her out-of-state service, subject to the following  
26 provisions:

27           (1) LIMITATIONS AND CONDITIONS.--To receive credit for  
28 the out-of-state service:

29           (b) The member must have completed a minimum of 5 ~~10~~  
30 years of creditable service under the Florida Retirement  
31

1 System, excluding out-of-state service and in-state service  
2 claimed and purchased under s. 121.1122.

3 Section 9. Paragraph (a) of subsection (2) of section  
4 121.1122, Florida Statutes, is amended to read:

5 121.1122 Purchase of retirement credit for in-state  
6 public service and in-state service in accredited nonpublic  
7 schools and colleges, including charter schools and charter  
8 technical career centers.--Effective January 1, 1998, a member  
9 of the Florida Retirement System may purchase creditable  
10 service for periods of certain public or nonpublic employment  
11 performed in this state, as provided in this section.

12 (2) LIMITATIONS AND CONDITIONS.--

13 (a) A member is not eligible to receive credit for  
14 in-state service under this section until he or she has  
15 completed 5 ~~10~~ years of creditable service under the Florida  
16 Retirement System, excluding service purchased under this  
17 section and out-of-state service claimed and purchased under  
18 s. 121.1115.

19 Section 10. Paragraph (a) of subsection (1) of section  
20 121.121, Florida Statutes, is amended to read:

21 121.121 Authorized leaves of absence.--

22 (1) A member may purchase creditable service for up to  
23 2 work years of authorized leaves of absence if:

24 (a) The member has completed a minimum of 5 ~~10~~ years  
25 of creditable service, excluding periods for which a leave of  
26 absence was authorized;

27 Section 11. Effective July 1, 2000, in order to fund  
28 the normal cost for changes in vesting requirements and the  
29 computation of average final compensation under the Florida  
30 Retirement System, as provided in this act:

31

1           (1) The contribution rates that apply to the Regular  
2 Class of the Florida Retirement System shall be increased by  
3 1.04 percentage points;

4           (2) The contribution rates that apply to the Special  
5 Risk Class of the Florida Retirement System shall be increased  
6 by 1.98 percentage points;

7           (3) The contribution rates that apply to the Special  
8 Risk Administrative Support Class of the Florida Retirement  
9 System shall be increased by 1.01 percentage points;

10           (4) The contribution rates that apply to the Judicial  
11 sub-class of the Elected Officers' Class of the Florida  
12 Retirement System shall be increased by 1.58 percentage  
13 points;

14           (5) The contribution rates that apply to the  
15 legislative-attorney-Cabinet sub-class of the Elected  
16 Officers' Class of the Florida Retirement System shall be  
17 increased by 1.63 percentage points;

18           (6) The contribution rates that apply to the County  
19 Officers' sub-class of the Elected Officers' Class of the  
20 Florida Retirement System shall be increased by 1.31  
21 percentage points; and

22           (7) The contribution rates that apply to the Senior  
23 Management Service Class of the Florida Retirement System  
24 shall be increased by 0.96 percentage points.

25  
26 These increases shall be in addition to all other changes to  
27 such contribution rates which may be enacted into law to take  
28 effect on that date. The Division of Statutory Revision is  
29 directed to adjust the contribution rates set forth in  
30 sections 121.052, 121.055, and 121.071, Florida Statutes.

31



1           Section 12. It is the intent of the Legislature that  
2 the net unfunded actuarial past-service liability attributable  
3 to the upgrading of special risk service between October 1,  
4 1978, and January 1, 1993, and to changes in the vesting  
5 requirements and the computation of average final compensation  
6 under the Florida Retirement System, as provided in this act,  
7 shall be funded by a one-time lump sum payment from the excess  
8 actuarial assets of the Florida Retirement System Trust Fund.

9           Section 13. It is the intent of the Legislature that  
10 the increased cost attributable to the 1999 actuarial  
11 experience study conducted by the system actuaries for the  
12 2000-2001 fiscal year shall be funded by a one-time lump sum  
13 payment from the excess actuarial assets of the Florida  
14 Retirement System Trust Fund. The retirement contribution  
15 rates for subsequent years shall be adjusted with the next  
16 actuarial valuation of the Florida Retirement System.

17           Section 14. Effective July 1, 2000, and each year  
18 thereafter, the Department of Management Services and the  
19 consulting actuaries for the Florida Retirement System are  
20 directed to annually recognize and determine the amount of any  
21 excess actuarial assets that may exist in the Florida  
22 Retirement System Trust Fund. Where such excess assets exist,  
23 the actuaries shall calculate, as a percent of payroll, the  
24 reduction that could be made in the retirement contribution  
25 rate for each class and subclass in the Florida Retirement  
26 System by applying 10 percent of the excess assets toward the  
27 normal cost funding requirements for the system and shall  
28 certify such reduced rates to the Department of Management  
29 Services for recommendation to the Executive Office of the  
30 Governor and the Legislature. If excess actuarial assets are  
31 unavailable in any year for rate reduction as described in

1 this section, the consulting actuaries for the Florida  
2 Retirement System shall certify to the Department of  
3 Management Services the payroll contribution rate required for  
4 each class and subclass of the Florida Retirement System in  
5 order to effect and maintain funding for the Florida  
6 Retirement System on a sound actuarial basis in compliance  
7 with Section 14 of Article X of the State Constitution and  
8 part VII of chapter 112, Florida Statutes.

9 Section 15. To implement the provisions of section 14  
10 for fiscal year 2000-2001, effective July 1, 2000:

11 (1) The contribution rates that apply to the Regular  
12 Class of the Florida Retirement System shall be reduced by  
13 3.37 percentage points.

14 (2) The contribution rates that apply to the Special  
15 Risk Class of the Florida Retirement System shall be reduced  
16 by 3.64 percentage points.

17 (3) The contribution rates that apply to the Special  
18 Risk Administrative Support Class of the Florida Retirement  
19 System shall be reduced by 4.39 percentage points.

20 (4) The contribution rates that apply to the Judicial  
21 sub-class of the Elected Officers' Class of the Florida  
22 Retirement System shall be reduced by 7.32 percentage points.

23 (5) The contribution rates that apply to the  
24 legislative-attorney-Cabinet subclass of the Elected Officers'  
25 Class of the Florida Retirement System shall be reduced by  
26 5.19 percentage points.

27 (6) The contribution rates that apply to the County  
28 Officers' sub-class of the Elected Officers' Class of the  
29 Florida Retirement System shall be reduced by 6.03 percentage  
30 points.

31

1           (7) The contribution rates that apply to the Senior  
2 Management Service Class of the Florida Retirement System  
3 shall be reduced by 4.15 percentage points.

4  
5 These changes shall be in addition to all other changes to  
6 such contribution rates which may be enacted into law to take  
7 effect on that date. The Division of Statutory Revision is  
8 directed to adjust the contribution rates set forth in  
9 sections 121.052, 121.055, and 121.071, Florida Statutes.

10           Section 16. Paragraph (a) of subsection (3) of section  
11 121.031, Florida Statutes, is amended to read:

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

14           (3) The administrator shall cause an actuarial study  
15 of the system to be made at least once every 2 years and shall  
16 report the results of such study to the Legislature by  
17 February 1 prior to the next legislative session.

18           (a) The study shall, at a minimum, conform to the  
19 requirements of s. 112.63, with the following exceptions and  
20 additions:

21           1. The valuation of plan assets shall be based on a  
22 5-year averaging methodology such as that specified in the  
23 United States Department of Treasury Regulations, 26 C.F.R. s.  
24 1.412(c)(2)-1, or a similar accepted approach designed to  
25 attenuate fluctuations in asset values.

26           2. The study shall include a narrative explaining the  
27 changes in the covered group over the period between actuarial  
28 valuations and the impact of those changes on actuarial  
29 results.

30           3. When substantial changes in actuarial assumptions  
31 have been made, the study shall reflect the results of an

1 actuarial assumption as of the current date based on the  
2 assumptions utilized in the prior actuarial report.

3 4. The study shall include an analysis of the changes  
4 in actuarial valuation results by the factors generating those  
5 changes. Such analysis shall reconcile the current actuarial  
6 valuation results with those results from the prior valuation.

7 5. The study shall include measures of funding status  
8 and funding progress designed to facilitate the assessment of  
9 trends over several actuarial valuations with respect to the  
10 overall solvency of the system. Such measures shall be adopted  
11 by the division and shall be used consistently in all  
12 actuarial valuations performed on the system.

13 6. The actuarial model used to determine contribution  
14 rates for the purposes of the regular actuarial valuation  
15 report shall provide a recommendation on the development of a  
16 specific rate-stabilization mechanism. This mechanism shall,  
17 as a minimum, define what amounts in excess of full funding  
18 shall be held in reserve to offset future unfunded  
19 liabilities, thereby minimizing the risk of future increases  
20 in contribution rates due to adverse experience, and shall  
21 define how any excess above those amounts is to be recognized  
22 to reduce retirement system contributions. It is the  
23 legislative intent that this mechanism should be developed by  
24 pension system finance professionals, taking into account  
25 possible volatility in investment returns and the uncertainty  
26 over actual growth in plan liabilities. At the same time, the  
27 mechanism should not allow an unnecessarily large surplus to  
28 accumulate. It is further the intent that, once adopted by the  
29 Legislature, the mechanism shall not be altered in response to  
30 short-term budget exigencies.

31

1           Section 17. The Legislature finds that a proper and  
2 legitimate state purpose is served when employees and retirees  
3 of the state and of its political subdivisions, and the  
4 dependents, survivors, and beneficiaries of such employees and  
5 retirees, are extended the basic protections afforded by  
6 governmental retirement systems that provide fair and adequate  
7 benefits and that are managed, administered, and funded in an  
8 actuarially sound manner, as required by section 14, Article X  
9 of the State Constitution and part VII of chapter 112 of the  
10 Florida Statutes. Therefore, the Legislature hereby  
11 determines and declares that the provisions of this act  
12 fulfill an important state interest.

13           Section 18. The following sums are appropriated from  
14 recurring General Revenue Fund for fiscal year 2000-2001. The  
15 sum of \$921,000 is appropriated to the Justice Administrative  
16 Commission for the purpose of paying the costs associated with  
17 adding assistant state attorneys to the Senior Management  
18 Service Class in the Florida Retirement System. The sum of  
19 \$605,000 is appropriated to the Justice Administrative  
20 Commission for the purpose of paying the costs associated with  
21 adding assistant public defenders to the Senior Management  
22 Service Class in the Florida Retirement System. The sum of  
23 \$24,000 is appropriated to the Department of Legal Affairs,  
24 Office of Statewide Prosecutor for the purpose of paying the  
25 costs associated with adding assistant statewide prosecutors  
26 to the Senior Management Service Class in the Florida  
27 Retirement System.

28           Section 19. Except as otherwise provided in this act,  
29 this act shall take effect July 1, 2000.  
30  
31