

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on General Government Appropriations offered the following:

**Amendment (with title amendment)**

On page 13, line 31, of the bill

insert:

Section 6. Section 110.1315, Florida Statutes, is created to read:

110.1315 Alternative benefits; other personal services employees.--

(1) The Department of Management Services shall contract for the implementation of an alternative retirement income security program for eligible employees paid from other personal services or special category appropriations who pay the social security portion of FICA withholding tax. The term "other personal services" means the compensation for services rendered by a person who is not a regular or full-time employee filling an established position. An employee is ineligible if he or she is concurrently employed in another position as a member of the Florida Retirement System. The

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1 contract must provide for a private vendor to administer the  
2 program, and the program must provide retirement benefits as  
3 required under s. 3121(b)(7)(F) of the Internal Revenue Code.  
4 The department shall develop a request for proposals and  
5 solicit qualified vendors to compete for the award of the  
6 contract. The proposal must have received all necessary  
7 federal and state approval as required by law and must comply  
8 with s. 112.65.

9 (2) The vendor shall provide and administer this  
10 defined-contribution program under the provisions of s.  
11 3121(b)(7)(F) of the Internal Revenue Code. The program must  
12 provide that there will be no risk of the principal to the  
13 participants, that there will be a reasonable rate of interest  
14 as defined in the Treasury Regulations for s. 3121(b)(7)(F) of  
15 the Internal Revenue Code, that there will be no withdrawal or  
16 surrender penalties or fees of any nature charged to the  
17 participants, that there will be no administrative charges to  
18 either the participants or the state, and that there will be  
19 immediate 100-percent vesting to the participants. The  
20 department may stipulate that when the employee terminates his  
21 or her position, invested funds must remain in the program  
22 until the employee reaches age 59 1/2, except that such funds  
23 may be transferred to a 457 Plan if the employee obtains a  
24 regular or full-time established position. The program must be  
25 a qualified plan under s. 457 of the Internal Revenue Code  
26 which is separate from any other plan under that section. The  
27 vendor must indemnify the state, its agencies, and  
28 participating employees for any damages resulting from a  
29 finding by the Internal Revenue Service that the plan is in  
30 violation of s. 3121(b)(7)(F) of the Internal Revenue Code.

31 Section 7. The Department of Management Services shall

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1 assure that any provider company maintains an internal system  
2 of quality assurance, employs a proven functional system that  
3 is fully date-calculation compliant, and is subject to  
4 close-diligence inquiry concerning its ability to undertake  
5 its service responsibilities.

6 Section 8. By September 1, 2000, the Department of  
7 Management Services shall report to the Governor and  
8 Legislature the amount of funds paid to other personal  
9 services employees by each budget entity for fiscal year  
10 1999-2000. In addition, the department shall report the number  
11 of OPS employees employed by the state agencies, and the  
12 amount, by fund source, of salaries, income taxes, Medicare  
13 taxes, and FICA taxes paid by the state on behalf of OPS  
14 employees.

15 Section 9. Upon implementation of the alternative  
16 retirement income security program, the Executive Office of  
17 the Governor shall determine the amount of budget savings  
18 associated with plan implementation and process a budget  
19 amendment in accordance with s. 216.177, Florida Statutes, to  
20 place the corresponding budget authority in Executive Office  
21 of the Governor reserve. The annualized savings identified  
22 shall then be available for reduction during the fiscal year  
23 2001-2002 budget development process.

24 Section 10. This act shall take effect July 1, 2000.

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27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 On page 1, line 31, after the semicolon

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31 insert:

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1           creating s. 110.1315, F.S.; requiring that the  
2           Department of Management Services contract with  
3           a private vendor for an alternative retirement  
4           program for other personal services employees;  
5           providing contract requirements; requiring the  
6           private vendor to indemnify the state and  
7           participating employees from certain adverse  
8           tax consequences; providing for oversight of  
9           the program; directing the Department of  
10          Management Services to make a report; directing  
11          the Executive Office of the Governor to  
12          determine certain savings made;

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