

By the Committee on Governmental Operations and Representatives Posey, A. Greene, Fasano and Littlefield

1 A bill to be entitled
 2 An act relating to agency reorganization;
 3 amending ss. 20.22, 20.28, 121.1905, and
 4 121.22, F.S., transferring the Division of
 5 Retirement and the State Retirement Commission
 6 from the Department of Management Services to
 7 the State Board of Administration; amending s.
 8 110.205, F.S., providing for status under the
 9 Career Service System; amending ss. 112.05,
 10 112.3173, 112.352, 112.354, 112.356, 112.358,
 11 112.361, 112.362, 112.363, 112.625, 112.63,
 12 112.64, 112.658, 112.665, 121.021, 121.025,
 13 121.031, 121.051, 121.0511, 121.0515, 121.052,
 14 121.055, 121.071, 121.081, 121.091, 121.101,
 15 121.111, 121.133, 121.135, 121.136, 121.1815,
 16 121.192, 121.193, 121.23, 121.24, 121.30,
 17 121.35, 121.40, 121.45, 122.02, 122.03, 122.05,
 18 122.06, 122.07, 122.08, 122.09, 122.10, 122.12,
 19 122.13, 122.15, 122.16, 122.23, 122.30, 122.34,
 20 122.351, 175.032, 175.1215, 185.02, 185.105,
 21 215.20, 215.28, 215.50, 238.01, 238.02, 238.03,
 22 238.05, 238.07, 238.08, 238.09, 238.10, 238.11,
 23 238.12, 238.14, 238.15, 238.171, 238.181,
 24 238.32, and 650.02, F.S., correcting statutory
 25 references, to conform; providing an effective
 26 date.

27
 28 Be It Enacted by the Legislature of the State of Florida:
 29

30 Section 1. Transfer of Division of Retirement and
 31 State Retirement Commission.--The Division of Retirement and

1 the State Retirement Commission of the Department of
2 Management Services, and all statutory powers, duties,
3 functions, rules, records, personnel, property, and unexpended
4 balances of appropriations, allocations, or other funds
5 thereof, are transferred by a type one transfer, as defined in
6 s. 20.06, Florida Statutes, to the State Board of
7 Administration.

8 Section 2. Paragraphs (g) and (h) of subsection (2) of
9 section 20.22, Florida Statutes, are amended to read:

10 20.22 Department of Management Services.--There is
11 created a Department of Management Services.

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

14 ~~(g) Division of Retirement.~~

15 (g)(h) Division of State Group Insurance.

16 Section 3. Section 20.28, Florida Statutes, is amended
17 to read:

18 20.28 State Board of Administration.--The State Board
19 of Administration, continued by s. 9, Art. XII of the State
20 Constitution, retains all of its powers, duties, and functions
21 as prescribed by law. Within the State Board of
22 Administration, there is established a Division of Retirement,
23 which shall be headed by a director appointed by the board.
24 The director shall be its agency head for all purposes in
25 reporting to the board.

26 Section 4. Effective July 1, 2000, the administrative
27 rules of the Division of Retirement of the Department of
28 Management Services that were in effect immediately prior to
29 July 1, 2000, shall become rules of the Division of Retirement
30 of the State Board of Administration and shall remain in
31

1 effect until specifically changed in the manner provided by
2 law.

3 Section 5. This act shall not affect the validity of
4 any judicial or administrative action involving the Division
5 of Retirement of the Department of Management Services pending
6 on July 1, 2000, and the Division of Retirement of the State
7 Board of Administration shall be substituted as a party in
8 interest in any such action.

9 Section 6. Paragraph (t) of subsection (2) of section
10 110.205, Florida Statutes, is amended to read:

11 110.205 Career service; exemptions.--

12 (2) EXEMPT POSITIONS.--The exempt positions which are
13 not covered by this part include the following, provided that
14 no position, except for positions established for a limited
15 period of time pursuant to paragraph (h), shall be exempted if
16 the position reports to a position in the career service:

17 (t) All officers and employees of the State Board of
18 Administration and the Division of Retirement. The State Board
19 of Administration shall set the salaries and benefits of these
20 positions.

21 Section 7. Paragraph (b) of subsection (4) of section
22 112.05, Florida Statutes, is amended to read:

23 112.05 Retirement; cost-of-living adjustment;
24 employment after retirement.--

25 (4)

26 (b) Any person to whom the limitation in paragraph (a)
27 applies who violates such reemployment limitation and is
28 reemployed with any agency participating in the Florida
29 Retirement System prior to completion of the 12-month
30 limitation period shall give timely notice of this fact in
31 writing to the employer and to the Division of Retirement of

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

20 Section 8. Paragraph (d) of subsection (4) of section
21 112.3173, Florida Statutes, is amended to read:

22 112.3173 Felonies involving breach of public trust and
23 other specified offenses by public officers and employees;
24 forfeiture of retirement benefits.--

25 (4) NOTICE.--

26 (d) The Commission on Ethics shall forward any notice
27 and any other document received by it pursuant to this
28 subsection to the governing body of the public retirement
29 system of which the public officer or employee is a member or
30 from which the public officer or employee may be entitled to
31 receive a benefit. When called on by the Commission on Ethics,

1 the Division of Retirement of the State Board of
2 Administration ~~Department of Management Services~~ shall assist
3 the commission in identifying the appropriate public
4 retirement system.

5 Section 9. Subsection (7) of section 112.352, Florida
6 Statutes, is amended to read:

7 112.352 Definitions.--The following words and phrases
8 as used in this act shall have the following meaning unless a
9 different meaning is required by the context:

10 (7) "Division Department" means the Division of
11 Retirement of the State Board of Administration ~~Department of~~
12 ~~Management Services~~.

13 Section 10. Section 112.354, Florida Statutes, is
14 amended to read:

15 112.354 Eligibility for supplement.--Each retired
16 member or, if applicable, a joint annuitant, except any person
17 receiving survivor benefits under the teachers' retirement
18 system of the state in accordance with s. 238.07(16), shall be
19 entitled to receive a supplement computed in accordance with
20 s. 112.355 upon:

21 (1) Furnishing to the division ~~Department of~~
22 ~~Management Services~~ evidence from the Social Security
23 Administration setting forth the retired member's social
24 security benefit or certifying the noninsured status of the
25 retired member under the Social Security Act, and

26 (2) Filing written application with the division
27 ~~Department of Management Services~~ for such supplement.

28 Section 11. Section 112.356, Florida Statutes, is
29 amended to read:

30 112.356 Payment of supplement.--Any supplement due and
31 payable under this act shall be paid by the division

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

14 Section 12. Section 112.358, Florida Statutes, is
15 amended to read:

16 112.358 Administration of system.--The division
17 ~~Department of Management Services~~ shall make such rules and
18 regulations as are necessary for the effective and efficient
19 administration of this act and the cost to pay the expenses of
20 such administration is hereby appropriated out of the
21 appropriate retirement fund.

22 Section 13. Paragraph (g) of subsection (2) and
23 subsections (4), (6), and (8) of section 112.361, Florida
24 Statutes, are amended to read:

25 112.361 Additional and updated supplemental retirement
26 benefits.--

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

29 (g) "Division ~~Department~~" means the Division of
30 Retirement of the State Board of Administration ~~Department of~~
31 ~~Management Services~~.

1 (4) ELIGIBILITY FOR SUPPLEMENT.--Each retired member
2 or, if applicable, a joint annuitant, except any person
3 receiving survivor's benefits under the Teachers' Retirement
4 System of the state in accordance with s. 238.07(16), shall
5 be entitled to receive a supplement computed in accordance
6 with subsection (5), upon:
7 (a) Furnishing to the division ~~department~~ evidence
8 from the Social Security Administration setting forth the
9 retired member's social security benefit or certifying the
10 noninsured status of the retired member under the Social
11 Security Act, and
12 (b) Filing written application with the division
13 ~~department~~ for such supplement.
14 (6) PAYMENT OF SUPPLEMENT.--Any supplement due and
15 payable under this section shall be paid by the division
16 ~~department~~ or under the direction and control of the division
17 ~~department~~, based on information furnished by the retired
18 member, or a joint annuitant, and the administrator of the
19 system under which retirement benefits are being paid,
20 beginning on the first day of the month coincident with or
21 next following the later of:
22 (a) July 1, 1969, or
23 (b) The date of approval of the application for
24 supplement by the division ~~department~~,
25
26 and payable thereafter on the first day of each month in the
27 normal or optional form in which retirement benefits under the
28 applicable system are being paid. However, no retroactive
29 monthly supplements shall be paid for any period prior to the
30 date specified in this paragraph.
31

1 (8) ADMINISTRATION OF SYSTEM.--The division ~~department~~
2 shall make such rules as are necessary for the effective and
3 efficient administration of this section, and the cost to pay
4 the expenses of such administration is hereby appropriated out
5 of the appropriate fund pursuant to subsection (7).

6 Section 14. Paragraphs (a) and (b) of subsection (4)
7 of section 112.362, Florida Statutes, are amended to read:

8 112.362 Recomputation of retirement benefits.--

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

31

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

23 Section 15. Subsections (2), (4), (7), and (8) of
24 section 112.363, Florida Statutes, are amended to read:

25 112.363 Retiree health insurance subsidy.--

26 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
27 SUBSIDY.--A person who is retired under a state-administered
28 retirement system, or a beneficiary who is a spouse or
29 financial dependent entitled to receive benefits under a
30 state-administered retirement system, is eligible for health
31 insurance subsidy payments provided under this section; except

1 that pension recipients under ss. 121.40, 238.07(16)(a), and
2 250.22, recipients of health insurance coverage under s.
3 110.1232, or any other special pension or relief act shall not
4 be eligible for such payments. Payment of the retiree health
5 insurance subsidy shall be made only after coverage for health
6 insurance for the retiree or beneficiary has been certified in
7 writing to the division ~~Department of Management Services~~.
8 Participation in a former employer's group health insurance
9 program is not a requirement for eligibility under this
10 section. However, participants in the Senior Management
11 Service Optional Annuity Program as provided in s. 121.055(6)
12 and the State University System Optional Retirement Program as
13 provided in s. 121.35 shall not receive the retiree health
14 insurance subsidy provided in this section. The employer of
15 such participant shall pay the contributions required in
16 subsection (8) to the annuity program provided in s.
17 121.055(6)(d) or s. 121.35(4)(a), as applicable.

18 (4) PAYMENT OF RETIREE HEALTH INSURANCE
19 SUBSIDY.--Beginning January 1, 1988, any monthly retiree
20 health insurance subsidy amount due and payable under this
21 section shall be paid to retired members by the division
22 ~~Department of Management Services~~ or under the direction and
23 control of the division ~~department~~.

24 (7) ADMINISTRATION OF SYSTEM.--The division ~~Department~~
25 ~~of Management Services~~ may adopt such rules and regulations as
26 are necessary for the effective and efficient administration
27 of this section. The cost of administration shall be
28 appropriated from the trust fund.

29 (8) CONTRIBUTIONS.--For purposes of funding the
30 insurance subsidy provided by this section:
31

- 1 (a) Beginning October 1, 1987, the employer of each
2 member of a state-administered retirement plan shall
3 contribute 0.24 percent of gross compensation each pay period.
4 (b) Beginning January 1, 1989, the employer of each
5 member of a state-administered retirement plan shall
6 contribute 0.48 percent of gross compensation each pay period.
7 (c) Beginning January 1, 1994, the employer of each
8 member of a state-administered retirement plan shall
9 contribute 0.56 percent of gross compensation each pay period.
10 (d) Beginning January 1, 1995, the employer of each
11 member of a state-administered retirement plan shall
12 contribute 0.66 percent of gross compensation each pay period.
13 (e) Beginning July 1, 1998, the employer of each
14 member of a state-administered retirement plan shall
15 contribute 0.94 percent of gross compensation each pay period.

16
17 Such contributions shall be submitted to the division
18 ~~Department of Management Services~~ and deposited in the Retiree
19 Health Insurance Subsidy Trust Fund.

20 Section 16. Subsection (9) is added to section
21 112.625, Florida Statutes, to read:

22 112.625 Definitions.--As used in this act:

23 (9) "Division" means the Division of Retirement of the
24 State Board of Administration.

25 Section 17. Subsections (2) and (4) of section 112.63,
26 Florida Statutes, are amended to read:

27 112.63 Actuarial reports and statements of actuarial
28 impact; review.--

29 (2) The frequency of actuarial reports must be at
30 least every 3 years commencing from the last actuarial report
31 of the plan or system or October 1, 1980, if no actuarial

1 report has been issued within the 3-year period prior to
2 October 1, 1979. The results of each actuarial report shall be
3 filed with the plan administrator within 60 days of
4 certification. Thereafter, the results of each actuarial
5 report shall be made available for inspection upon request.
6 Additionally, each retirement system or plan covered by this
7 act which is not administered directly by the division
8 ~~Department of Management Services~~ shall furnish a copy of each
9 actuarial report to the division ~~Department of Management~~
10 ~~Services~~ within 60 days after receipt from the actuary. The
11 requirements of this section are supplemental to actuarial
12 valuations necessary to comply with the requirements of ss.
13 11.45 and 218.32.

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

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

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

18 112.64 Administration of funds; amortization of
19 unfunded liability.--

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

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1 Section 19. Subsections (1) and (3) of section
2 112.658, Florida Statutes, are amended to read:

3 112.658 Office of Program Policy Analysis and
4 Government Accountability to determine compliance of the
5 Florida Retirement System.--

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

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

17 Section 20. Section 112.665, Florida Statutes, is
18 amended to read:

19 112.665 Duties of Division of Retirement ~~Department of~~
20 ~~Management Services~~.--

21 (1) The division ~~Department of Management Services~~
22 shall:

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

28 (b) Receive and comment upon all actuarial reviews of
29 retirement systems or plans maintained by units of local
30 government;

31

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

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

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

18 (f) Adopt reasonable rules to administer the
19 provisions of this part.

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

24 Section 21. Subsections (4), (5), and (32) of section
25 121.021, Florida Statutes, are amended to read:

26 121.021 Definitions.--The following words and phrases
27 as used in this chapter have the respective meanings set forth
28 unless a different meaning is plainly required by the context:

29 (4) "Division ~~Department~~" means the Division of
30 Retirement of the State Board of Administration ~~Department of~~
31 ~~Management Services~~.

1 (5) "Administrator" means the director ~~secretary~~ of
2 the Division of Retirement ~~Department of Management Services~~.

3 (32) "State agency" means the Division of Retirement
4 ~~Department of Management Services~~ within the provisions and
5 contemplation of chapter 650.

6 Section 22. Section 121.025, Florida Statutes, is
7 amended to read:

8 121.025 Administrator; powers and duties.--The
9 director ~~secretary~~ of the Division of Retirement ~~Department of~~
10 ~~Management Services~~ shall be the administrator of the
11 retirement and pension systems assigned or transferred to the
12 division ~~Department of Management Services~~ by law and shall
13 have the authority to sign the contracts necessary to carry
14 out the duties and responsibilities assigned by law to the
15 division ~~Department of Management Services~~.

16 Section 23. Subsections (1), (2), and (5) of section
17 121.031, Florida Statutes, are amended to read:

18 121.031 Administration of system; appropriation;
19 oaths; actuarial studies; public records.--

20 (1) The division ~~Department of Management Services~~ has
21 the authority to adopt rules pursuant to ss. 120.536(1) and
22 120.54 to implement the provisions of law conferring duties
23 upon the division and to adopt rules as are necessary for the
24 effective and efficient administration of this system. The
25 funds to pay the expenses for administration of the system are
26 hereby appropriated from the interest earned on investments
27 made for the retirement and social security trust funds and
28 the assessments allowed under chapter 650.

29 (2) The division ~~Department of Management Services~~ is
30 authorized to require oaths, by affidavit or otherwise, and
31 acknowledgments from persons in connection with the

1 administration of its duties and responsibilities under this
2 chapter.

3 (5) The names and addresses of retirees are
4 confidential and exempt from the provisions of s. 119.07(1) to
5 the extent that no state or local governmental agency may
6 provide the names or addresses of such persons in aggregate,
7 compiled, or list form to any person except to a public agency
8 engaged in official business. However, a state or local
9 government agency may provide the names and addresses of
10 retirees from that agency to a bargaining agent as defined in
11 s. 447.203(12) or to a retiree organization for official
12 business use. Lists of names or addresses of retirees may be
13 exchanged by public agencies, but such lists shall not be
14 provided to, or open for inspection by, the public. Any
15 person may view or copy any individual's retirement records at
16 the division ~~Department of Management Services~~, one record at
17 a time, or may obtain information by a separate written
18 request for a named individual for which information is
19 desired.

20 Section 24. Paragraph (c) of subsection (1) and
21 paragraphs (b) and (f) of subsection (2) of section 121.051,
22 Florida Statutes, are amended to read:

23 121.051 Participation in the system.--

24 (1) COMPULSORY PARTICIPATION.--

25 (c)1. After June 30, 1983, a member of an existing
26 system who is reemployed after terminating employment shall
27 have at the time of reemployment the option of selecting to
28 remain in the existing retirement system or to transfer to the
29 Florida Retirement System. Failure to submit such selection
30 in writing to the division ~~Department of Management Services~~
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1 within 6 months of reemployment shall result in compulsory
2 membership in the Florida Retirement System.

3 2. After June 30, 1988, the provisions of subparagraph
4 1. shall not apply to a member of an existing system who is
5 reemployed within 12 months after terminating employment. Such
6 member shall continue to have membership in the existing
7 system upon reemployment and shall not be permitted to become
8 a member of the Florida Retirement System, except by
9 transferring to that system as provided in ss. 121.052 and
10 121.055.

11 (2) OPTIONAL PARTICIPATION.--

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

1 2. Any city or special district that has an existing
2 retirement system covering the employees in the units that are
3 to be brought under the Florida Retirement System may
4 participate only after holding a referendum in which all
5 employees in the affected units have the right to participate.
6 Only those employees electing coverage under the Florida
7 Retirement System by affirmative vote in said referendum shall
8 be eligible for coverage under this chapter, and those not
9 participating or electing not to be covered by the Florida
10 Retirement System shall remain in their present systems and
11 shall not be eligible for coverage under this chapter. After
12 the referendum is held, all future employees shall be
13 compulsory members of the Florida Retirement System.

14 3. The governing body of any city or special district
15 complying with subparagraph 1. may elect to provide, or not
16 provide, benefits based on past service of officers and
17 employees as described in s. 121.081(1). However, if such
18 employer elects to provide past service benefits, such
19 benefits must be provided for all officers and employees of
20 its covered group.

21 4. Once this election is made and approved it may not
22 be revoked, except pursuant to subparagraphs 5. and 6., and
23 all present officers and employees electing coverage under
24 this chapter and all future officers and employees shall be
25 compulsory members of the Florida Retirement System.

26 5. Subject to the conditions set forth in subparagraph
27 6., the governing body of any hospital licensed under chapter
28 395 which is governed by the board of a special district as
29 defined in s. 189.403(1) or by the board of trustees of a
30 public health trust created under s. 154.07, hereinafter
31 referred to as "hospital district," and which participates in

1 the system, may elect to cease participation in the system
2 with regard to future employees in accordance with the
3 following procedure:

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

9 b. From 7 to 15 days before such hearing, notice of
10 intent to withdraw, specifying the time and place of the
11 hearing, must be provided in writing to employees of the
12 hospital district proposing partial withdrawal and must be
13 published in a newspaper of general circulation in the area
14 affected, as provided by ss. 50.011-50.031. Proof of
15 publication of such notice shall be submitted to the division
16 ~~Department of Management Services~~.

17 c. The governing body of any hospital district seeking
18 to partially withdraw from the system must, before such
19 hearing, have an actuarial report prepared and certified by an
20 enrolled actuary, as defined in s. 112.625(3), illustrating
21 the cost to the hospital district of providing, through the
22 retirement plan that the hospital district is to adopt,
23 benefits for new employees comparable to those provided under
24 the Florida Retirement System.

25 d. Upon meeting all applicable requirements of this
26 subparagraph, and subject to the conditions set forth in
27 subparagraph 6., partial withdrawal from the system and
28 adoption of the alternative retirement plan may be
29 accomplished by resolution duly adopted by the hospital
30 district board. The hospital district board must provide
31 written notice of such withdrawal to the division by mailing a

1 copy of the resolution to the division, postmarked no later
2 than December 15, 1995. The withdrawal shall take effect
3 January 1, 1996.

4 6. Following the adoption of a resolution under
5 sub-subparagraph 5.d., all employees of the withdrawing
6 hospital district who were participants in the Florida
7 Retirement System prior to January 1, 1996, shall remain as
8 participants in the system for as long as they are employees
9 of the hospital district, and all rights, duties, and
10 obligations between the hospital district, the system, and the
11 employees shall remain in full force and effect. Any employee
12 who is hired or appointed on or after January 1, 1996, may not
13 participate in the Florida Retirement System, and the
14 withdrawing hospital district shall have no obligation to the
15 system with respect to such employees.

16 (f) Whenever an employer that participates in the
17 Florida Retirement System undertakes the transfer, merger, or
18 consolidation of governmental services or functions, the
19 employer must notify the division ~~department~~ at least 60 days
20 prior to such action and shall provide documentation as
21 required by the division ~~department~~.

22 Section 25. Subsection (2) of section 121.0511,
23 Florida Statutes, is amended to read:

24 121.0511 Revocation of election and alternative
25 plan.--The governing body of any municipality or independent
26 special district that has elected to participate in the
27 Florida Retirement System may revoke its election in
28 accordance with the following procedure:

29 (2) At least 7 days, but not more than 15 days, before
30 the hearing, notice of intent to revoke, specifying the time
31 and place of the hearing, must be published in a newspaper of

1 general circulation in the area affected, as provided by ss.
2 50.011-50.031. Proof of publication of the notice must be
3 submitted to the division ~~Department of Management Services~~.
4 Section 26. Subsections (3) and (4) and paragraph (c)
5 of subsection (7) of section 121.0515, Florida Statutes, are
6 amended to read:
7 121.0515 Special risk membership; criteria;
8 designation and removal of classification; credits for past
9 service and prior service; retention of special risk normal
10 retirement date.--
11 (3) PROCEDURE FOR DESIGNATING.--
12 (a) Any member of the Florida Retirement System
13 employed by a county, city, or special district who feels that
14 he or she meets the criteria set forth in this section for
15 membership in the Special Risk Class may request that his or
16 her employer submit an application to the division ~~department~~
17 requesting that the division ~~department~~ designate him or her
18 as a special risk member. If the employer agrees that the
19 member meets the requirements for special risk membership, the
20 employer shall submit an application to the division
21 ~~department~~ in behalf of the employee containing a
22 certification that the member meets the criteria for special
23 risk membership set forth in this section and such other
24 supporting documentation as may be required by administrative
25 rule. The division ~~department~~ shall, within 90 days, either
26 designate or refuse to designate the member as a special risk
27 member. If the employer declines to submit the member's
28 application to the division ~~department~~ or if the division
29 ~~department~~ does not designate the member as a special risk
30 member, the member or the employer may appeal to the State
31 Retirement Commission, as provided in s. 121.23, for

1 designation as a special risk member. A member who receives a
2 final affirmative ruling pursuant to such appeal for special
3 risk membership shall have special risk membership retroactive
4 to the date such member would have had special risk membership
5 had such membership been approved by the employer and the
6 division ~~department~~, as determined by the division ~~department~~,
7 and the employer contributions shall be paid in full within 1
8 year after such final ruling.

9 (b)1. Applying the criteria set forth in this section,
10 the division ~~Department of Management Services~~ shall specify
11 which current and newly created classes of positions under the
12 uniform classification plan established pursuant to chapter
13 110 entitle the incumbents of positions in those classes to
14 membership in the Special Risk Class. Only employees employed
15 in the classes so specified shall be special risk members.

16 2. When a class is not specified by the division
17 ~~department~~ as provided in subparagraph 1., the employing
18 agency may petition the State Retirement Commission for
19 approval in accordance with s. 121.23.

20 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member
21 who is a special risk member on October 1, 1978, and who fails
22 to meet the criteria for special risk membership established
23 by this section shall have his or her special risk designation
24 removed and thereafter shall be a regular member and shall
25 earn only regular membership credit. The division ~~department~~
26 shall have the authority to review the special risk
27 designation of members to determine whether or not those
28 members continue to meet the criteria for special risk
29 membership.

30 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT
31 DATE.--

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

3 Section 27. Paragraph (e) of subsection (3) of section
4 121.052, Florida Statutes, is amended to read:

5 121.052 Membership class of elected officers.--

6 (3) PARTICIPATION AND WITHDRAWAL,
7 GENERALLY.--Effective July 1, 1990, participation in the
8 Elected Officers' Class shall be compulsory for elected
9 officers listed in paragraphs (2)(a)-(d) and (f) assuming
10 office on or after said date, unless the elected officer
11 elects membership in another class or withdraws from the
12 Florida Retirement System as provided in paragraphs
13 (3)(a)-(d):

14 (e) Effective July 1, 1997, the governing body of a
15 municipality or special district may, by majority vote, elect
16 to designate all its elected positions for inclusion in the
17 Elected Officers' Class. Such election shall be made between
18 July 1, 1997, and December 31, 1997, and shall be irrevocable.
19 The designation of such positions shall be effective the first
20 day of the month following receipt by the division ~~department~~
21 of the ordinance or resolution passed by the governing body.

22 Section 28. Paragraphs (b) and (h) of subsection (1)
23 and paragraphs (a), (c), (d), and (f) of subsection (6) of
24 section 121.055, Florida Statutes, are amended to read:

25 121.055 Senior Management Service Class.--There is
26 hereby established a separate class of membership within the
27 Florida Retirement System to be known as the "Senior
28 Management Service Class," which shall become effective
29 February 1, 1987.

30 (1)

31

1 (b)1. Except as provided in subparagraph 2., effective
2 January 1, 1990, participation in the Senior Management
3 Service Class shall be compulsory for the president of each
4 community college, the manager of each participating city or
5 county, and all appointed district school superintendents.
6 Effective January 1, 1994, additional positions may be
7 designated for inclusion in the Senior Management Service
8 Class of the Florida Retirement System, provided that:

9 a. Positions to be included in the class shall be
10 designated by the local agency employer. Notice of intent to
11 designate positions for inclusion in the class shall be
12 published once a week for 2 consecutive weeks in a newspaper
13 of general circulation published in the county or counties
14 affected, as provided in chapter 50.

15 b. Up to 10 ~~one~~ nonelective full-time positions
16 ~~position~~ may be designated for each local agency employer
17 reporting to the Department of Management Services; for local
18 agencies with 100 or more regularly established positions,
19 additional nonelective full-time positions may be designated,
20 not to exceed 1 percent of the regularly established positions
21 within the agency.

22 c. Each position added to the class must be a
23 managerial or policymaking position filled by an employee who
24 is not subject to continuing contract and serves at the
25 pleasure of the local agency employer without civil service
26 protection, and who:

27 (I) Heads an organizational unit; or

28 (II) Has responsibility to effect or recommend
29 personnel, budget, expenditure, or policy decisions in his or
30 her areas of responsibility.

31

1 2. In lieu of participation in the Senior Management
2 Service Class, members of the Senior Management Service Class
3 pursuant to the provisions of subparagraph 1. may withdraw
4 from the Florida Retirement System altogether. The decision to
5 withdraw from the Florida Retirement System shall be
6 irrevocable for as long as the employee holds such a position.
7 Any service creditable under the Senior Management Service
8 Class shall be retained after the member withdraws from the
9 Florida Retirement System; however, additional service credit
10 in the Senior Management Service Class shall not be earned
11 after such withdrawal. Such members shall not be eligible to
12 participate in the Senior Management Service Optional Annuity
13 Program.

14 (h)1. Except as provided in subparagraph 3., effective
15 January 1, 1994, participation in the Senior Management
16 Service Class shall be compulsory for the State Courts
17 Administrator and the Deputy State Courts Administrators, the
18 Clerk of the Supreme Court, the Marshal of the Supreme Court,
19 the Executive Director of the Justice Administrative
20 Commission, the Capital Collateral Representative, the clerks
21 of the district courts of appeals, the marshals of the
22 district courts of appeals, and the trial court administrator
23 in each judicial circuit. Effective January 1, 1994,
24 additional positions in the offices of the state attorney and
25 public defender in each judicial circuit may be designated for
26 inclusion in the Senior Management Service Class of the
27 Florida Retirement System, provided that:

28 a. Positions to be included in the class shall be
29 designated by the state attorney or public defender, as
30 appropriate. Notice of intent to designate positions for
31 inclusion in the class shall be published once a week for 2

1 consecutive weeks in a newspaper of general circulation
2 published in the county or counties affected, as provided in
3 chapter 50.

4 b. One nonelective full-time position may be
5 designated for each state attorney and public defender
6 reporting to the division ~~Department of Management Services~~;
7 for agencies with 200 or more regularly established positions
8 under the state attorney or public defender, additional
9 nonelective full-time positions may be designated, not to
10 exceed 0.5 percent of the regularly established positions
11 within the agency.

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

16 (I) Heads an organizational unit; or

17 (II) Has responsibility to effect or recommend
18 personnel, budget, expenditure, or policy decisions in his or
19 her areas of responsibility.

20 2. Participation in this class shall be compulsory,
21 except as provided in subparagraph 3., for any judicial
22 employee who holds a position designated for coverage in the
23 Senior Management Service Class, and such participation shall
24 continue until the employee terminates employment in a covered
25 position.

26 3. In lieu of participation in the Senior Management
27 Service Class, such members may participate in the Senior
28 Management Service Optional Annuity Program as established in
29 subsection (6).

30 (6)(a) Senior Management Service Optional Annuity
31 Program.--The division ~~Department of Management Services~~ shall

1 establish a Senior Management Service Optional Annuity Program
2 under which contracts providing retirement, death, and
3 disability benefits may be purchased for those employees who
4 elect to participate in the optional annuity program. The
5 benefits to be provided for or on behalf of participants in
6 such optional annuity program shall be provided through
7 individual contracts or individual certificates issued for
8 group annuity contracts, which may be fixed, variable, or a
9 combination thereof, in accordance with s. 401(a) of the
10 Internal Revenue Code. Any such individual contract or
11 certificate shall state the annuity plan on its face page, and
12 shall include, but not be limited to, a statement of
13 ownership, the contract benefits, annuity income options,
14 limitations, expense charges, and surrender charges, if any.
15 The employing agency shall contribute, as provided in this
16 section, toward the purchase of such optional benefits which
17 shall be fully and immediately vested in the participants.

18 (c) Participation.--

19 1. Any eligible employee who is employed on or before
20 February 1, 1987, may elect to participate in the optional
21 annuity program in lieu of participation in the Senior
22 Management Service Class. Such election shall be made in
23 writing and filed with the division ~~department~~ and the
24 personnel officer of the employer on or before May 1, 1987.
25 Any eligible employee who is employed on or before February 1,
26 1987, and who fails to make an election to participate in the
27 optional annuity program by May 1, 1987, shall be deemed to
28 have elected membership in the Senior Management Service
29 Class.

30 2. Any employee who becomes eligible to participate in
31 the optional annuity program by reason of initial employment

1 commencing after February 1, 1987, may, within 90 days after
2 the date of commencement of employment, elect to participate
3 in the optional annuity program. Such election shall be made
4 in writing and filed with the personnel officer of the
5 employer. Any eligible employee who does not within 90 days
6 after commencement of such employment elect to participate in
7 the optional annuity program shall be deemed to have elected
8 membership in the Senior Management Service Class.

9 3. A person who is appointed to a position in the
10 Senior Management Service Class and who is a member of an
11 existing retirement system or the Special Risk or Special Risk
12 Administrative Support Classes of the Florida Retirement
13 System may elect to remain in such system or class in lieu of
14 participation in the Senior Management Service Class or
15 optional annuity program. Such election shall be made in
16 writing and filed with the division ~~department~~ and the
17 personnel officer of the employer within 90 days of such
18 appointment. Any eligible employee who fails to make an
19 election to participate in the existing system, the Special
20 Risk Class of the Florida Retirement System, the Special Risk
21 Administrative Support Class of the Florida Retirement System,
22 or the optional annuity program shall be deemed to have
23 elected membership in the Senior Management Service Class.

24 4. An employee's election to participate in the
25 optional annuity program is irrevocable as long as such
26 employee continues to be employed in an eligible position and
27 continues to meet the eligibility requirements set forth in
28 this paragraph.

29 (d) Contributions.--

30 1. Each employer shall contribute on behalf of each
31 participant in the Senior Management Service Optional Annuity

1 Program an amount equal to the normal cost portion of the
2 employer retirement contribution which would be required if
3 the participant were a Senior Management Service Class member
4 of the Florida Retirement System, plus the portion of the
5 contribution rate required in s. 112.363(8) that would
6 otherwise be assigned to the Retiree Health Insurance Subsidy
7 Trust Fund, less an amount approved by the Legislature which
8 shall be deducted by the division ~~department~~ to provide for
9 the administration of this program. The payment of the
10 contributions to the optional program which is required by
11 this subparagraph for each participant shall be made by the
12 employer to the division ~~department~~, which shall forward the
13 contributions to the designated company or companies
14 contracting for payment of benefits for the participant under
15 the program.

16 2. Each employer shall contribute on behalf of each
17 participant in the Senior Management Service Optional Annuity
18 Program an amount equal to the unfunded actuarial accrued
19 liability portion of the employer contribution which would be
20 required for members of the Senior Management Service Class in
21 the Florida Retirement System. This contribution shall be
22 paid to the division ~~department~~ for transfer to the Florida
23 Retirement System Trust Fund.

24 3. An Optional Annuity Program Trust Fund shall be
25 established in the State Treasury and administered by the
26 division ~~department~~ to make payments to provider companies on
27 behalf of the optional annuity program participants, and to
28 transfer the unfunded liability portion of the state optional
29 annuity program contributions to the Florida Retirement System
30 Trust Fund.

31

1 4. Contributions required for social security by each
2 employer and each participant, in the amount required for
3 social security coverage as now or hereafter may be provided
4 by the federal Social Security Act shall be maintained for
5 each participant in the Senior Management Service retirement
6 program and shall be in addition to the retirement
7 contributions specified in this paragraph.

8 5. Each participant in the Senior Management Service
9 Optional Annuity Program may contribute by way of salary
10 reduction or deduction a percentage amount of the
11 participant's gross compensation not to exceed the percentage
12 amount contributed by the employer to the optional annuity
13 program. Payment of the participant's contributions shall be
14 made by the employer to the division ~~department~~, which shall
15 forward the contributions to the designated company or
16 companies contracting for payment of benefits for the
17 participant under the program.

18 (f) Administration.--

19 1. The Senior Management Service Optional Annuity
20 Program authorized by this section shall be administered by
21 the division ~~department~~. The division ~~department~~ shall
22 designate one or more provider companies from which annuity
23 contracts may be purchased under the program and shall approve
24 the form and content of the contracts. The division ~~department~~
25 shall sign a contract with each of the provider companies and
26 shall evaluate the performance of the provider companies on a
27 continuing basis. The division ~~department~~ may terminate the
28 services of a provider company for reasons stated in the
29 contract. The division ~~department~~ shall adopt rules
30 establishing its responsibilities and the responsibilities of
31 employers in administering the optional annuity program.

1 2. Effective July 1, 1997, the State Board of
2 Administration shall review and make recommendations to the
3 division ~~department~~ on the acceptability of all investment
4 products proposed by provider companies of the optional
5 annuity program before such products are offered through
6 annuity contracts to the participants and may advise the
7 division ~~department~~ of any changes deemed necessary to ensure
8 that the optional annuity program offers an acceptable mix of
9 investment products. The division ~~department~~ shall make the
10 final determination as to whether an investment product will
11 be approved for the program.

12 3. The provisions of each contract applicable to a
13 participant in the Senior Management Service Optional Annuity
14 Program shall be contained in a written program description
15 which shall include a report of pertinent financial and
16 actuarial information on the solvency and actuarial soundness
17 of the program and the benefits applicable to the participant.
18 Such description shall be furnished by the company or
19 companies to each participant in the program and to the
20 division ~~department~~ upon commencement of participation in the
21 program and annually thereafter.

22 4. The division ~~department~~ shall ensure that each
23 participant in the Senior Management Service Optional Annuity
24 Program is provided an accounting of the total contribution
25 and the annual contribution made by and on behalf of such
26 participants.

27 Section 29. Subsection (5) of section 121.071, Florida
28 Statutes, is amended to read:

29 121.071 Contributions.--Contributions to the system
30 shall be made as follows:
31

1 (5) Contributions made in accordance with subsections
2 (1), (2), (3), and (4) shall be paid by the employer into the
3 system trust funds in accordance with rules adopted by the
4 administrator pursuant to chapter 120. Such contributions are
5 due and payable no later than the 25th day of the month
6 immediately following the month during which the payroll
7 period ended. The division ~~department~~ may, by rule, establish
8 a different due date, which shall supersede the date specified
9 herein; however, such due date may not be established earlier
10 than the 20th day of the month immediately following the month
11 during which the payroll period ended. Effective January 1,
12 1984, contributions made in accordance with subsection (3)
13 shall be paid by the employer into the system trust fund in
14 accordance with rules adopted by the administrator pursuant to
15 chapter 120. For any payroll period ending any day of the
16 month before the 16th day of the month, such contributions are
17 due and payable no later than the 20th day of the month; and,
18 for any payroll periods ending any day of the month after the
19 15th day of the month, such contributions are due and payable
20 no later than the 5th day of the next month. Contributions
21 received in the offices of the division ~~department~~ after the
22 prescribed date shall be considered delinquent unless, in the
23 opinion of the division ~~department~~, exceptional circumstances
24 beyond an employer's control prevented remittance by the
25 prescribed due date notwithstanding such employer's good faith
26 efforts to effect delivery; and, with respect to retirement
27 contributions due under subsections (1) and (4), each employer
28 shall be assessed a delinquent fee of 1 percent of the
29 contributions due for each calendar month or part thereof that
30 the contributions are delinquent. Such a waiver of the
31 delinquency fee by the division ~~department~~ may be granted an

1 employer only one time each fiscal year. Delinquent social
2 security contributions shall be assessed a delinquent fee as
3 authorized by s. 650.05(4). The delinquent fee assessable for
4 an employer's first delinquency after July 1, 1984, shall be
5 as specified in s. 650.05(4), and, beginning with the second
6 delinquency in any fiscal year by the employer subsequent to
7 July 1, 1984, all subsequent delinquency fees shall be
8 assessed against the employer at twice the applicable
9 percentage rate specified in s. 650.05(4).

10 Section 30. Paragraph (h) of subsection (1) and
11 paragraph (e) of subsection (2) of section 121.081, Florida
12 Statutes, are amended to read:

13 121.081 Past service; prior service;
14 contributions.--Conditions under which past service or prior
15 service may be claimed and credited are:

16 (1)

17 (h) The following provisions apply to the purchase of
18 past service:

19 1. Notwithstanding any of the provisions of this
20 subsection, past-service credit may not be purchased under
21 this chapter for any service that is used to obtain a benefit
22 from any local retirement system.

23 2. A member may not receive past service credit under
24 paragraphs (a), (b), (e), or (f) for any leaves of absence
25 without pay, except that credit for active military service
26 leaves of absence may be claimed under paragraphs (a), (b),
27 and (f), in accordance with s. 121.111(1).

28 3. If a member does not desire to receive credit for
29 all of his or her past service, the period the member claims
30 must be the most recent past service prior to his or her
31 participation in the Florida Retirement System.

1 4. The cost of past service purchased by an employing
2 agency for its employees may be amortized over such period of
3 time as is provided in the agreement, but not to exceed 15
4 years, calculated in accordance with rule 60S-1.007(5)(f),
5 Florida Administrative Code.

6 5. The retirement account of each member for whom past
7 service is being provided by his or her employer shall be
8 credited with all past service the employer agrees to purchase
9 as soon as the agreement between the employer and the division
10 ~~department~~ is executed. Pursuant thereto:

11 a. Each such member's account shall also be posted
12 with the total contribution his or her employer agrees to make
13 in the member's behalf for past service earned prior to
14 October 1, 1975, excluding those contributions representing
15 the employer's matching share and the compound interest
16 calculation on the total contribution. However, a portion of
17 any contributions paid by an employer for past service credit
18 earned on and after October 1, 1975, may not be posted to a
19 member's account.

20 b. A refund of contributions payable after an employer
21 has made a written agreement to purchase past service for
22 employees of the covered group shall include contributions for
23 past service which are posted to a member's account. However,
24 contributions for past service earned on and after October 1,
25 1975, are not refundable.

26 (2) Prior service, as defined in s. 121.021(19), may
27 be claimed as creditable service under the Florida Retirement
28 System after a member has been reemployed for 1 complete year
29 of creditable service within a period of 12 consecutive
30 months, except as provided in paragraph (c). Service performed
31 as a participant of the optional retirement program for the

1 State University System under s. 121.35 or the Senior
2 Management Service Optional Annuity Program under s. 121.055
3 may be used to satisfy the reemployment requirement of 1
4 complete year of creditable service. The member shall not be
5 permitted to make any contributions for prior service until
6 after completion of the 1 year of creditable service. The
7 required contributions for claiming the various types of prior
8 service are:

9 (e) For service performed under the Florida Retirement
10 System after December 1, 1970, that was never reported to the
11 ~~division or the department~~ due to error, retirement credit may
12 be claimed by a member of the Florida Retirement System. The
13 division ~~department~~ shall adopt rules establishing criteria
14 for claiming such credit and detailing the documentation
15 required to substantiate the error.

16 Section 31. Paragraph (b) of subsection (14) of
17 section 121.091, Florida Statutes, is amended to read:

18 121.091 Benefits payable under the system.--Benefits
19 may not be paid under this section unless the member has
20 terminated employment as provided in s. 121.021(39)(a) or
21 begun participation in the Deferred Retirement Option Program
22 as provided in subsection (13), and a proper application has
23 been filed in the manner prescribed by the division
24 ~~department~~. The division ~~department~~ may cancel an application
25 for retirement benefits when the member or beneficiary fails
26 to timely provide the information and documents required by
27 this chapter and the division's ~~department's~~ rules. The
28 division ~~department~~ shall adopt rules establishing procedures
29 for application for retirement benefits and for the
30 cancellation of such application when the required information
31 or documents are not received.

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

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

9 1. Premiums for life and health-related insurance
10 policies from approved companies.

11 2. Life insurance premiums for the State Group Life
12 Insurance Plan, if authorized in writing by the payee and by
13 the Division of Retirement ~~Department of Management Services~~.

14 3. Repayment of overpayments from the Florida
15 Retirement System Trust Fund, the State Employees' Health
16 Insurance Trust Fund, or the State Employees' Life Insurance
17 Trust Fund, upon notification of the payee.

18 4. Payments to an alternate payee for alimony, child
19 support, or division of marital assets pursuant to a qualified
20 domestic relations order under s. 222.21 or an income
21 deduction order under s. 61.1301.

22 5. Payments to the Internal Revenue Service for
23 federal income tax levies, upon notification of the division
24 by the Internal Revenue Service.

25 Section 32. Paragraph (b) of subsection (7) of section
26 121.101, Florida Statutes, is amended to read:

27 121.101 Cost-of-living adjustment of benefits.--

28 (7) The purpose of this subsection is to establish a
29 supplemental cost-of-living adjustment for certain retirees
30 and beneficiaries who receive monthly retirement benefits
31 under the provisions of this chapter and the existing systems

1 consolidated therein, s. 112.05 for certain state officers and
2 employees, and s. 238.171 for certain elderly incapacitated
3 teachers.

4 (b) Application for the supplemental cost-of-living
5 adjustment provided by this subsection shall include
6 certification by the retiree or annuitant that he or she is
7 not receiving, and is not eligible to receive, social security
8 benefits and shall include written authorization for the
9 division ~~department~~ to have access to information from the
10 Social Security Administration concerning his or her
11 entitlement to, or eligibility for, social security benefits.
12 Such supplemental cost-of-living adjustment shall not be paid
13 unless and until the application requirements of this
14 paragraph are met.

15 Section 33. Paragraph (e) of subsection (2) of section
16 121.111, Florida Statutes, is amended to read:

17 121.111 Credit for military service.--

18 (2) Any member whose initial date of employment is
19 before January 1, 1987, who has military service as defined in
20 s. 121.021(20)(b), and who does not claim such service under
21 subsection (1) may receive creditable service for such
22 military service if:

23 (e) Any member claiming credit under this subsection
24 must certify on the form prescribed by the division ~~department~~
25 that credit for such service has not and will not be claimed
26 for retirement purposes under any other federal, state, or
27 local retirement or pension system where "length of service"
28 is a factor in determining the amount of compensation
29 received, except where credit for such service has been
30 granted in a pension system providing retired pay for
31 nonregular service as provided in paragraph (d). If the member

1 dies prior to retirement, the member's beneficiary must make
2 the required certification before credit may be claimed. If
3 such certification is not made by the member or the member's
4 beneficiary, credit for wartime military service shall not be
5 allowed.

6 Section 34. Section 121.133, Florida Statutes, is
7 amended to read:

8 121.133 Cancellation of uncashed
9 warrants.--Notwithstanding the provisions of s. 17.26 or s.
10 717.123 to the contrary, effective July 1, 1998, if any state
11 warrant issued by the Comptroller for the payment of
12 retirement benefits from the Florida Retirement System Trust
13 Fund, or any other pension trust fund administered by the
14 division ~~department~~, is not presented for payment within 1
15 year after the last day of the month in which it was
16 originally issued, the Comptroller shall cancel the benefit
17 warrant and credit the amount of the warrant to the Florida
18 Retirement System Trust Fund or other pension trust fund
19 administered by the division ~~department~~, as appropriate. The
20 division ~~department~~ may provide for issuance of a replacement
21 warrant when deemed appropriate.

22 Section 35. Section 121.135, Florida Statutes, is
23 amended to read:

24 121.135 Annual report to Legislature concerning
25 state-administered retirement systems.--The division
26 ~~department~~ shall make to each regular session of the
27 Legislature a written report on the operation and condition of
28 the state-administered retirement systems.

29 Section 36. Section 121.136, Florida Statutes, is
30 amended to read:

31

1 121.136 Annual benefit statement to
2 members.--Beginning January 1, 1993, and each January
3 thereafter, the division ~~department~~ shall provide each active
4 member of the Florida Retirement System with 5 or more years
5 of creditable service an annual statement of benefits. Such
6 statement should provide the member with basic data about the
7 member's retirement account. Minimally, it shall include the
8 member's retirement plan, the amount of funds on deposit in
9 the retirement account, and an estimate of retirement
10 benefits.

11 Section 37. Section 121.1815, Florida Statutes, is
12 amended to read:

13 121.1815 Special pensions to individuals;
14 administration of laws by Division of Retirement ~~Department of~~
15 ~~Management Services~~.--All powers, duties, and functions
16 related to the administration of laws providing special
17 pensions to individuals, including chapter 18054, Laws of
18 Florida, 1937; chapter 26788, Laws of Florida, 1951, as
19 amended by chapter 57-871, Laws of Florida; chapter 26836,
20 Laws of Florida, 1951; and chapter 63-953, Laws of Florida,
21 are vested in the division ~~department~~. All laws hereinafter
22 enacted by the Legislature pertaining to special pensions for
23 individuals shall be administered by the division ~~department~~,
24 unless contrary provisions are contained in such law. Upon the
25 death of any person receiving a monthly pension under this
26 section, the monthly pension shall be paid through the last
27 day of the month of death and shall terminate on that date,
28 unless contrary provisions are contained in the special
29 pension law.

30 Section 38. Subsection (1) of section 121.1905,
31 Florida Statutes, is amended to read:

1 121.1905 Division of Retirement; creation.--
2 (1) There is created the Division of Retirement, which
3 shall be assigned to and administratively housed within the
4 State Board of Administration, and shall exercise the powers
5 and duties specified in this chapter and in other chapters as
6 determined by law within the Department of Management
7 Services. The division shall be headed by a director who shall
8 be appointed by, and serve at the pleasure of, the State Board
9 of Administration.

10 Section 39. Section 121.192, Florida Statutes, is
11 amended to read:

12 121.192 State retirement actuary.--The division
13 ~~department~~ may employ an actuary. Such actuary shall, together
14 with such other duties as the director ~~secretary~~ may assign,
15 be responsible for:

16 (1) Advising the director ~~secretary~~ on actuarial
17 matters of the state retirement systems.

18 (2) Making periodic valuations of the retirement
19 systems.

20 (3) Providing actuarial analyses to the Legislature
21 concerning proposed changes in the retirement systems.

22 (4) Assisting the director ~~secretary~~ in developing a
23 sound and modern retirement system.

24 Section 40. Section 121.193, Florida Statutes, is
25 amended to read:

26 121.193 External compliance audits.--

27 (1) The division ~~department~~ shall conduct audits of
28 the payroll and personnel records of participating agencies.
29 These audits shall be made to determine the accuracy of
30 reports submitted to the division ~~department~~ and to assess the
31 degree of compliance with applicable statutes, rules, and

1 coverage agreements. Audits shall be scheduled on a regular
2 basis, as the result of concerns known to exist at an agency,
3 or as a followup to ensure agency action was taken to correct
4 deficiencies found in an earlier audit.

5 (2) Upon request, participating agencies shall furnish
6 the division ~~department~~ with information and documents that
7 the division ~~department~~ requires to conduct the audit. The
8 division ~~department~~ may prescribe by rule the documents that
9 may be requested.

10 (3) The division ~~department~~ shall review the agency's
11 operations concerning retirement and social security coverage.
12 Preliminary findings shall be discussed with agency personnel
13 at the close of the audit. An audit report of findings and
14 recommendations shall be submitted to division ~~department~~
15 management and an audit summary letter shall be submitted to
16 the agency noting any concerns and necessary corrective
17 action.

18 Section 41. Subsection (1) of section 121.22, Florida
19 Statutes, is amended to read:

20 121.22 State Retirement Commission; creation;
21 membership; compensation.--

22 (1)(a) There is created within the Division of
23 ~~Retirement Department of Management Services~~ a State
24 Retirement Commission composed of seven members: Two members
25 ~~One member~~ who are ~~is~~ retired under a state-supported
26 retirement system administered by the division ~~department~~; two
27 members from different occupational backgrounds who are active
28 members in a state-supported retirement system that is
29 administered by the division ~~department~~; and three ~~four~~
30 members who are not retirees, beneficiaries, or members of a
31

1 state-supported retirement system that is administered by the
2 division ~~department~~.

3 **(b)** The State Retirement Commission shall be assigned
4 to and administratively housed within the Division of
5 Retirement, but the commission shall function independently
6 and shall not be under the supervision of the division or the
7 board, and the exercise by the commission of its powers,
8 duties, and functions as prescribed by law shall not be
9 subject to the review or approval of the division or the
10 board.

11 Section 42. Subsection (1) of section 121.23, Florida
12 Statutes, is amended to read:

13 121.23 Disability retirement and special risk
14 membership applications; Retirement Commission; powers and
15 duties; judicial review.--The provisions of this section apply
16 to all proceedings in which the administrator has made a
17 written final decision on the merits respecting applications
18 for disability retirement, reexamination of retired members
19 receiving disability benefits, applications for special risk
20 membership, and reexamination of special risk members in the
21 Florida Retirement System. The jurisdiction of the State
22 Retirement Commission under this section shall be limited to
23 written final decisions of the administrator on the merits.

24 (1) In accordance with the rules of procedure adopted
25 by the division ~~Department of Management Services~~, the
26 administrator shall:

27 (a) Give reasonable notice of his or her proposed
28 action, or decision to refuse action, together with a summary
29 of the factual, legal, and policy grounds therefor.

30 (b) Give affected members, or their counsel, an
31 opportunity to present to the division written evidence in

1 opposition to the proposed action or refusal to act or a
2 written statement challenging the grounds upon which the
3 administrator has chosen to justify his or her action or
4 inaction.

5 (c) If the objections of the member are overruled,
6 provide a written explanation within 21 days.

7 Section 43. Subsections (2), (3), and (4) of section
8 121.24, Florida Statutes, are amended to read:

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

11 (2) Legal counsel for the commission may be provided
12 by the Department of Legal Affairs or by the division
13 ~~Department of Management Services~~, with the concurrence of the
14 commission, and shall be paid by the division ~~Department of~~
15 ~~Management Services~~ from the appropriate funds.

16 (3) The division ~~Department of Management Services~~
17 shall provide timely and appropriate training for newly
18 appointed members of the commission. Such training shall be
19 designed to acquaint new members of the commission with the
20 duties and responsibilities of the commission.

21 (4) The division ~~Department of Management Services~~
22 shall furnish administrative and secretarial assistance to the
23 commission and shall provide a place where the commission may
24 hold its meetings.

25 Section 44. Subsection (9) of section 121.30, Florida
26 Statutes, is amended to read:

27 121.30 Statements of purpose and intent and other
28 provisions required for qualification under the Internal
29 Revenue Code of the United States.--Any other provisions in
30 this chapter to the contrary notwithstanding, it is
31 specifically provided that:

1 (9) The division ~~department~~ may adopt any rule
2 necessary to accomplish the purpose of the section which is
3 not inconsistent with this chapter.

4 Section 45. Paragraph (c) of subsection (2),
5 paragraphs (c) and (e) of subsection (3), paragraphs (a), (b),
6 and (c) of subsection (4), and subsection (6) of section
7 121.35, Florida Statutes, are amended to read:

8 121.35 Optional retirement program for the State
9 University System.--

10 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL
11 PROGRAM.--

12 (c) For purposes of this section, the Division of
13 Retirement ~~Department of Management Services~~ is referred to as
14 the "division ~~department~~."

15 (3) ELECTION OF OPTIONAL PROGRAM.--

16 (c) Any employee who becomes eligible to participate
17 in the optional retirement program on or after January 1,
18 1993, shall be a compulsory participant of the program unless
19 such employee elects membership in the Florida Retirement
20 System. Such election shall be made in writing and filed with
21 the personnel officer of the employer. Any eligible employee
22 who fails to make such election within the prescribed time
23 period shall be deemed to have elected to participate in the
24 optional retirement program.

25 1. Any employee whose optional retirement program
26 eligibility results from initial employment shall be enrolled
27 in the program at the commencement of employment. If, within
28 90 days after commencement of employment, the employee elects
29 membership in the Florida Retirement System, such membership
30 shall be effective retroactive to the date of commencement of
31 employment.

1 2. Any employee whose optional retirement program
2 eligibility results from a change in status due to the
3 subsequent designation of the employee's position as one of
4 those specified in paragraph (2)(a) or due to the employee's
5 appointment, promotion, transfer, or reclassification to a
6 position specified in paragraph (2)(a) shall be enrolled in
7 the optional retirement program upon such change in status and
8 shall be notified by the employer of such action. If, within
9 90 days after the date of such notification, the employee
10 elects to retain membership in the Florida Retirement System,
11 such continuation of membership shall be retroactive to the
12 date of the change in status.

13 3. Notwithstanding the provisions of this paragraph,
14 effective July 1, 1997, any employee who is eligible to
15 participate in the Optional Retirement Program and who fails
16 to execute an annuity contract with one of the approved
17 companies and to notify the division ~~department~~ in writing as
18 provided in subsection (4) within 90 days of the date of
19 eligibility shall be deemed to have elected membership in the
20 Florida Retirement System, except as provided in s.
21 121.051(1)(a). This provision shall also apply to any employee
22 who terminates employment in an eligible position before
23 executing the required annuity contract and notifying the
24 division ~~department~~. Such membership shall be retroactive to
25 the date of eligibility, and all appropriate contributions
26 shall be transferred to the Florida Retirement System Trust
27 Fund and the Health Insurance Subsidy Trust Fund.

28 (e) The election by an eligible employee to
29 participate in the optional retirement program shall be
30 irrevocable for so long as the employee continues to meet the
31 eligibility requirements specified in subsection (2), except

1 as provided in paragraph (h). In the event that an employee
2 participates in the optional retirement program for 90 days or
3 more and is subsequently employed in an administrative or
4 professional position which has been determined by the
5 division ~~department~~, under subparagraph (2)(a)2., to be not
6 otherwise eligible for participation in the optional
7 retirement program, the employee shall continue participation
8 in the optional program so long as the employee meets the
9 other eligibility requirements for the program, except as
10 provided in paragraph (h).

11 (4) CONTRIBUTIONS.--

12 (a) Each employer shall contribute on behalf of each
13 participant in the optional retirement program an amount equal
14 to the normal cost portion of the employer retirement
15 contribution which would be required if the participant were a
16 regular member of the Florida Retirement System, plus the
17 portion of the contribution rate required in s. 112.363(8)
18 that would otherwise be assigned to the Retiree Health
19 Insurance Subsidy Trust Fund, less an amount approved by the
20 Legislature which shall be deducted by the division ~~department~~
21 to provide for the administration of this program. The payment
22 of the contributions to the optional program which is required
23 by this paragraph for each participant shall be made by the
24 employer to the division ~~department~~, which shall forward the
25 contributions to the designated company or companies
26 contracting for payment of benefits for the participant under
27 the program. However, such contributions paid on behalf of an
28 employee described in paragraph (3)(c) shall not be forwarded
29 to a company and shall not begin to accrue interest until the
30 employee has executed an annuity contract and notified the
31 division ~~department~~.

1 (b) Each employer shall contribute on behalf of each
2 participant in the optional retirement program an amount equal
3 to the unfunded actuarial accrued liability portion of the
4 employer contribution which would be required for members of
5 the Florida Retirement System. This contribution shall be
6 paid to the division ~~department~~ for transfer to the Florida
7 Retirement System Trust Fund.

8 (c) An Optional Retirement Program Trust Fund shall be
9 established in the State Treasury and administered by the
10 division ~~department~~ to make payments to the provider companies
11 on behalf of the optional retirement program participants, and
12 to transfer the unfunded liability portion of the state
13 optional retirement program contributions to the Florida
14 Retirement System Trust Fund.

15 (6) ADMINISTRATION OF PROGRAM.--

16 (a) The optional retirement program authorized by this
17 section shall be administered by the division ~~department~~. The
18 division ~~department~~ shall adopt rules establishing the
19 responsibilities of the Board of Regents and institutions in
20 the State University System in administering the optional
21 retirement program. The Board of Regents shall, no more than
22 90 days after July 1, 1983, submit to the division ~~department~~
23 its recommendations for the annuity contracts to be offered by
24 the companies chosen by the division ~~department~~. The
25 recommendations of the board shall include the following:

26 1. The nature and extent of the rights and benefits in
27 relation to the required contributions; and

28 2. The suitability of the rights and benefits to the
29 needs of the participants and the interests of the
30 institutions in the recruitment and retention of eligible
31 employees.

1 (b) After receiving and considering the
2 recommendations of the Board of Regents, the division
3 ~~department~~ shall designate no more than four companies from
4 which annuity contracts may be purchased under the program and
5 shall approve the form and content of the optional retirement
6 program contracts. Upon application by a qualified Florida
7 domestic company, the division ~~department~~ shall give
8 reasonable notice to all other such companies that it intends
9 to designate one of such companies as a fifth company from
10 which annuity contracts may be purchased pursuant to this
11 section and that they may apply for such designation prior to
12 the deadline established by said notice. At least 60 days
13 after giving such notice and upon receipt of the
14 recommendation of the Board of Regents, the division
15 ~~department~~ shall so designate one of such companies as the
16 fifth company from which such contracts may be purchased.

17 (c) Effective July 1, 1997, the State Board of
18 Administration shall review and make recommendations to the
19 division ~~department~~ on the acceptability of all investment
20 products proposed by provider companies of the optional
21 retirement program before they are offered through annuity
22 contracts to the participants and may advise the division
23 ~~department~~ of any changes necessary to ensure that the
24 optional retirement program offers an acceptable mix of
25 investment products. The division ~~department~~ shall make the
26 final determination as to whether an investment product will
27 be approved for the program.

28 (d) The provisions of each contract applicable to a
29 participant in the optional retirement program shall be
30 contained in a written program description which shall include
31 a report of pertinent financial and actuarial information on

1 the solvency and actuarial soundness of the program and the
2 benefits applicable to the participant. Such description
3 shall be furnished by the companies to each participant in the
4 program and to the division ~~department~~ upon commencement of
5 participation in the program and annually thereafter.

6 (e) The division ~~department~~ shall ensure that each
7 participant in the optional retirement program is provided an
8 accounting of the total contribution and the annual
9 contribution made by and on behalf of such participant.

10 Section 46. Paragraph (b) of subsection (3) and
11 paragraphs (a) and (b) of subsection (14) of section 121.40,
12 Florida Statutes, are amended to read:

13 121.40 Cooperative extension personnel at the
14 Institute of Food and Agricultural Sciences; supplemental
15 retirement benefits.--

16 (3) DEFINITIONS.--The definitions provided in s.
17 121.021 shall not apply to this section except when
18 specifically cited. For the purposes of this section, the
19 following words or phrases have the respective meanings set
20 forth:

21 (b) "Division ~~Department~~" means the Division of
22 Retirement of the State Board of Administration ~~Department of~~
23 ~~Management Services~~.

24 (14) ADMINISTRATION OF SYSTEM.--

25 (a) The division ~~department~~ shall make such rules as
26 are necessary for the effective and efficient administration
27 of this system. The director ~~secretary~~ of the division
28 ~~department~~ shall be the administrator of the system. The funds
29 to pay the expenses for such administration shall be
30 appropriated from the interest earned on investments made for
31 the trust fund.

1 (b) The division ~~department~~ is authorized to require
2 oaths, by affidavit or otherwise, and acknowledgments from
3 persons in connection with the administration of its duties
4 and responsibilities under this section.

5 Section 47. Subsection (3) of section 121.45, Florida
6 Statutes, is amended to read:

7 121.45 Interstate compacts relating to pension
8 portability.--

9 (3) ESTABLISHMENT OF COMPACTS.--

10 (a) The division ~~Department of Management Services~~ is
11 authorized and directed to survey other state retirement
12 systems to determine if such retirement systems are interested
13 in developing an interstate compact with Florida.

14 (b) If any such state is interested in pursuing the
15 matter, the division ~~department~~ shall confer with the other
16 state and the consulting actuaries of both states, and shall
17 present its findings to the committees having jurisdiction
18 over retirement matters in the Legislature, and to
19 representatives of affected certified bargaining units, in
20 order to determine the feasibility of developing a portability
21 compact, what groups should be covered, and the goals and
22 priorities which should guide such development.

23 (c) Upon a determination that such a compact is
24 feasible and upon request of the Legislature, the division
25 ~~department~~, together with its consulting actuaries, shall, in
26 accordance with said goals and priorities, develop a proposal
27 under which retirement credit may be transferred to or from
28 Florida in an actuarially sound manner.

29 (d) Once a proposal has been developed, the division
30 ~~department~~ shall contract with its consulting actuaries to
31 conduct an actuarial study of the proposal to determine the

1 cost to the Florida Retirement System Trust Fund and the State
2 of Florida.

3 (e) After the actuarial study has been completed, the
4 division ~~department~~ shall present its findings and the
5 actuarial study to the Legislature for consideration. If
6 either house of the Legislature elects to enter into such a
7 compact, it shall be introduced in the form of a proposed
8 committee bill to the full Legislature during the same or next
9 regular session.

10 Section 48. Subsections (1) and (6) of section 122.02,
11 Florida Statutes, are amended to read:

12 122.02 Definitions.--The following words and phrases
13 as used in this chapter shall have the following meaning
14 unless a different meaning is plainly required by the context:

15 (1) "State and county officers and employees" shall
16 include all full-time officers or employees who receive
17 compensation for services rendered from state or county funds,
18 or from funds of drainage districts or mosquito control
19 districts of a county or counties, or from funds of the State
20 Board of Administration or from funds of closed bank
21 receivership accounts or from funds of any state institution
22 or who receive compensation for employment or service from any
23 agency, branch, department, institution or board of the state,
24 or any county of the state, for service rendered the state or
25 county from funds from any source provided for their
26 employment or service regardless of whether the same is paid
27 by state or county warrant or not; provided that such
28 compensation in whatever form paid shall be specified in terms
29 of fixed monthly salaries by the employing state or county
30 agency or state or county official and shall not include
31 amounts allowed for professional employees for special or

1 particular service or for subsistence or travel expenses;
2 provided further the division ~~department~~ shall prescribe
3 appropriate procedure for contribution deduction out of such
4 compensation in accordance with the provisions of this
5 chapter, provided further that such officers and employees
6 defined herein shall not include those officers and employees
7 excepted from the provisions by s. 122.18 of this law.

8 (6) "Division ~~Department~~" means the Division of
9 Retirement of the State Board of Administration ~~Department of~~
10 ~~Management Services~~.

11 Section 49. Paragraph (d) of subsection (6) and
12 subsection (9) of section 122.03, Florida Statutes, are
13 amended to read:

14 122.03 Contributions; participants; prior service
15 credit.--

16 (6) Any officer or employee who held office or was
17 employed by the state or a county of the state continuously
18 from May 1, 1959, and who has not previously received credit
19 for, or is not eligible to claim credit for, prior years of
20 service under subsection (2); or any officer or employee who
21 holds office or is employed by the state or a county of the
22 state on June 1, 1961, and is continuously employed; or any
23 officer or employee who holds office or is employed by the
24 state or county of the state after June 1, 1961, and who is
25 continuously employed for 3 years, during which period of time
26 no back payments may be made:

27 (d) Prior service allowance may be made only for those
28 periods in which state or county records of service and salary
29 are available, or at least three affidavits and such other
30 information as might be required by the division ~~department~~ to
31 meet the provisions of this law.

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

10 Section 50. Subsection (2) of section 122.05, Florida
11 Statutes, is amended to read:

12 122.05 Legislator services included.--

13 (2) The division ~~department~~ and state officials
14 administering said retirement system shall make the
15 contribution deductions required by law from the compensation
16 hereafter received by any of the said participating members of
17 the Legislature for service rendered the State Legislature in
18 the same manner as in the case of other state employment.

19 Section 51. Subsection (2) of section 122.06, Florida
20 Statutes, is amended to read:

21 122.06 Legislative employee services included.--

22 (2) The division ~~department~~ and other state officials
23 administering said retirement system shall make the
24 contribution deductions required by law from the compensation
25 hereafter received by any of the said participating attaches
26 for service rendered the State Legislature in the same manner
27 as in the case of other state employment.

28 Section 52. Subsection (2) of section 122.07, Florida
29 Statutes, is amended to read:

30 122.07 Seasonal state employment included; time limit
31 and procedure for claiming.--

1 (2) Any state employee as described in subsection (1)
2 in the classification set forth in s. 122.01 may elect to
3 receive credit as a state employee under the State and County
4 Officers and Employees' Retirement System by providing to the
5 division ~~department~~ a statement from the state in which he or
6 she was employed, listing days employed and monthly earnings
7 and such other information as may, in the opinion of the
8 division ~~department~~, be necessary or appropriate in the
9 carrying out of this section. Credit shall be granted upon
10 payment to the division ~~department~~ by such employee of an
11 amount equal to the total retirement contribution that would
12 have been required had the member worked in this state during
13 the period based on the salary drawn by such employee during
14 his or her last full month of employment by the state or any
15 department thereof for each month during said fiscal year for
16 which such employee was not employed by the state or any
17 department thereof, but was employed by some other state, plus
18 interest compounded annually each June 30 from the date of the
19 service in another state to the date of payment at the rate of
20 4 percent until July 1, 1975, and 6.5 percent thereafter. The
21 member shall have until his or her date of retirement to claim
22 and purchase credit for such employment in another state.

23 Section 53. Paragraph (a) of subsection (1), paragraph
24 (b) of subsection (4), and subsections (5) and (9) of section
25 122.08, Florida Statutes, are amended to read:

26 122.08 Requirements for retirement;
27 classifications.--There shall be two retirement
28 classifications for all state and county officers and
29 employees participating herein as hereafter provided in this
30 section:
31

1 (1)(a) Any state or county officer or employee who has
2 attained normal retirement age, which shall be age 60 for a
3 person who had become a member prior to July 1, 1963, and age
4 62 for a person who had or shall become a member on or after
5 July 1, 1963, and has accumulated at least 10 years' service
6 in the aggregate within the contemplation of this law, and who
7 has made or makes contributions to the State and County
8 Officers and Employees' Retirement Trust Fund for 5 or more
9 years as prescribed in this law, may voluntarily retire from
10 office or employment and be entitled to receive retirement
11 compensation, the amount of which shall be 2 percent for each
12 year of service rendered, based upon the average final
13 compensation, payable in equal monthly installments, upon his
14 or her own requisition. Requisition requirements shall be set
15 by the division ~~department~~.

16 (4)

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

1 member's current benefit. The consent of a retired member's
2 formerly designated spouse as beneficiary to any such change
3 shall not be required.

4 (5) Tables for computing the actuarial equivalent
5 shall be approved by the division ~~department~~.

6 (9) Notwithstanding any other provision in this
7 chapter to the contrary, the following provisions shall apply
8 to any officer or employee who has accumulated at least 10
9 years of service and dies:

10 (a) If the deceased member's surviving spouse has
11 previously received a refund of the member's contributions
12 made to the retirement trust fund, such spouse may pay to the
13 division ~~department~~ an amount equal to the sum of the amount
14 of the deceased member's contributions previously refunded and
15 interest at 3 percent compounded annually on the amount of
16 such refunded contributions from the date of refund until July
17 1, 1975, and thereafter at the rate of 6.5 percent interest
18 compounded annually to the date of payment to the division
19 ~~department~~, and by so doing be entitled to receive the monthly
20 retirement benefit provided in paragraph (c).

21 (b) If the deceased member's surviving spouse has not
22 received a refund of the deceased member's contributions, such
23 spouse shall, upon application to the division ~~department~~,
24 receive the monthly retirement benefit provided in paragraph
25 (c).

26 (c) The monthly benefit payable to the spouse
27 described in paragraph (a) or paragraph (b) shall be the
28 amount which would have been payable to the deceased member's
29 spouse, assuming that the member retired on the date of death
30 and had selected the option in subsection (4) which would
31 afford the surviving spouse the greatest amount of benefits,

1 such benefit to be based on the ages of the spouse and member
2 as of the date of death of the member. Such benefit shall
3 commence on the first day of the month following the payment
4 of the aforesaid amount to the division ~~department~~, if
5 paragraph (a) is applicable, or on the first day of the month
6 following the receipt of the spouse's application by the
7 division ~~department~~, if paragraph (b) is applicable.

8 Section 54. Section 122.09, Florida Statutes, is
9 amended to read:

10 122.09 Disability retirement; medical
11 examinations.--Whenever any officer or employee of the state
12 or county of the state has service credit as such officer or
13 employee for 10 years within the contemplation of this law,
14 the last 5 years of which, except for a single break not to
15 exceed 1 year, must be continuous, unbroken service and who is
16 regularly contributing to the State and County Officers and
17 Employees' Retirement Trust Fund and shall while holding such
18 office or employment become permanently and totally disabled,
19 physically or mentally, or both, from rendering useful and
20 efficient service as such officer or employee, such officer or
21 employee may retire from his or her office or employment, and
22 upon such retirement the officer or employee shall be paid, so
23 long as the permanent and total disability continues, on his
24 or her own monthly requisition, from the State and County
25 Officers and Employees' Retirement Trust Fund hereinafter
26 established, retirement compensation as provided in s. 122.08;
27 provided that no officer or employee retiring under this
28 section shall receive less than 50 percent of his or her
29 average final compensation not to exceed \$75. No officer or
30 employee of the state and county of the state shall be
31 permitted to retire under the provisions of this section until

1 examined by a duly qualified physician or surgeon or board of
2 physicians and surgeons, to be selected by the Governor for
3 that purpose, and found to be disabled in the degree and in
4 the manner specified in this section. Any officer or employee
5 retiring under this section shall be examined periodically by
6 a duly qualified physician or surgeon or board of physicians
7 and surgeons to be selected by the Governor for that purpose
8 and paid from the retirement trust fund herein provided for,
9 at such time as the division ~~Department of Management Services~~
10 shall direct to determine if such total disability has
11 continued and in the event it be disclosed by said examination
12 that said total disability has ceased to exist, then such
13 officer or employee shall forthwith cease to be paid benefits
14 under this section. Reference to s. 122.08 is for the purpose
15 of computing benefits only. Any person heretofore retired
16 under this section shall be eligible to qualify for the
17 minimum benefits provided herein; however, minimum benefits
18 shall not be paid retroactively.

19 Section 55. Subsection (4) of section 122.10, Florida
20 Statutes, is amended to read:

21 122.10 Separation from service; refund of
22 contributions.--

23 (4) Should any officer or employee elect to receive a
24 refund as provided in this section, his or her application for
25 refund shall be submitted in the manner prescribed by the
26 regulations adopted by the division ~~department~~ and shall
27 accompany the payroll certification, submitted to the division
28 ~~department~~, on which he or she was last paid prior to
29 termination. The division ~~department~~ shall pay the entire
30 refund due within 45 days after the first day of the month
31

1 subsequent to receipt of such application for refund and said
2 payroll certification.

3 Section 56. Subsection (1) of section 122.12, Florida
4 Statutes, is amended to read:

5 122.12 Designation of beneficiary; death of
6 participant; forfeiture of contributions after benefits paid;
7 survivor benefits.--

8 (1) Any officer or employee may file, in writing, a
9 designation of beneficiary and it shall be the duty of the
10 division ~~department~~ to refund 100 percent, without interest,
11 of the contributions made to the retirement trust fund by such
12 deceased officer or employee to such designated beneficiary.
13 The officer or employee shall have the privilege of changing,
14 in writing, the designated beneficiary at any time. Upon
15 failure to designate a beneficiary, the refund shall be made
16 to the persons in the same order as designated in s. 222.15,
17 for wages due deceased employees. If the deceased officer or
18 employee has received any benefits under this law, no refund
19 shall be made unless such officer or employee has elected to
20 accept benefits under s. 122.08(3) or (4).

21 Section 57. Section 122.13, Florida Statutes, is
22 amended to read:

23 122.13 Administration of law; appropriation.--The
24 division ~~department~~ shall make such rules as are necessary for
25 the effective administration of this chapter, and the cost is
26 hereby annually appropriated and shall be paid into the State
27 and County Officers and Employees' Retirement Trust Fund out
28 of the Intangible Tax Fund in the State Treasury in the amount
29 necessary to administer efficiently the state and county
30 retirement law. At the end of each fiscal year, beginning
31 with fiscal year 1959-1960, the administrative cost of the

1 state and county retirement system for the fiscal year just
2 ended shall be refunded to the General Revenue Fund from
3 interest earned on investments made subsequent to June 30,
4 1959.

5 Section 58. Subsection (2) of section 122.15, Florida
6 Statutes, is amended to read:

7 122.15 Benefits exempt from taxes and execution.--

8 (2) This subsection shall have no effect upon this
9 section except that the division ~~department~~ may, upon written
10 request from the retired member, deduct premiums for group
11 hospitalization insurance from the retirement benefit paid
12 such retired member.

13 Section 59. Paragraph (b) of subsection (2) of section
14 122.16, Florida Statutes, is amended to read:

15 122.16 Employment after retirement.--

16 (2)

17 (b) Any person to whom the limitation in paragraph (a)
18 applies who violates such reemployment limitation and is
19 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 his or her employer and to the division ~~department~~;
23 and his or her retirement benefits shall be 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 ~~department~~ 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 retirement
3 benefits received by such person while he or she is reemployed
4 during this reemployment limitation period shall be repaid to
5 the retirement trust fund, and his or her retirement benefits
6 shall remain suspended until such repayment has been made. Any
7 benefits suspended beyond the reemployment limitation period
8 shall apply toward the repayment of benefits received in
9 violation of the reemployment limitation.

10 Section 60. Subsections (3) and (5) of section 122.23,
11 Florida Statutes, are amended to read:

12 122.23 Definitions.--In addition to those definitions
13 set forth in s. 122.02 the following words and phrases used in
14 ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the
15 respective meanings set forth:

16 (3) "Division ~~Department~~" means the Division of
17 Retirement of the State Board of Administration ~~Department of~~
18 ~~Management Services~~.

19 (5) "State agency" means the Division of Retirement of
20 the State Board of Administration ~~Department of Management~~
21 ~~Services~~ within the provisions and contemplation of chapter
22 650.

23 Section 61. Subsections (1) and (5) of section 122.30,
24 Florida Statutes, are amended to read:

25 122.30 Appropriations.--

26 (1) There is hereby annually appropriated from the
27 intangible tax fund of the state to the division ~~department~~ as
28 the state agency designated in chapter 650, a sum not to
29 exceed \$10,000 to defray the expenses of such agency in
30 connection with its continuing duties in relation to the
31 social security coverage provided by this law.

1 (5) In addition to amounts appropriated by other
2 provisions of this chapter or other laws to defray cost of
3 administration of this system, there is hereby appropriated
4 out of the Intangible Tax Fund of the state for use of the
5 division ~~department~~ in its administration of the two divisions
6 of this system, the sum of \$100,000, or so much thereof as may
7 be required for that purpose.

8 Section 62. Paragraphs (b) and (c) of subsection (1)
9 and subsection (11) of section 122.34, Florida Statutes, are
10 amended to read:

11 122.34 Special provisions for certain sheriffs and
12 full-time deputy sheriffs.--

13 (1)

14 (b) Only those members who are full-time criminal law
15 enforcement officers or agents, as certified by the employing
16 authority, who perform duties according to rule, order, or
17 established custom as full-time criminal law enforcement
18 officers or agents shall be certified to the division
19 ~~department~~ as high hazard members, and only such members will
20 be approved by the division ~~department~~.

21 (c) The division ~~department~~ shall make such rules as
22 are necessary for the effective administration of the intent
23 of this section.

24 (11) No high hazard member shall be permitted to
25 receive benefits under this section until examined by a duly
26 qualified physician or surgeon, or board of physicians and
27 surgeons, to be selected by the Governor for that purpose, and
28 found to be disabled in the degree and in the manner specified
29 in this section. At such time as the division ~~Department of~~
30 ~~Management Services~~ directs, any high hazard member receiving
31 disability benefits under this section shall submit to a

1 medical examination to determine if such disability has
2 continued, and the cost of such examination shall be paid from
3 the retirement trust fund herein provided for; and in the
4 event it is declared by said examination that said disability
5 has cleared, such member shall be ordered to return to active
6 duty with the same rank and salary that he or she had at the
7 time of disability. Any such member who shall fail to return
8 to duty following such order shall forfeit all rights and
9 claims under this law. Every high hazard member retiring
10 under this provision shall be paid so long as the member's
11 permanent total or partial disability continues, on his or her
12 own requisition.

13 Section 63. Section 122.351, Florida Statutes, is
14 amended to read:

15 122.351 Funding by local agencies.--Commencing on July
16 1, 1969, all county and local agencies covered under the
17 provisions of s. 122.35 shall accumulate and be responsible
18 for the payment of social security and retirement matching
19 costs as required under s. 122.35, from the intangible tax
20 allocation of that county and any other source available to
21 the local governmental units, except that all agencies, other
22 than the school boards, shall be given credit for 50 percent
23 of their 1967-1969 actual employer matching cost, actual cost
24 being that cost in cash actually paid by the employer for
25 matching retirement and social security into the fund by the
26 agency for said biennium. The above credit of 50 percent shall
27 be calculated by the division ~~department~~.

28 Section 64. Subsection (6) of section 175.032, Florida
29 Statutes, is amended to read:

30 175.032 Definitions.--For any municipality, special
31 fire control district, chapter plan, local law municipality,

1 local law special fire control district, or local law plan
2 under this chapter, the following words and phrases have the
3 following meanings:

4 (6) "Division" means the Division of Retirement of the
5 State Board of Administration ~~Department of Management~~
6 ~~Services~~.

7 Section 65. Section 175.1215, Florida Statutes, is
8 amended to read:

9 175.1215 Police and Firefighters' Premium Tax Trust
10 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
11 created, to be administered by the Division of Retirement ~~of~~
12 ~~the Department of Management Services~~. Funds credited to the
13 trust fund, as provided in chapter 95-250, Laws of Florida, or
14 similar legislation, shall be expended for the purposes set
15 forth in that legislation.

16 Section 66. Subsection (7) of section 185.02, Florida
17 Statutes, is amended to read:

18 185.02 Definitions.--For any municipality, chapter
19 plan, local law municipality, or local law plan under this
20 chapter, the following words and phrases as used in this
21 chapter shall have the following meanings, unless a different
22 meaning is plainly required by the context:

23 (7) "Division" means the Division of Retirement of the
24 State Board of Administration ~~Department of Management~~
25 ~~Services~~.

26 Section 67. Section 185.105, Florida Statutes, is
27 amended to read:

28 185.105 Police and Firefighters' Premium Tax Trust
29 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
30 created, to be administered by the Division of Retirement of
31 the State Board of Administration ~~Department of Management~~

1 ~~Services.~~ Funds credited to the trust fund, as provided in
2 chapter 95-250, Laws of Florida, or similar legislation, shall
3 be expended for the purposes set forth in that legislation.

4 Section 68. Paragraph (ii) of subsection (4) of
5 section 215.20, Florida Statutes, is amended to read:

6 215.20 Certain income and certain trust funds to
7 contribute to the General Revenue Fund.--

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

12 (ii) The Police and Firefighters' Premium Tax Trust
13 Fund established within the Division of Retirement of the
14 State Board of Administration ~~Department of Management~~
15 ~~Services.~~

16
17 The enumeration of the foregoing moneys or trust funds shall
18 not prohibit the applicability thereto of s. 215.24 should the
19 Governor determine that for the reasons mentioned in s. 215.24
20 the money or trust funds should be exempt herefrom, as it is
21 the purpose of this law to exempt income from its force and
22 effect when, by the operation of this law, federal matching
23 funds or contributions or private grants to any trust fund
24 would be lost to the state.

25 Section 69. Subsection (3) of section 215.28, Florida
26 Statutes, is amended to read:

27 215.28 United States securities, purchase by state and
28 county officers and employees; deductions from salary.--

29 (3) All deductions so made by any such disbursing
30 authority shall be deposited in a trust account separate and
31 apart from the funds of the state, county, or subordinate

1 agency. Such account will be subject to withdrawal only for
2 the purchase of United States securities on behalf of officers
3 and employees, or for refunds to such persons in accordance
4 with the provisions of this law. Whenever the sum of \$18.75
5 or the purchase price of the security requested to be
6 purchased is accumulated from deductions so made from the
7 salaries or wages of an officer or employee, such disbursing
8 agent shall arrange the purchase of the bond or security
9 applied for and have it registered in the name or names
10 requested in the deduction authorization. Securities so
11 purchased will be delivered in such manner as may be
12 convenient for the issuing agent and the purchaser. Any
13 interest earned on moneys in such account while awaiting the
14 accumulation of the purchase price of the security shall be
15 transferred to the Florida Retirement System Trust Fund as
16 reimbursement for administrative costs incurred by the
17 Division of Retirement of the State Board of Administration
18 ~~Department of Management Services~~ under this section.

19 Section 70. Subsection (3) of section 215.50, Florida
20 Statutes, is amended to read:

21 215.50 Custody of securities purchased; income.--

22 (3) The Treasurer, as custodian of securities owned by
23 the Florida Retirement System Trust Fund and the Florida
24 Survivor Benefit Trust Fund, shall collect the interest,
25 dividends, prepayments, maturities, proceeds from sales, and
26 other income accruing from such assets. As such income is
27 collected by the Treasurer, it shall be deposited directly
28 into a commercial bank to the credit of the State Board of
29 Administration. Such bank accounts as may be required for
30 this purpose shall offer satisfactory collateral security as
31 provided by chapter 280. In the event funds so deposited

1 according to the provisions of this section are required for
2 the purpose of paying benefits or other operational needs, the
3 State Board of Administration shall remit to the Florida
4 Retirement System Trust Fund in the State Treasury such
5 amounts as may be requested by the director of the Division of
6 Retirement of the State Board of Administration ~~Department of~~
7 ~~Management Services~~.

8 Section 71. Subsections (2), (3), (11), and (13) of
9 section 238.01, Florida Statutes, are amended to read:

10 238.01 Definitions.--The following words and phrases
11 as used in this chapter shall have the following meanings
12 unless a different meaning is plainly required by the context:

13 (2) "Division Department" means the Division of
14 Retirement of the State Board of Administration ~~Department of~~
15 ~~Management Services~~.

16 (3) "Teacher" means any member of the teaching or
17 professional staff and any certificated employee of any public
18 free school, of any district school system and vocational
19 school, any member of the teaching or professional staff of
20 the Florida School for the Deaf and Blind, child training
21 schools of the Department of Juvenile Justice, the Department
22 of Corrections, and any tax-supported institution of higher
23 learning of the state, and any member and any certified
24 employee of the Department of Education, any certified
25 employee of the retirement system, any full-time employee of
26 any nonprofit professional association or corporation of
27 teachers functioning in Florida on a statewide basis, which
28 seeks to protect and improve public school opportunities for
29 children and advance the professional and welfare status of
30 its members, any person now serving as superintendent, or who
31 was serving as county superintendent of public instruction on

1 July 1, 1939, and any hereafter duly elected or appointed
2 superintendent, who holds a valid Florida teachers'
3 certificate. In all cases of doubt the division ~~Department of~~
4 ~~Management Services~~ shall determine whether any person is a
5 teacher as defined herein.

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

9 (13) "Earnable compensation" means the full
10 compensation payable to a teacher working the full working
11 time for his or her position. In respect to plans A, B, C, and
12 D only, in cases where compensation includes maintenance, the
13 division ~~Department of Management Services~~ shall fix the value
14 of that part of the compensation not paid in money; provided
15 that all members shall from July 1, 1955, make contributions
16 to the retirement system on the basis of "earnable
17 compensation" as defined herein and all persons who are
18 members on July 1, 1955, may, upon application, have their
19 "earnable compensation" for the time during which they have
20 been members prior to that date determined on the basis of
21 "earnable compensation" as defined in this law, upon paying to
22 the retirement system, on or before the date of retirement, a
23 sum equal to the additional contribution with accumulated
24 regular interest thereon they would have made if "earnable
25 compensation" had been defined, at the time they became
26 members, as it is now defined. However, earnable compensation
27 for all plan years beginning on or after July 1, 1990, shall
28 not include any amounts in excess of the compensation
29 limitation (originally \$200,000) established by s. 401(a)(17)
30 of the Internal Revenue Code prior to the Omnibus Budget
31 Reconciliation Act of 1993, which limitation shall be adjusted

1 for changes in the cost of living since 1989, in the manner
2 provided by s. 401(a)(17) of the Internal Revenue Code of
3 1991. This limitation, which has been part of the Teachers'
4 Retirement System since plan years beginning on or after July
5 1, 1990, shall be adjusted as required by federal law for
6 qualified government plans.

7 Section 72. Section 238.02, Florida Statutes, is
8 amended to read:

9 238.02 Name and date of establishment.--A retirement
10 system is established and placed under the management of the
11 Division of Retirement of the State Board of Administration
12 ~~Department of Management Services~~ for the purpose of providing
13 retirement allowances and other benefits for teachers of the
14 state. The retirement system shall begin operations on July
15 1, 1939. It has such powers and privileges of a corporation
16 as may be necessary to carry out effectively the provisions of
17 this chapter and shall be known as the "Teachers' Retirement
18 System of the State," and by such name all of its business
19 shall be transacted, all of its funds invested, and all of its
20 cash and securities and other property held in trust for the
21 purpose for which received.

22 Section 73. Section 238.03, Florida Statutes, is
23 amended to read:

24 238.03 Administration.--

25 (1) The general administration and the responsibility
26 for the proper operation of the retirement system and for
27 making effective the provisions of this chapter are vested in
28 the Division of Retirement of the State Board of
29 Administration ~~Department of Management Services~~. Subject to
30 the limitation of this chapter, the division ~~department~~ shall,
31 from time to time, establish rules and regulations for the

1 administration and transaction of the business of the
2 retirement system and shall perform such other functions as
3 are required for the execution of this chapter.

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

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

10 (4) The division ~~department~~ shall employ such agents,
11 servants and employees as in its judgment may be necessary to
12 carry out the terms and provisions of this chapter and shall
13 provide for their compensation. Among the employees of the
14 division ~~department~~ shall be an actuary who shall be the
15 technical adviser of the division ~~department~~ on matters
16 regarding the operation of the funds created by the provisions
17 of this chapter and who shall perform such other duties as are
18 required in connection therewith.

19 (5) In the year 1943 and at least once in each 5-year
20 period thereafter, the actuary shall make an actuarial
21 investigation of the mortality, service and salary experience
22 of the members and beneficiaries as defined in this chapter,
23 and shall make a valuation of the various funds created by the
24 chapter, and having regard to such investigation and
25 valuation, the division ~~department~~ shall adopt such mortality
26 and service tables as shall be deemed necessary, and shall
27 certify the rates of contribution payable under the provisions
28 of this chapter.

29 (6) The actuary shall make an annual valuation of the
30 assets and liabilities of the funds of the retirement system
31 on the basis of the tables adopted by the division ~~department~~

1 in accordance with the requirements of this section, and shall
2 prepare an annual statement of the amounts to be contributed
3 by the state in accordance with s. 238.09.

4 (7) The division ~~department~~ shall publish annually the
5 valuation, as certified by the actuary, of the assets and
6 liabilities of the various funds created by this chapter, a
7 statement as to the receipts and disbursements of the funds,
8 and a statement as to the accumulated cash and securities of
9 the funds.

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

13 (9) The division ~~department~~ is authorized to
14 photograph and reduce to microfilm as a permanent record, its
15 ledger sheets showing the salary and contributions of members
16 of the retirement system, also the records of deceased members
17 of the system and thereupon to destroy the documents from
18 which such films are photographed.

19 Section 74. Paragraph (b) of subsection (1),
20 paragraphs (a) and (b) of subsection (3), and subsection (4)
21 of section 238.05, Florida Statutes, are amended to read:

22 238.05 Membership.--

23 (1) The membership of the retirement system shall
24 consist of the following:

25 (b) All persons who became or who become teachers on
26 or after July 1, 1939, except as provided in paragraph (a) and
27 subsection (5) hereof, shall become members of the retirement
28 system by virtue of their appointment as teachers. However,
29 employees who are not members of the teaching or professional
30 staff shall only become members of the retirement system by
31

1 filing a notice with the division ~~department~~ of their election
2 to become members.

3 (3) Except as otherwise provided in s. 238.07(9),
4 membership of any person in the retirement system will cease
5 if he or she is continuously unemployed as a teacher for a
6 period of more than 5 consecutive years, or upon the
7 withdrawal by the member of his or her accumulated
8 contributions as provided in s. 238.07(13), or upon
9 retirement, or upon death; provided that the adjustments
10 prescribed below are to be made for persons who enter the
11 Armed Forces of the United States during a period of war or
12 national emergency and for persons who are granted leaves of
13 absence. Any member of the retirement system who within 1
14 year before the time of entering the Armed Forces of the
15 United States was a teacher, as defined in s. 238.01, or was
16 engaged in other public educational work within the state, and
17 member of the Teachers' Retirement System at the time of
18 induction, or who has been or is granted leave of absence,
19 shall be permitted to elect to continue his or her membership
20 in the Teachers' Retirement System; and membership service
21 shall be allowed for the period covered by service in the
22 Armed Forces of the United States or by leave of absence under
23 the following conditions:

24 (a) A person who has been granted leave of absence
25 shall file with the division ~~department~~ before his or her next
26 contribution is due an application to continue his or her
27 membership during the period covered by the person's leave of
28 absence and, if such application is filed, shall make his or
29 her contribution to the retirement system on the basis of his
30 or her last previous annual salary as a teacher, and shall,
31 prior to retirement, pay in full to the system such

1 contributions with accumulated regular interest. Such
2 contributions with interest may be paid at one time or in
3 monthly, quarterly, semiannual, or annual payments in the
4 person's discretion.

5 (b) A person who enters or who has entered the Armed
6 Forces of the United States may either continue his or her
7 membership according to the plan outlined under paragraph (a)
8 or, in lieu thereof, may file with the division ~~department~~ at
9 any time following the close of his or her military service an
10 application that his or her membership be continued and that
11 membership service be allowed for not more than 5 years of his
12 or her period of service in the Armed Forces of the United
13 States during any period of war or national emergency;
14 provided that any such person shall, prior to retirement, pay
15 in full his or her contributions with accumulated regular
16 interest to the retirement system for the period for which he
17 or she is entitled to membership service on the basis of his
18 or her last previous annual salary as a teacher. Such
19 contributions with interest may be paid to the division
20 ~~department~~ at one time or in monthly, quarterly, semiannual,
21 or annual payments in the person's discretion.

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

27 Section 75. Subsections (3) and (10), paragraphs (a)
28 and (b) of subsection (12), subsection (13), paragraphs (a),
29 (b), and (d) of subsection (15A), and paragraphs (a) and (d)
30 of subsection (16) of section 238.07, Florida Statutes, are
31 amended to read:

1 238.07 Regular benefits; survivor benefits.--
2 (3) Any member who, prior to July 1, 1955, elected to
3 retire under one of plans A, B, C, or D may elect, prior to
4 retirement, to retire under plan E in accordance with the
5 terms hereof. Any person who became a member on or after July
6 1, 1955, shall retire under plan E, except as provided for
7 under s. 238.31. With respect to plans A, B, C, or D, any
8 member shall have the right at any time to change to a plan of
9 retirement requiring a lower rate of contribution. The
10 division ~~Department of Management Services~~ shall also notify
11 the member of the rate of contribution such member must make
12 from and after selecting such plan of retirement. Any member
13 in service may retire upon reaching the age of retirement
14 formerly selected by him or her, upon the member's written
15 application to the division ~~department~~ setting forth at which
16 time, not more than 90 days subsequent to the execution and
17 filing of such application, it is his or her desire to retire
18 notwithstanding that during such period of notification he or
19 she may have separated from service. Upon receipt of such
20 application for retirement, the division ~~department~~ shall
21 retire such member not more than 90 days thereafter. Before
22 such member may retire he or she must file with the division
23 ~~department~~ his or her written selection of one of the optional
24 benefits provided in s. 238.08.
25 (10) Any member in service, who has 10 or more years
26 of creditable service, may upon the application of his or her
27 employer or upon his or her own application, be retired by the
28 division ~~department~~ not less than 30 nor more than 90 days
29 next following the date of filing such application, on a
30 disability retirement allowance; provided that a physician
31 licensed by this state examines and certifies that such member

1 is mentally or physically incapacitated for the further
2 performance of duty, that such incapacity is likely to be
3 permanent, and that such member should be retired, and the
4 division ~~department~~ concurs. In making the determination, the
5 division ~~department~~ may require other evidence of disability
6 as deemed appropriate.

7 (12)(a) Once each year during the first 5 years
8 following the retirement of a member on a disability
9 retirement allowance, and once in every 3-year period
10 thereafter, the division ~~department~~ may require any disability
11 beneficiary who has not yet attained his or her minimum
12 service retirement age to undergo a medical examination by a
13 physician licensed by this state and to submit any other
14 evidence of disability as required by the division ~~department~~.
15 Should a disability beneficiary who has not yet attained his
16 or her minimum service retirement age refuse to submit to any
17 such medical examination, his or her retirement allowance
18 shall be discontinued until his or her withdrawal of such
19 refusal, and should such refusal continue for 1 year, all of
20 the disability beneficiary's rights in and to his or her
21 pension shall be forfeited.

22 (b) If the division ~~department~~ finds that a disability
23 beneficiary is engaged in or is able to engage in a gainful
24 occupation paying more than the difference between his or her
25 disability retirement allowance and his or her average final
26 compensation, the amount of the beneficiary's pension shall be
27 reduced to an amount which, together with his or her annuity
28 and the amount earnable by him or her, shall equal the amount
29 of his or her average final compensation. Should the
30 beneficiary's earning capacity later be changed, the amount of
31 his or her pension may be further modified; provided that the

1 pension so modified shall not exceed the amount of the pension
2 allowable under subsection (11), at the time of retirement,
3 nor an amount which, when added to the amount earnable by the
4 beneficiary, together with his or her annuity, equals the
5 amount of his or her average final compensation. A
6 beneficiary restored to active service at a salary less than
7 the average final compensation upon the basis of which he or
8 she was retired shall not become a member of the retirement
9 system at that time.

10 (13) Should a member cease to be a teacher except by
11 death or by retirement under the provisions of this chapter,
12 the member shall be paid the amount of his or her accumulated
13 contributions. Should a member die before retirement, the
14 amount of his or her accumulated contributions shall be paid
15 to such person, if any, as he or she shall have nominated by
16 written designation duly executed and filed with the division
17 ~~department~~; otherwise, to his or her executors or
18 administrators.

19 (15A)(a) Any member of the Teachers' Retirement System
20 who has heretofore, or who hereafter, retires with no less
21 than 10 years of creditable service and who has passed his or
22 her 65th birthday, may, upon application to the division
23 ~~department~~, have his or her retirement allowance redetermined
24 and thereupon shall be entitled to a monthly service
25 retirement allowance which shall be equal to \$4 multiplied by
26 the number of years of the member's creditable service which
27 shall be payable monthly during his or her retirement;
28 provided, that the amount of retirement allowance as
29 determined hereunder, shall be reduced by an amount equal to:

30 1. Any social security benefits received by the
31 member, and

1 2. Any social security benefits that the member is
2 eligible to receive by reason of his or her own right or
3 through his or her spouse.
4 (b) No payment shall be made to a member of the
5 Teachers' Retirement System under this act, until the division
6 ~~department~~ has determined the social security status of such
7 member.
8 (d) The division ~~department~~ shall review, at least
9 annually, the social security status of all members of the
10 Teachers' Retirement System receiving payment under this act
11 and shall increase or decrease payments to such members as
12 shall be necessary to carry out the intent of this act.
13 (16)(a) Definitions under survivor benefits are:
14 1. A dependent is a child, widow, widower, or parent
15 of the deceased member who was receiving not less than
16 one-half of his or her support from the deceased member at the
17 time of the death of such member.
18 2. A child is a natural or legally adopted child of a
19 member, who:
20 a. Is under 18 years of age, or
21 b. Is over 18 years of age but not over 22 years of
22 age and is enrolled as a student in an accredited educational
23 institution, or
24 c. Is 18 years of age or older and is physically or
25 mentally incapable of self-support, when such mental and
26 physical incapacity occurred prior to such child obtaining the
27 age of 18 years. Such person shall cease to be regarded as a
28 child upon the termination of such physical or mental
29 disability. The determination as to such physical or mental
30 incapability shall be vested in the division ~~department~~.
31

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

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

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

11 (d) Limitations on rights of beneficiary are:

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

17	18	19	20	21	22
	Minimum number of years		Period after serving in		
	of service in Florida		Florida in which		
			death of member		
			occurs		
23	3 to 5.....		2 years		
24	6 to 9.....		5 years		
25	10 or more.....		10 years		

26
27 2. Upon the death of a member, the division ~~department~~
28 shall make a determination of the beneficiary or beneficiaries
29 of the deceased member and shall pay survivor benefits to such
30 beneficiary or beneficiaries beginning 1 month immediately
31 following the death of the member except where the beneficiary

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

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

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

25 Section 76. Paragraph (b) of subsection (5) and
26 subsections (2), (6), and (7) of section 238.08, Florida
27 Statutes, are amended to read:

28 238.08 Optional benefits.--A member may elect to
29 receive his or her benefits under the terms of this chapter
30 according to the provisions of any one of the following
31 options:

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

12 (5)

13 (b) A member who elects Option three or Option four
14 shall, on a form provided for that purpose, designate his or
15 her spouse as beneficiary to receive the benefits which
16 continue to be payable upon the death of the member. After
17 such benefits have commenced under Option three or Option
18 four, the retired member may change the designation of his or
19 her spouse as beneficiary only twice. If such a retired
20 member remarries and wishes to make such a change, he or she
21 may do so by filing with the division ~~department~~ a notarized
22 change of spouse designation form and shall notify the former
23 spouse in writing of such change. Upon receipt of a completed
24 change of spouse designation form, the division ~~department~~
25 shall adjust the member's monthly benefit by the application
26 of actuarial tables and calculations developed to ensure that
27 the benefit paid is the actuarial equivalent of the present
28 value of the member's current benefit. The consent of a
29 retired member's formerly designated spouse as beneficiary to
30 any such change shall not be required.

31

1 (6) Notwithstanding any provision in this chapter to
2 the contrary, the following provisions shall apply to any
3 member of the retirement system who has accumulated at least
4 10 years of service and dies prior to retirement:
5 (a) If the deceased member's surviving spouse has
6 previously received a refund of the member's accumulated
7 contributions made to the retirement system, such spouse may
8 pay to the division ~~department~~ an amount equal to the sum of
9 the amount of the deceased member's contributions previously
10 refunded and regular interest compounded annually on the
11 amount of such refunded contributions from the date of refund
12 to the date of payment to the division ~~department~~, and by so
13 doing be entitled to receive the monthly retirement benefit
14 provided in paragraph (c).
15 (b) If the deceased member's surviving spouse has not
16 received a refund of the deceased member's accumulated
17 contributions, such spouse shall, upon application to the
18 division ~~department~~ within 30 days of the death of the member,
19 receive the monthly retirement benefit provided in paragraph
20 (c).
21 (c) The monthly benefit payable to the spouse
22 described in paragraph (a) or paragraph (b) shall be the
23 amount which would have been payable to the deceased member's
24 spouse, assuming that the member retired on the date of his or
25 her death and had selected the option in subsection (3), such
26 benefit to be based on the ages of the spouse and member as of
27 the date of death of the member. The benefit shall commence on
28 the first day of the month following the payment of the
29 aforesaid amount to the division ~~department~~, if paragraph (a)
30 is applicable, or on the first day of the month following the
31

1 receipt of the spouse's application by the division
2 ~~department~~, if paragraph (b) is applicable.

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

12 Section 77. Paragraphs (a), (c), and (d) of subsection
13 (1), paragraphs (b), (c), and (e) of subsection (3), and
14 paragraph (b) of subsection (5) of section 238.09, Florida
15 Statutes, are amended to read:

16 238.09 Method of financing.--All of the assets of the
17 retirement system shall be credited, according to the purposes
18 for which they are held, to one of four funds; namely, the
19 Annuity Savings Trust Fund, the Pension Accumulation Trust
20 Fund, the Expense Trust Fund, and the Survivors' Benefit Trust
21 Fund.

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

27 (a) With respect to plan A, B, C, or D, upon the basis
28 of such tables as the division ~~Department of Management~~
29 ~~Services~~ shall adopt, and regular interest, the actuary of the
30 retirement system shall determine for each member the
31 proportion of earnable compensation which, when deducted from

1 each payment of his or her prospective earnable annual
2 compensation prior to his or her minimum service retirement
3 age, and accumulated at regular interest until such age, shall
4 be computed to provide at such age:

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

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

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

17
18 In the case of any member who has attained his or her minimum
19 service retirement age prior to becoming a member, the
20 proportion of salary applicable to such member, with respect
21 to plan A, B, C, or D, shall be the proportion computed for
22 the age 1 year younger than his or her minimum service
23 retirement age.

24 (c) The division ~~department~~ shall certify to each
25 employer the proportion of the earnable compensation of each
26 member who is compensated by the employer, and the employer
27 shall cause to be deducted from the salary of each member on
28 each and every payroll for each and every payroll period an
29 amount equal to the proportion of the member's earnable
30 compensation so computed. With respect to plan A, B, C, or D,
31 the employer shall not make any deduction for annuity purposes

1 from the compensation of a member who has attained the age of
2 60 years, if such member elects not to contribute.

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

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

23 (b) On the basis of regular interest and of such
24 mortality and other tables as shall be adopted by the division
25 ~~department~~, the actuary engaged by the division ~~department~~ to
26 make each valuation required by this chapter shall, during the
27 period over which the accrued liability contribution is
28 payable, determine, immediately after making such valuation,
29 the uniform and constant percentage of the earnable
30 compensation of the average new entrant, which, if contributed
31 on the basis of his or her compensation throughout his or her

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

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

29 (e) The accrued liability contribution shall be
30 discontinued as soon as the accumulated reserve in the Pension
31 Accumulation Trust Fund shall equal the present value, as

1 actuarially computed and approved by the division ~~department~~,
2 of the total liability of such fund less the present value,
3 computed on the basis of the normal contribution rate, then in
4 force of the prospective normal contributions to be received
5 on account of persons who are at that time members.

6 (5)

7 (b) The division ~~department~~ shall annually certify to
8 each employer, at the time it makes the certification to the
9 employer under paragraph (1)(c), the rate of
10 twenty-five-hundredths percent to be applied by the employer
11 to the salary of each member who is compensated by the
12 employer, and the employer shall cause to be deducted from the
13 salary of each member on each and every payroll for each and
14 every payroll period an amount equal to twenty-five-hundredths
15 percent of the member's salary paid by the employer and the
16 employer shall remit monthly such deducted amounts to the
17 division ~~department~~ which shall place the same in the
18 Survivors' Benefit Trust Fund of the Teachers' Retirement
19 System of the state. The amount of contributions by a member
20 to the Survivors' Benefit Trust Fund shall, in no event, be
21 refundable to the member or his or her beneficiaries.

22 Section 78. Section 238.10, Florida Statutes, is
23 amended to read:

24 238.10 Management of funds.--The division ~~Department~~
25 ~~of Management Services~~, annually, shall allow regular interest
26 on the amount for the preceding year to the credit of each of
27 the funds of the retirement system, and to the credit of the
28 individual account therein, if any, with the exception of the
29 expense fund, from the interest and dividends earned from
30 investments.

31

1 Section 79. Paragraph (b) of subsection (1) and
2 subsections (2) and (3) of section 238.11, Florida Statutes,
3 are amended to read:

4 238.11 Collection of contributions.--

5 (1) The collection of contributions shall be as
6 follows:

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

16 (2) The collection of the state contribution shall be
17 made as follows:

18 (a) The amounts required to be paid by the state into
19 the Teachers' Retirement System in this chapter shall be
20 provided therefor in the General Appropriations Act. However,
21 in the event a sufficient amount is not included in the
22 General Appropriations Act to meet the full amount needed to
23 pay the retirement compensation provided for in this chapter,
24 the additional amount needed for such retirement compensation
25 is hereby appropriated from the General Revenue Fund as
26 approved by the division ~~Department of Management Services~~.

27 (b) The division ~~Department of Management Services~~
28 shall certify one-fourth of the amount so ascertained for each
29 year to the Comptroller on or before the last day of July,
30 October, January, and April of each year. The Comptroller
31 shall, on or before the first day of August, November,

1 February, and May of each year, draw his or her warrant or
2 warrants on the Treasurer for the respective amounts due the
3 several funds of the retirement system. On the receipt of the
4 warrant or warrants of the Comptroller, the Treasurer shall
5 immediately transfer to the several funds of the retirement
6 system the amounts due.

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

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

17 (b) The division ~~Department of Management Services~~
18 shall certify one-fourth of the amount so ascertained for each
19 year to the nonprofit professional association or corporation
20 of teachers on or before the last day of July, October,
21 January, and April of each year. The nonprofit professional
22 association or corporation of teachers shall, on or before the
23 first day of August, November, February, and May of each year,
24 draw its check payable to the division ~~department~~ for the
25 respective amounts due the several funds of the retirement
26 system. Upon receipt of the check, the division ~~department~~
27 shall immediately transfer to the several funds of the
28 retirement system the amounts due, provided, however, that the
29 amounts due the several funds of the retirement system from
30 any such association or corporation for creditable service
31

1 accruing to any such member before July 1, 1947, shall be paid
2 prior to the retirement of any such member.

3 Section 80. Section 238.12, Florida Statutes, is
4 amended to read:

5 238.12 Duties of employers.--

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

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

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

28 Section 81. Section 238.14, Florida Statutes, is
29 amended to read:

30 238.14 Protection against fraud.--Any person who shall
31 knowingly make any false statement, or shall falsify or permit

1 to be falsified any record or records of this retirement
2 system in any attempt to defraud such system as a result of
3 such act, shall be guilty of a misdemeanor of the second
4 degree, punishable as provided in s. 775.082 or s. 775.083.
5 Should any change or error in records result in any member or
6 beneficiary receiving from the retirement system more or less
7 than he or she would have been entitled to receive had the
8 records been correct, then on discovery of any such error the
9 division ~~department~~ shall correct such error, and, as far as
10 practicable, shall adjust the payments in such a manner that
11 the actuarial equivalent of the benefit, to which such member
12 or beneficiary was correctly entitled, shall be paid.

13 Section 82. Section 238.15, Florida Statutes, is
14 amended to read:

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

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

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

3 Section 83. Paragraph (b) of subsection (3) of section
4 238.171, Florida Statutes, is amended to read:

5 238.171 Monthly allowance; when made.--

6 (3)

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

15

16 For purposes of the July 1, 1981, implementation of the
17 adjustment provided in paragraph (b), the monthly allowance
18 being paid on that date shall be equal to the allowance as
19 adjusted by this paragraph, and the adjustment provided in
20 paragraph (b) shall be in addition to the adjustment provided
21 by this paragraph.

22 Section 84. Paragraphs (b), (c), (d), (e), and (f) of
23 subsection (2) of section 238.181, Florida Statutes, are
24 amended to read:

25 238.181 Reemployment after retirement; conditions and
26 limitations.--

27 (2)

28 (b) Any person to whom the limitation in paragraph (a)
29 applies who violates such reemployment limitation and who is
30 reemployed with any agency participating in the Florida
31 Retirement System before completion of the 12-month limitation

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

20 (c) A district school board may reemploy a retired
21 member as a substitute or hourly teacher on a noncontractual
22 basis after he or she has been retired for 1 calendar month,
23 in accordance with s. 121.021(39). Any retired member who is
24 reemployed within 1 calendar month after retirement shall void
25 his or her application for retirement benefits. District
26 school boards reemploying such teachers are subject to the
27 retirement contribution required by paragraph (g).
28 Reemployment of a retired member as a substitute or hourly
29 teacher is limited to 780 hours during the first 12 months of
30 his or her retirement. Any retired member reemployed for more
31 than 780 hours during his or her first 12 months of retirement

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

22 (d) A community college board of trustees may reemploy
23 a retired member as an adjunct instructor, that is, an
24 instructor who is noncontractual and part time, or as a
25 participant in a phased retirement program within a community
26 college, after he or she has been retired for 1 calendar
27 month, in accordance with s. 121.021(39). Any retired member
28 who is reemployed within 1 calendar month after retirement
29 shall void his or her application for retirement benefits.
30 Boards of trustees reemploying such instructors are subject to
31 the retirement contribution required in paragraph (g). A

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

26 (e) The Board of Trustees of the Florida School for
27 the Deaf and the Blind may reemploy a retired member as a
28 substitute teacher, substitute residential instructor, or
29 substitute nurse on a noncontractual basis after he or she has
30 been retired for 1 calendar month, in accordance with s.
31 121.021(39). Any retired member who is reemployed within 1

1 calendar month after retirement shall void his or her
2 application for retirement benefits. The Board of Trustees of
3 the Florida School for the Deaf and the Blind reemploying such
4 teachers, residential instructors, or nurses is subject to the
5 retirement contribution required by paragraph (g).
6 Reemployment of a retired member as a substitute teacher,
7 substitute residential instructor, or substitute nurse is
8 limited to 780 hours during the first 12 months of his or her
9 retirement. Any retired member reemployed for more than 780
10 hours during his or her first 12 months of retirement shall
11 give timely notice in writing to his or her employer and to
12 the division ~~department~~ of the date he or she will exceed the
13 limitation. The division ~~department~~ shall suspend his or her
14 retirement benefits for the remainder of his or her first 12
15 months of retirement. Any person employed in violation of
16 this paragraph and any employing agency which knowingly
17 employs or appoints such person without notifying the division
18 ~~department~~ to suspend retirement benefits shall be jointly and
19 severally liable for reimbursement to the retirement trust
20 fund of any benefits paid during the reemployment limitation
21 period. To avoid liability, such employing agency shall have
22 a written statement from the retiree that he or she is not
23 retired from a state-administered retirement system. Any
24 retirement benefits received by a retired member while
25 reemployed in excess of 780 hours during his or her first 12
26 months of retirement shall be repaid to the Retirement System
27 Trust Fund, and his or her retirement benefits shall remain
28 suspended until payment is made. Benefits suspended beyond
29 the end of the retired member's first 12 months of retirement
30 shall apply toward repayment of benefits received in violation
31 of the 780-hour reemployment limitation.

1 (f) The State University System may reemploy a retired
2 member as an adjunct faculty member or as a participant in a
3 phased retirement program within the State University System
4 after the retired member has been retired for 1 calendar
5 month, in accordance with s. 121.021(39). Any retired member
6 who is reemployed within 1 calendar month after retirement
7 shall void his or her application for retirement benefits. The
8 State University System is subject to the retired contribution
9 required in paragraph (g), as appropriate. A retired member
10 may be reemployed as an adjunct faculty member or a
11 participant in a phased retirement program for no more than
12 780 hours during the first 12 months of his or her retirement.
13 Any retired member reemployed for more than 780 hours during
14 his or her first 12 months of retirement shall give timely
15 notice in writing to his or her employer and to the division
16 ~~department~~ of the date he or she will exceed the limitation.
17 The division ~~department~~ shall suspend his or her retirement
18 benefits for the remainder of his or her first 12 months of
19 retirement. Any person employed in violation of this
20 paragraph and any employing agency which knowingly employs or
21 appoints such person without notifying the division ~~department~~
22 to suspend retirement benefits shall be jointly and severally
23 liable for reimbursement to the retirement trust fund of any
24 benefits paid during the reemployment limitation period. To
25 avoid liability, such employing agency shall have a written
26 statement from the retiree that he or she is not retired from
27 a state-administered retirement system. Any retirement
28 benefits received by a retired member while reemployed in
29 excess of 780 hours during his or her first 12 months of
30 retirement shall be repaid to the Retirement System Trust
31 Fund, and retirement benefits shall remain suspended until

1 repayment is made. Benefits suspended beyond the end of the
2 retired member's first 12 months of retirement shall apply
3 toward repayment of benefits received in violation of the
4 780-hour reemployment limitation.

5 Section 85. Section 238.32, Florida Statutes, is
6 amended to read:

7 238.32 Service credit in disputed cases.--The division
8 ~~Department of Management Services~~ may in its discretion allow
9 or deny a member service credit in disputed or doubtful cases
10 for employment in Florida and out-of-state schools in order to
11 serve the best interests of the state and the member, subject
12 to the membership dates set forth in s. 238.06(4).

13 Section 86. Subsection (4) of section 650.02, Florida
14 Statutes, is amended to read:

15 650.02 Definitions.--For the purpose of this chapter:

16 (4) The term "state agency" means the Division of
17 Retirement of the State Board of Administration ~~Department of~~
18 ~~Management Services~~.

19 Section 87. This act shall take effect July 1, 2000.

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22 HOUSE SUMMARY

23 Transfers the Division of Retirement and the State
24 Retirement Commission from the Department of Management
25 Services to the State Board of Administration. See bill
26 for details.

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