

By Senators Mitchell, Thomas, Webster, Campbell, Silver, King, Rossin, Brown-Waite, Casas, Kurth, Saunders, Horne, Forman, Clary, Holzendorf, Sebesta, Bronson, Dyer, Childers, Myers, Kirkpatrick, Dawson, Meek, Hargrett, Grant, McKay and Jones

4-1500-00

1 A bill to be entitled

2 An act relating to agency reorganization;

3 transferring the Division of Retirement and its

4 powers, duties, functions, components, and

5 assets from the Department of Management

6 Services to the State Board of Administration;

7 amending s. 110.205, F.S.; providing status of

8 division personnel under the Career Service

9 System; amending ss. 20.22, 20.28, 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,

16 121.1905, 121.192, 121.193, 121.22, 121.23,

17 121.24, 121.30, 121.35, 121.40, 121.45, 122.02,

18 122.03, 122.05, 122.06, 122.07, 122.08, 122.09,

19 122.10, 122.12, 122.13, 122.15, 122.16, 122.23,

20 122.30, 122.34, 122.351, 175.032, 175.1215,

21 185.02, 185.105, 215.20, 215.28, 215.50,

22 238.01, 238.02, 238.03, 238.05, 238.07, 238.08,

23 238.09, 238.10, 238.11, 238.12, 238.14, 238.15,

24 238.171, 238.181, 238.32, 650.02, F.S., to

25 conform to such transfer; providing an

26 effective date.

27

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

29

30 Section 1. The Division of Retirement of the

31 Department of Management Services is transferred to the State

1 Board of Administration. All powers, duties, functions,
2 records, personnel, property, and unexpended balances of
3 appropriations, allocations, and other funds relating to the
4 Division of Retirement are transferred by a type one transfer,
5 as defined in section 20.06, Florida Statutes, to the State
6 Board of Administration.

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

9 20.22 Department of Management Services.--There is
10 created a Department of Management Services.

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

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

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

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

17 20.28 State Board of Administration.--The State Board
18 of Administration, continued by s. 9, Art. XII of the State
19 Constitution, retains all of its powers, duties, and functions
20 as prescribed by law. Within the State Board of
21 Administration, there is established a Division of Retirement,
22 which shall be headed by a director appointed by the board.
23 The director shall be the division's agency head for all
24 purposes in reporting to the board.

25 Section 4. Paragraph (t) of subsection (2) of section
26 110.205, Florida Statutes, is amended to read:

27 110.205 Career service; exemptions.--

28 (2) EXEMPT POSITIONS.--The exempt positions which are
29 not covered by this part include the following, provided that
30 no position, except for positions established for a limited
31

1 period of time pursuant to paragraph (h), shall be exempted if
2 the position reports to a position in the career service:

3 (t) All officers and employees of the State Board of
4 Administration and the Division of Retirement. The State Board
5 of Administration shall set the salaries and benefits of these
6 positions.

7 Section 5. Paragraph (b) of subsection (4) of section
8 112.05, Florida Statutes, is amended to read:

9 112.05 Retirement; cost-of-living adjustment;
10 employment after retirement.--

11 (4)

12 (b) Any person to whom the limitation in paragraph (a)
13 applies who violates such reemployment limitation and is
14 reemployed with any agency participating in the Florida
15 Retirement System prior to completion of the 12-month
16 limitation period shall give timely notice of this fact in
17 writing to the employer and to the Division of Retirement of
18 the State Board of Administration; and the person's retirement
19 benefits shall be suspended for the balance of the 12-month
20 limitation period. Any person employed in violation of this
21 subsection and any employing agency which knowingly employs or
22 appoints such person without notifying the Division of
23 Retirement ~~Department of Management Services~~ to suspend
24 retirement benefits shall be jointly and severally liable for
25 reimbursement to the retirement trust fund of any benefits
26 paid during the reemployment limitation period. To avoid
27 liability, such employing agency shall have a written
28 statement from the retiree that he or she is not retired from
29 a state-administered retirement system. Any retirement
30 benefits received by such person while reemployed during this
31 limitation period shall be repaid to the retirement trust

1 fund, and the retirement benefits shall remain suspended until
2 such repayment has been made. Any benefits suspended beyond
3 the reemployment limitation period shall apply toward the
4 repayment of benefits received in violation of the
5 reemployment limitation.

6 Section 6. Paragraph (d) of subsection (4) of section
7 112.3173, Florida Statutes, is amended to read:

8 112.3173 Felonies involving breach of public trust and
9 other specified offenses by public officers and employees;
10 forfeiture of retirement benefits.--

11 (4) NOTICE.--

12 (d) The Commission on Ethics shall forward any notice
13 and any other document received by it pursuant to this
14 subsection to the governing body of the public retirement
15 system of which the public officer or employee is a member or
16 from which the public officer or employee may be entitled to
17 receive a benefit. When called on by the Commission on Ethics,
18 the Division of Retirement of the State Board of
19 Administration ~~Department of Management Services~~ shall assist
20 the commission in identifying the appropriate public
21 retirement system.

22 Section 7. Subsection (7) of section 112.352, Florida
23 Statutes, is amended to read:

24 112.352 Definitions.--The following words and phrases
25 as used in this act shall have the following meaning unless a
26 different meaning is required by the context:

27 (7) "Division" ~~"Department"~~ means the Division of
28 Retirement of the State Board of Administration ~~Department of~~
29 ~~Management Services~~.

30 Section 8. Section 112.354, Florida Statutes, is
31 amended to read:

1 112.354 Eligibility for supplement.--Each retired
2 member or, if applicable, a joint annuitant, except any person
3 receiving survivor benefits under the teachers' retirement
4 system of the state in accordance with s. 238.07(16), shall be
5 entitled to receive a supplement computed in accordance with
6 s. 112.355 upon:

7 (1) Furnishing to the division ~~Department of~~
8 ~~Management Services~~ evidence from the Social Security
9 Administration setting forth the retired member's social
10 security benefit or certifying the noninsured status of the
11 retired member under the Social Security Act, and

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

14 Section 9. Section 112.356, Florida Statutes, is
15 amended to read:

16 112.356 Payment of supplement.--Any supplement due and
17 payable under this act shall be paid by the division
18 ~~department~~ or under the direction and control of the division
19 ~~department~~, based on information furnished by the retired
20 member, or a joint annuitant, and the administrator of the
21 system under which retirement benefits are being paid,
22 beginning on the first day of the month coincident with or
23 next following the later of the effective date of this act and
24 the date of approval of the application for supplement by the
25 division ~~department~~, and payable thereafter on the first day
26 of each month in the normal or optional form in which
27 retirement benefits under the applicable system are being
28 paid; provided, however, that if application for supplement is
29 made subsequent to December 31, 1967, not more than 6
30 retroactive monthly supplements shall be paid.

31

1 Section 10. Section 112.358, Florida Statutes, is
2 amended to read:

3 112.358 Administration of system.--The division
4 ~~Department of Management Services~~ shall make such rules and
5 regulations as are necessary for the effective and efficient
6 administration of this act and the cost to pay the expenses of
7 such administration is hereby appropriated out of the
8 appropriate retirement fund.

9 Section 11. Paragraph (g) of subsection (2) and
10 subsections (4), (6), and (8) of section 112.361, Florida
11 Statutes, are amended to read:

12 112.361 Additional and updated supplemental retirement
13 benefits.--

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

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

19 (4) ELIGIBILITY FOR SUPPLEMENT.--Each retired member
20 or, if applicable, a joint annuitant, except any person
21 receiving survivor's benefits under the Teachers' Retirement
22 System of the state in accordance with s. 238.07(16), shall
23 be entitled to receive a supplement computed in accordance
24 with subsection (5), upon:

25 (a) Furnishing to the division ~~department~~ evidence
26 from the Social Security Administration setting forth the
27 retired member's social security benefit or certifying the
28 noninsured status of the retired member under the Social
29 Security Act, and

30 (b) Filing written application with the division
31 ~~department~~ for such supplement.

1 (6) PAYMENT OF SUPPLEMENT.--Any supplement due and
2 payable under this section shall be paid by the division
3 ~~department~~ or under the direction and control of the division
4 ~~department~~, based on information furnished by the retired
5 member, or a joint annuitant, and the administrator of the
6 system under which retirement benefits are being paid,
7 beginning on the first day of the month coincident with or
8 next following the later of:

9 (a) July 1, 1969, or

10 (b) The date of approval of the application for
11 supplement by the division ~~department~~,

12
13 and payable thereafter on the first day of each month in the
14 normal or optional form in which retirement benefits under the
15 applicable system are being paid. However, no retroactive
16 monthly supplements shall be paid for any period prior to the
17 date specified in this paragraph.

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

23 Section 12. Paragraphs (a) and (b) of subsection (4)
24 of section 112.362, Florida Statutes, are amended to read:

25 112.362 Recomputation of retirement benefits.--

26 (4)(a) Effective July 1, 1980, any person who retired
27 prior to July 1, 1987, under a state-supported retirement
28 system with not less than 10 years of creditable service and
29 who is not receiving or entitled to receive federal social
30 security benefits shall, upon reaching 65 years of age and
31 upon application to the division ~~Department of Management~~

1 ~~Services~~, be entitled to receive a minimum monthly benefit
2 equal to \$16.50 multiplied by the member's total number of
3 years of creditable service and adjusted by the actuarial
4 factor applied to the original benefit for optional forms of
5 retirement. Thereafter, the minimum monthly benefit shall be
6 recomputed as provided in paragraph (5)(a). Application for
7 this minimum monthly benefit shall include certification by
8 the retired member that he or she is not receiving and is not
9 entitled to receive social security benefits and shall include
10 written authorization for the division ~~Department of~~
11 ~~Management Services~~ to have access to information from the
12 Federal Social Security Administration concerning the member's
13 entitlement to or eligibility for social security benefits.
14 The minimum benefit provided by this paragraph shall not be
15 paid unless and until the application requirements of this
16 paragraph are satisfied.

17 (b) Effective July 1, 1978, the surviving spouse or
18 beneficiary who is receiving or entitled to receive a monthly
19 benefit commencing prior to July 1, 1987, from the account of
20 any deceased retired member who had completed at least 10
21 years of creditable service shall, at the time such deceased
22 retiree would have reached age 65, if living, and, upon
23 application to the division ~~Department of Management Services~~,
24 be entitled to receive the minimum monthly benefit described
25 in paragraph (a), adjusted by the actuarial factor applied to
26 the optional form of benefit payable to said surviving spouse
27 or beneficiary, provided said person is not receiving or
28 entitled to receive federal social security benefits.
29 Application for this minimum monthly benefit shall include
30 certification by the surviving spouse or beneficiary that he
31 or she is not receiving and is not entitled to receive social

1 security benefits and shall include written authorization for
2 the division ~~Department of Management Services~~ to have access
3 to information from the Federal Social Security Administration
4 concerning such person's entitlement to or eligibility for
5 social security benefits. The minimum benefit provided by
6 this paragraph shall not be paid unless and until the
7 application requirements of this paragraph are satisfied.

8 Section 13. Subsections (2), (4), (7), and (8) of
9 section 112.363, Florida Statutes, are amended to read:

10 112.363 Retiree health insurance subsidy.--

11 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE

12 SUBSIDY.--A person who is retired under a state-administered
13 retirement system, or a beneficiary who is a spouse or
14 financial dependent entitled to receive benefits under a
15 state-administered retirement system, is eligible for health
16 insurance subsidy payments provided under this section; except
17 that pension recipients under ss. 121.40, 238.07(16)(a), and
18 250.22, recipients of health insurance coverage under s.
19 110.1232, or any other special pension or relief act shall not
20 be eligible for such payments. Payment of the retiree health
21 insurance subsidy shall be made only after coverage for health
22 insurance for the retiree or beneficiary has been certified in
23 writing to the division ~~Department of Management Services~~.

24 Participation in a former employer's group health insurance
25 program is not a requirement for eligibility under this
26 section. However, participants in the Senior Management
27 Service Optional Annuity Program as provided in s. 121.055(6)
28 and the State University System Optional Retirement Program as
29 provided in s. 121.35 shall not receive the retiree health
30 insurance subsidy provided in this section. The employer of
31 such participant shall pay the contributions required in

1 subsection (8) to the annuity program provided in s.
2 121.055(6)(d) or s. 121.35(4)(a), as applicable.

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

9 (7) ADMINISTRATION OF SYSTEM.--The division ~~Department~~
10 ~~of Management Services~~ may adopt such rules and regulations as
11 are necessary for the effective and efficient administration
12 of this section. The cost of administration shall be
13 appropriated from the trust fund.

14 (8) CONTRIBUTIONS.--For purposes of funding the
15 insurance subsidy provided by this section:

16 (a) Beginning October 1, 1987, the employer of each
17 member of a state-administered retirement plan shall
18 contribute 0.24 percent of gross compensation each pay period.

19 (b) Beginning January 1, 1989, the employer of each
20 member of a state-administered retirement plan shall
21 contribute 0.48 percent of gross compensation each pay period.

22 (c) Beginning January 1, 1994, the employer of each
23 member of a state-administered retirement plan shall
24 contribute 0.56 percent of gross compensation each pay period.

25 (d) Beginning January 1, 1995, the employer of each
26 member of a state-administered retirement plan shall
27 contribute 0.66 percent of gross compensation each pay period.

28 (e) Beginning July 1, 1998, the employer of each
29 member of a state-administered retirement plan shall
30 contribute 0.94 percent of gross compensation each pay period.

31

1 Such contributions shall be submitted to the division
2 ~~Department of Management Services~~ and deposited in the Retiree
3 Health Insurance Subsidy Trust Fund.

4 Section 14. Subsection (9) is added to section
5 112.625, Florida Statutes, to read:

6 112.625 Definitions.--As used in this act:

7 (9) "Division" means the Division of Retirement of the
8 State Board of Administration.

9 Section 15. Subsections (2) and (4) of section 112.63,
10 Florida Statutes, are amended to read:

11 112.63 Actuarial reports and statements of actuarial
12 impact; review.--

13 (2) The frequency of actuarial reports must be at
14 least every 3 years commencing from the last actuarial report
15 of the plan or system or October 1, 1980, if no actuarial
16 report has been issued within the 3-year period prior to
17 October 1, 1979. The results of each actuarial report shall be
18 filed with the plan administrator within 60 days of
19 certification. Thereafter, the results of each actuarial
20 report shall be made available for inspection upon request.
21 Additionally, each retirement system or plan covered by this
22 act which is not administered directly by the division
23 ~~Department of Management Services~~ shall furnish a copy of each
24 actuarial report to the division ~~Department of Management~~
25 ~~Services~~ within 60 days after receipt from the actuary. The
26 requirements of this section are supplemental to actuarial
27 valuations necessary to comply with the requirements of ss.
28 11.45 and 218.32.

29 (4) Upon receipt, pursuant to subsection (2), of an
30 actuarial report, or upon receipt, pursuant to subsection (3),
31 of a statement of actuarial impact, the division ~~Department of~~

1 ~~Management Services~~ shall acknowledge such receipt, but shall
2 only review and comment on each retirement system's or plan's
3 actuarial valuations at least on a triennial basis. If the
4 division ~~department~~ finds that the actuarial valuation is not
5 complete, accurate, or based on reasonable assumptions, or if
6 the division ~~department~~ does not receive the actuarial report
7 or statement of actuarial impact, the division ~~department~~
8 shall notify the local government and request appropriate
9 adjustment. If, after a reasonable period of time, a
10 satisfactory adjustment is not made, the affected local
11 government or the division ~~department~~ may petition for a
12 hearing under the provisions of ss. 120.569 and 120.57. If the
13 administrative law judge recommends in favor of the division
14 ~~department~~, the division ~~department~~ shall perform an actuarial
15 review or prepare the statement of actuarial impact. The cost
16 to the division ~~department~~ of performing such actuarial review
17 or preparing such statement shall be charged to the
18 governmental entity of which the employees are covered by the
19 retirement system or plan. If payment of such costs is not
20 received by the division ~~department~~ within 60 days after
21 receipt by the governmental entity of the request for payment,
22 the division ~~department~~ shall certify to the Comptroller the
23 amount due, and the Comptroller shall pay such amount to the
24 division ~~department~~ from any funds payable to the governmental
25 entity of which the employees are covered by the retirement
26 system or plan. If the administrative law judge recommends in
27 favor of the local retirement system and the division
28 ~~department~~ performs an actuarial review, the cost to the
29 division ~~department~~ of performing the actuarial review shall
30 be paid by the division ~~department~~.

31

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

3 112.64 Administration of funds; amortization of
4 unfunded liability.--

5 (1) Employee contributions shall be deposited in the
6 retirement system or plan at least monthly. Employer
7 contributions shall be deposited at least quarterly; however,
8 any revenues received from any source by an employer which are
9 specifically collected for the purpose of allocation for
10 deposit into a retirement system or plan shall be so deposited
11 within 30 days of receipt by the employer. All employers and
12 employees participating in the Florida Retirement System and
13 other existing retirement systems which are administered by
14 the division ~~Department of Management Services~~ shall continue
15 to make contributions at least monthly.

16 Section 17. Subsections (1) and (3) of section
17 112.658, Florida Statutes, are amended to read:

18 112.658 Office of Program Policy Analysis and
19 Government Accountability to determine compliance of the
20 Florida Retirement System.--

21 (1) The Office of Program Policy Analysis and
22 Government Accountability shall determine, through the
23 examination of actuarial reviews, financial statements, and
24 the practices and procedures of the Division of Retirement
25 ~~Department of Management Services~~, the compliance of the
26 Florida Retirement System with the provisions of this act.

27 (3) The Office of Program Policy Analysis and
28 Government Accountability shall employ the same actuarial
29 standards to monitor the division ~~Department of Management~~
30 ~~Services~~ as the division ~~Department of Management Services~~
31 uses to monitor local governments.

1 Section 18. Section 112.665, Florida Statutes, is
2 amended to read:

3 112.665 Duties of Division of Retirement ~~Department of~~
4 ~~Management Services~~.--

5 (1) The Division of Retirement ~~Department of~~
6 ~~Management Services~~ shall:

7 (a) Gather, catalog, and maintain complete,
8 computerized data information on all public employee
9 retirement systems or plans in the state, based upon a review
10 of audits, reports, and other data pertaining to the systems
11 or plans;

12 (b) Receive and comment upon all actuarial reviews of
13 retirement systems or plans maintained by units of local
14 government;

15 (c) Cooperate with local retirement systems or plans
16 on matters of mutual concern and provide technical assistance
17 to units of local government in the assessment and revision of
18 retirement systems or plans;

19 (d) Issue, by January 1 annually, a report to the
20 President of the Senate and the Speaker of the House of
21 Representatives, which report details division activities,
22 findings, and recommendations concerning all governmental
23 retirement systems. The report may include legislation
24 proposed to carry out such recommendations;

25 (e) Issue, by January 1 annually, a report to the
26 Special District Information Program of the Department of
27 Community Affairs that includes the participation in and
28 compliance of special districts with the local government
29 retirement system provisions in s. 112.63 and the
30 state-administered retirement system provisions as specified
31 in chapter 121; and

1 (f) Adopt reasonable rules to administer the
2 provisions of this part.

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

7 Section 19. Subsections (4), (5), and (32) of section
8 121.021, Florida Statutes, are amended to read:

9 121.021 Definitions.--The following words and phrases
10 as used in this chapter have the respective meanings set forth
11 unless a different meaning is plainly required by the context:

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

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

17 (32) "State agency" means the Division of Retirement
18 ~~Department of Management Services~~ within the provisions and
19 contemplation of chapter 650.

20 Section 20. Section 121.025, Florida Statutes, is
21 amended to read:

22 121.025 Administrator; powers and duties.--The
23 director ~~secretary~~ of the Division of Retirement ~~Department of~~
24 ~~Management Services~~ shall be the administrator of the
25 retirement and pension systems assigned or transferred to the
26 division ~~Department of Management Services~~ by law and shall
27 have the authority to sign the contracts necessary to carry
28 out the duties and responsibilities assigned by law to the
29 division ~~Department of Management Services~~.

30 Section 21. Subsections (1), (2), and (5) of section
31 121.031, Florida Statutes, are amended to read:

1 121.031 Administration of system; appropriation;
2 oaths; actuarial studies; public records.--

3 (1) The division ~~Department of Management Services~~ has
4 the authority to adopt rules pursuant to ss. 120.536(1) and
5 120.54 to implement the provisions of law conferring duties
6 upon the division and to adopt rules as are necessary for the
7 effective and efficient administration of this system. The
8 funds to pay the expenses for administration of the system are
9 hereby appropriated from the interest earned on investments
10 made for the retirement and social security trust funds and
11 the assessments allowed under chapter 650.

12 (2) The division ~~Department of Management Services~~ is
13 authorized to require oaths, by affidavit or otherwise, and
14 acknowledgments from persons in connection with the
15 administration of its duties and responsibilities under this
16 chapter.

17 (5) The names and addresses of retirees are
18 confidential and exempt from the provisions of s. 119.07(1) to
19 the extent that no state or local governmental agency may
20 provide the names or addresses of such persons in aggregate,
21 compiled, or list form to any person except to a public agency
22 engaged in official business. However, a state or local
23 government agency may provide the names and addresses of
24 retirees from that agency to a bargaining agent as defined in
25 s. 447.203(12) or to a retiree organization for official
26 business use. Lists of names or addresses of retirees may be
27 exchanged by public agencies, but such lists shall not be
28 provided to, or open for inspection by, the public. Any
29 person may view or copy any individual's retirement records at
30 the division ~~Department of Management Services~~, one record at
31 a time, or may obtain information by a separate written

1 request for a named individual for which information is
2 desired.

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

6 121.051 Participation in the system.--

7 (1) COMPULSORY PARTICIPATION.--

8 (c)1. After June 30, 1983, a member of an existing
9 system who is reemployed after terminating employment shall
10 have at the time of reemployment the option of selecting to
11 remain in the existing retirement system or to transfer to the
12 Florida Retirement System. Failure to submit such selection
13 in writing to the division ~~Department of Management Services~~
14 within 6 months of reemployment shall result in compulsory
15 membership in the Florida Retirement System.

16 2. After June 30, 1988, the provisions of subparagraph
17 1. shall not apply to a member of an existing system who is
18 reemployed within 12 months after terminating employment. Such
19 member shall continue to have membership in the existing
20 system upon reemployment and shall not be permitted to become
21 a member of the Florida Retirement System, except by
22 transferring to that system as provided in ss. 121.052 and
23 121.055.

24 (2) OPTIONAL PARTICIPATION.--

25 (b)1. The governing body of any municipality or
26 special district in the state may elect to participate in the
27 system upon proper application to the administrator and may
28 cover all or any of its units as approved by the Secretary of
29 Health and Human Services and the administrator. Prior to
30 being approved for participation in the Florida Retirement
31 System, the governing body of any such municipality or special

1 district that has a local retirement system shall submit to
2 the administrator a certified financial statement showing the
3 condition of the local retirement system as of a date within 3
4 months prior to the proposed effective date of membership in
5 the Florida Retirement System. The statement must be certified
6 by a recognized accounting firm that is independent of the
7 local retirement system. All required documents necessary for
8 extending Florida Retirement System coverage must be received
9 by the division ~~department~~ for consideration at least 15 days
10 prior to the proposed effective date of coverage. If the
11 municipality or special district does not comply with this
12 requirement, the division ~~department~~ may require that the
13 effective date of coverage be changed.

14 2. Any city or special district that has an existing
15 retirement system covering the employees in the units that are
16 to be brought under the Florida Retirement System may
17 participate only after holding a referendum in which all
18 employees in the affected units have the right to participate.
19 Only those employees electing coverage under the Florida
20 Retirement System by affirmative vote in said referendum shall
21 be eligible for coverage under this chapter, and those not
22 participating or electing not to be covered by the Florida
23 Retirement System shall remain in their present systems and
24 shall not be eligible for coverage under this chapter. After
25 the referendum is held, all future employees shall be
26 compulsory members of the Florida Retirement System.

27 3. The governing body of any city or special district
28 complying with subparagraph 1. may elect to provide, or not
29 provide, benefits based on past service of officers and
30 employees as described in s. 121.081(1). However, if such
31 employer elects to provide past service benefits, such

1 benefits must be provided for all officers and employees of
2 its covered group.

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

8 5. Subject to the conditions set forth in subparagraph
9 6., the governing body of any hospital licensed under chapter
10 395 which is governed by the board of a special district as
11 defined in s. 189.403(1) or by the board of trustees of a
12 public health trust created under s. 154.07, hereinafter
13 referred to as "hospital district," and which participates in
14 the system, may elect to cease participation in the system
15 with regard to future employees in accordance with the
16 following procedure:

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

22 b. From 7 to 15 days before such hearing, notice of
23 intent to withdraw, specifying the time and place of the
24 hearing, must be provided in writing to employees of the
25 hospital district proposing partial withdrawal and must be
26 published in a newspaper of general circulation in the area
27 affected, as provided by ss. 50.011-50.031. Proof of
28 publication of such notice shall be submitted to the division
29 ~~Department of Management Services~~.

30 c. The governing body of any hospital district seeking
31 to partially withdraw from the system must, before such

1 hearing, have an actuarial report prepared and certified by an
2 enrolled actuary, as defined in s. 112.625(3), illustrating
3 the cost to the hospital district of providing, through the
4 retirement plan that the hospital district is to adopt,
5 benefits for new employees comparable to those provided under
6 the Florida Retirement System.

7 d. Upon meeting all applicable requirements of this
8 subparagraph, and subject to the conditions set forth in
9 subparagraph 6., partial withdrawal from the system and
10 adoption of the alternative retirement plan may be
11 accomplished by resolution duly adopted by the hospital
12 district board. The hospital district board must provide
13 written notice of such withdrawal to the division by mailing a
14 copy of the resolution to the division, postmarked no later
15 than December 15, 1995. The withdrawal shall take effect
16 January 1, 1996.

17 6. Following the adoption of a resolution under
18 sub-subparagraph 5.d., all employees of the withdrawing
19 hospital district who were participants in the Florida
20 Retirement System prior to January 1, 1996, shall remain as
21 participants in the system for as long as they are employees
22 of the hospital district, and all rights, duties, and
23 obligations between the hospital district, the system, and the
24 employees shall remain in full force and effect. Any employee
25 who is hired or appointed on or after January 1, 1996, may not
26 participate in the Florida Retirement System, and the
27 withdrawing hospital district shall have no obligation to the
28 system with respect to such employees.

29 (f) Whenever an employer that participates in the
30 Florida Retirement System undertakes the transfer, merger, or
31 consolidation of governmental services or functions, the

1 employer must notify the division ~~department~~ at least 60 days
2 prior to such action and shall provide documentation as
3 required by the division ~~department~~.

4 Section 23. Subsection (2) of section 1121.0511,
5 Florida Statutes, is amended to read:

6 121.0511 Revocation of election and alternative
7 plan.--The governing body of any municipality or independent
8 special district that has elected to participate in the
9 Florida Retirement System may revoke its election in
10 accordance with the following procedure:

11 (2) At least 7 days, but not more than 15 days, before
12 the hearing, notice of intent to revoke, specifying the time
13 and place of the hearing, must be published in a newspaper of
14 general circulation in the area affected, as provided by ss.
15 50.011-50.031. Proof of publication of the notice must be
16 submitted to the division ~~Department of Management Services~~.

17 Section 24. Subsections (3) and (4) and paragraph (c)
18 of subsection (7) of section 121.0515, Florida Statutes, are
19 amended to read:

20 121.0515 Special risk membership; criteria;
21 designation and removal of classification; credits for past
22 service and prior service; retention of special risk normal
23 retirement date.--

24 (3) PROCEDURE FOR DESIGNATING.--

25 (a) Any member of the Florida Retirement System
26 employed by a county, city, or special district who feels that
27 he or she meets the criteria set forth in this section for
28 membership in the Special Risk Class may request that his or
29 her employer submit an application to the division ~~department~~
30 requesting that the division ~~department~~ designate him or her
31 as a special risk member. If the employer agrees that the

1 member meets the requirements for special risk membership, the
2 employer shall submit an application to the division
3 ~~department~~ in behalf of the employee containing a
4 certification that the member meets the criteria for special
5 risk membership set forth in this section and such other
6 supporting documentation as may be required by administrative
7 rule. The division ~~department~~ shall, within 90 days, either
8 designate or refuse to designate the member as a special risk
9 member. If the employer declines to submit the member's
10 application to the division ~~department~~ or if the division
11 ~~department~~ does not designate the member as a special risk
12 member, the member or the employer may appeal to the State
13 Retirement Commission, as provided in s. 121.23, for
14 designation as a special risk member. A member who receives a
15 final affirmative ruling pursuant to such appeal for special
16 risk membership shall have special risk membership retroactive
17 to the date such member would have had special risk membership
18 had such membership been approved by the employer and the
19 division ~~department~~, as determined by the division ~~department~~,
20 and the employer contributions shall be paid in full within 1
21 year after such final ruling.

22 (b)1. Applying the criteria set forth in this section,
23 the division ~~Department of Management Services~~ shall specify
24 which current and newly created classes of positions under the
25 uniform classification plan established pursuant to chapter
26 110 entitle the incumbents of positions in those classes to
27 membership in the Special Risk Class. Only employees employed
28 in the classes so specified shall be special risk members.

29 2. When a class is not specified by the division
30 ~~department~~ as provided in subparagraph 1., the employing
31

1 agency may petition the State Retirement Commission for
2 approval in accordance with s. 121.23.

3 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member
4 who is a special risk member on October 1, 1978, and who fails
5 to meet the criteria for special risk membership established
6 by this section shall have his or her special risk designation
7 removed and thereafter shall be a regular member and shall
8 earn only regular membership credit. The division ~~department~~
9 shall have the authority to review the special risk
10 designation of members to determine whether or not those
11 members continue to meet the criteria for special risk
12 membership.

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

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

17 Section 25. Paragraph (e) of subsection (3) of section
18 121.052, Florida Statutes, is amended to read:

19 121.052 Membership class of elected officers.--

20 (3) PARTICIPATION AND WITHDRAWAL,
21 GENERALLY.--Effective July 1, 1990, participation in the
22 Elected Officers' Class shall be compulsory for elected
23 officers listed in paragraphs (2)(a)-(d) and (f) assuming
24 office on or after said date, unless the elected officer
25 elects membership in another class or withdraws from the
26 Florida Retirement System as provided in paragraphs
27 (3)(a)-(d):

28 (e) Effective July 1, 1997, the governing body of a
29 municipality or special district may, by majority vote, elect
30 to designate all its elected positions for inclusion in the
31 Elected Officers' Class. Such election shall be made between

1 July 1, 1997, and December 31, 1997, and shall be irrevocable.
2 The designation of such positions shall be effective the first
3 day of the month following receipt by the division ~~department~~
4 of the ordinance or resolution passed by the governing body.

5 Section 26. Paragraphs (b) and (h) of subsection (1)
6 and paragraphs (a), (c), (d), and (f) of subsection (6) of
7 section 121.055, Florida Statutes, are amended to read:

8 121.055 Senior Management Service Class.--There is
9 hereby established a separate class of membership within the
10 Florida Retirement System to be known as the "Senior
11 Management Service Class," which shall become effective
12 February 1, 1987.

13 (1)

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

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

28 b. One nonelective full-time position may be
29 designated for each local agency employer reporting to the
30 division ~~Department of Management Services~~; for local agencies
31 with 100 or more regularly established positions, additional

1 nonelective full-time positions may be designated, not to
2 exceed 1 percent of the regularly established positions within
3 the agency.

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

9 (I) Heads an organizational unit; or

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

13 2. In lieu of participation in the Senior Management
14 Service Class, members of the Senior Management Service Class
15 pursuant to the provisions of subparagraph 1. may withdraw
16 from the Florida Retirement System altogether. The decision to
17 withdraw from the Florida Retirement System shall be
18 irrevocable for as long as the employee holds such a position.
19 Any service creditable under the Senior Management Service
20 Class shall be retained after the member withdraws from the
21 Florida Retirement System; however, additional service credit
22 in the Senior Management Service Class shall not be earned
23 after such withdrawal. Such members shall not be eligible to
24 participate in the Senior Management Service Optional Annuity
25 Program.

26 (h)1. Except as provided in subparagraph 3., effective
27 January 1, 1994, participation in the Senior Management
28 Service Class shall be compulsory for the State Courts
29 Administrator and the Deputy State Courts Administrators, the
30 Clerk of the Supreme Court, the Marshal of the Supreme Court,
31 the Executive Director of the Justice Administrative

1 Commission, the Capital Collateral Representative, the clerks
2 of the district courts of appeals, the marshals of the
3 district courts of appeals, and the trial court administrator
4 in each judicial circuit. Effective January 1, 1994,
5 additional positions in the offices of the state attorney and
6 public defender in each judicial circuit may be designated for
7 inclusion in the Senior Management Service Class of the
8 Florida Retirement System, provided that:

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

16 b. One nonelective full-time position may be
17 designated for each state attorney and public defender
18 reporting to the division ~~Department of Management Services~~;
19 for agencies with 200 or more regularly established positions
20 under the state attorney or public defender, additional
21 nonelective full-time positions may be designated, not to
22 exceed 0.5 percent of the regularly established positions
23 within the agency.

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

28 (I) Heads an organizational unit; or

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

1 2. Participation in this class shall be compulsory,
2 except as provided in subparagraph 3., for any judicial
3 employee who holds a position designated for coverage in the
4 Senior Management Service Class, and such participation shall
5 continue until the employee terminates employment in a covered
6 position.

7 3. In lieu of participation in the Senior Management
8 Service Class, such members may participate in the Senior
9 Management Service Optional Annuity Program as established in
10 subsection (6).

11 (6)(a) Senior Management Service Optional Annuity
12 Program.--The Division of Retirement ~~Department of Management~~
13 ~~Services~~ shall establish a Senior Management Service Optional
14 Annuity Program under which contracts providing retirement,
15 death, and disability benefits may be purchased for those
16 employees who elect to participate in the optional annuity
17 program. The benefits to be provided for or on behalf of
18 participants in such optional annuity program shall be
19 provided through individual contracts or individual
20 certificates issued for group annuity contracts, which may be
21 fixed, variable, or a combination thereof, in accordance with
22 s. 401(a) of the Internal Revenue Code. Any such individual
23 contract or certificate shall state the annuity plan on its
24 face page, and shall include, but not be limited to, a
25 statement of ownership, the contract benefits, annuity income
26 options, limitations, expense charges, and surrender charges,
27 if any. The employing agency shall contribute, as provided in
28 this section, toward the purchase of such optional benefits
29 which shall be fully and immediately vested in the
30 participants.

31 (c) Participation.--

- 1 1. Any eligible employee who is employed on or before
2 February 1, 1987, may elect to participate in the optional
3 annuity program in lieu of participation in the Senior
4 Management Service Class. Such election shall be made in
5 writing and filed with the division ~~department~~ and the
6 personnel officer of the employer on or before May 1, 1987.
7 Any eligible employee who is employed on or before February 1,
8 1987, and who fails to make an election to participate in the
9 optional annuity program by May 1, 1987, shall be deemed to
10 have elected membership in the Senior Management Service
11 Class.
- 12 2. Any employee who becomes eligible to participate in
13 the optional annuity program by reason of initial employment
14 commencing after February 1, 1987, may, within 90 days after
15 the date of commencement of employment, elect to participate
16 in the optional annuity program. Such election shall be made
17 in writing and filed with the personnel officer of the
18 employer. Any eligible employee who does not within 90 days
19 after commencement of such employment elect to participate in
20 the optional annuity program shall be deemed to have elected
21 membership in the Senior Management Service Class.
- 22 3. A person who is appointed to a position in the
23 Senior Management Service Class and who is a member of an
24 existing retirement system or the Special Risk or Special Risk
25 Administrative Support Classes of the Florida Retirement
26 System may elect to remain in such system or class in lieu of
27 participation in the Senior Management Service Class or
28 optional annuity program. Such election shall be made in
29 writing and filed with the division ~~department~~ and the
30 personnel officer of the employer within 90 days of such
31 appointment. Any eligible employee who fails to make an

1 election to participate in the existing system, the Special
2 Risk Class of the Florida Retirement System, the Special Risk
3 Administrative Support Class of the Florida Retirement System,
4 or the optional annuity program shall be deemed to have
5 elected membership in the Senior Management Service Class.

6 4. An employee's election to participate in the
7 optional annuity program is irrevocable as long as such
8 employee continues to be employed in an eligible position and
9 continues to meet the eligibility requirements set forth in
10 this paragraph.

11 (d) Contributions.--

12 1. Each employer shall contribute on behalf of each
13 participant in the Senior Management Service Optional Annuity
14 Program an amount equal to the normal cost portion of the
15 employer retirement contribution which would be required if
16 the participant were a Senior Management Service Class member
17 of the Florida Retirement System, plus the portion of the
18 contribution rate required in s. 112.363(8) that would
19 otherwise be assigned to the Retiree Health Insurance Subsidy
20 Trust Fund, less an amount approved by the Legislature which
21 shall be deducted by the division ~~department~~ to provide for
22 the administration of this program. The payment of the
23 contributions to the optional program which is required by
24 this subparagraph for each participant shall be made by the
25 employer to the division ~~department~~, which shall forward the
26 contributions to the designated company or companies
27 contracting for payment of benefits for the participant under
28 the program.

29 2. Each employer shall contribute on behalf of each
30 participant in the Senior Management Service Optional Annuity
31 Program an amount equal to the unfunded actuarial accrued

1 liability portion of the employer contribution which would be
2 required for members of the Senior Management Service Class in
3 the Florida Retirement System. This contribution shall be
4 paid to the division ~~department~~ for transfer to the Florida
5 Retirement System Trust Fund.

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

13 4. Contributions required for social security by each
14 employer and each participant, in the amount required for
15 social security coverage as now or hereafter may be provided
16 by the federal Social Security Act shall be maintained for
17 each participant in the Senior Management Service retirement
18 program and shall be in addition to the retirement
19 contributions specified in this paragraph.

20 5. Each participant in the Senior Management Service
21 Optional Annuity Program may contribute by way of salary
22 reduction or deduction a percentage amount of the
23 participant's gross compensation not to exceed the percentage
24 amount contributed by the employer to the optional annuity
25 program. Payment of the participant's contributions shall be
26 made by the employer to the division ~~department~~, which shall
27 forward the contributions to the designated company or
28 companies contracting for payment of benefits for the
29 participant under the program.

30 (f) Administration.--

31

1 1. The Senior Management Service Optional Annuity
2 Program authorized by this section shall be administered by
3 the division ~~department~~. The division ~~department~~ shall
4 designate one or more provider companies from which annuity
5 contracts may be purchased under the program and shall approve
6 the form and content of the contracts. The division ~~department~~
7 shall sign a contract with each of the provider companies and
8 shall evaluate the performance of the provider companies on a
9 continuing basis. The division ~~department~~ may terminate the
10 services of a provider company for reasons stated in the
11 contract. The division ~~department~~ shall adopt rules
12 establishing its responsibilities and the responsibilities of
13 employers in administering the optional annuity program.

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

25 3. The provisions of each contract applicable to a
26 participant in the Senior Management Service Optional Annuity
27 Program shall be contained in a written program description
28 which shall include a report of pertinent financial and
29 actuarial information on the solvency and actuarial soundness
30 of the program and the benefits applicable to the participant.
31 Such description shall be furnished by the company or

1 companies to each participant in the program and to the
2 division ~~department~~ upon commencement of participation in the
3 program and annually thereafter.

4 4. The division ~~department~~ shall ensure that each
5 participant in the Senior Management Service Optional Annuity
6 Program is provided an accounting of the total contribution
7 and the annual contribution made by and on behalf of such
8 participants.

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

11 121.071 Contributions.--Contributions to the system
12 shall be made as follows:

13 (5) Contributions made in accordance with subsections
14 (1), (2), (3), and (4) shall be paid by the employer into the
15 system trust funds in accordance with rules adopted by the
16 administrator pursuant to chapter 120. Such contributions are
17 due and payable no later than the 25th day of the month
18 immediately following the month during which the payroll
19 period ended. The division ~~department~~ may, by rule, establish
20 a different due date, which shall supersede the date specified
21 herein; however, such due date may not be established earlier
22 than the 20th day of the month immediately following the month
23 during which the payroll period ended. Effective January 1,
24 1984, contributions made in accordance with subsection (3)
25 shall be paid by the employer into the system trust fund in
26 accordance with rules adopted by the administrator pursuant to
27 chapter 120. For any payroll period ending any day of the
28 month before the 16th day of the month, such contributions are
29 due and payable no later than the 20th day of the month; and,
30 for any payroll periods ending any day of the month after the
31 15th day of the month, such contributions are due and payable

1 no later than the 5th day of the next month. Contributions
2 received in the offices of the division ~~department~~ after the
3 prescribed date shall be considered delinquent unless, in the
4 opinion of the division ~~department~~, exceptional circumstances
5 beyond an employer's control prevented remittance by the
6 prescribed due date notwithstanding such employer's good faith
7 efforts to effect delivery; and, with respect to retirement
8 contributions due under subsections (1) and (4), each employer
9 shall be assessed a delinquent fee of 1 percent of the
10 contributions due for each calendar month or part thereof that
11 the contributions are delinquent. Such a waiver of the
12 delinquency fee by the division ~~department~~ may be granted an
13 employer only one time each fiscal year. Delinquent social
14 security contributions shall be assessed a delinquent fee as
15 authorized by s. 650.05(4). The delinquent fee assessable for
16 an employer's first delinquency after July 1, 1984, shall be
17 as specified in s. 650.05(4), and, beginning with the second
18 delinquency in any fiscal year by the employer subsequent to
19 July 1, 1984, all subsequent delinquency fees shall be
20 assessed against the employer at twice the applicable
21 percentage rate specified in s. 650.05(4).

22 Section 28. Paragraph (h) of subsection (1) and
23 paragraph (e) of subsection (2) of section 121.081, Florida
24 Statutes, are amended to read:

25 121.081 Past service; prior service;
26 contributions.--Conditions under which past service or prior
27 service may be claimed and credited are:

28 (1)

29 (h) The following provisions apply to the purchase of
30 past service:

31

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

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

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

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

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

24 a. Each such member's account shall also be posted
25 with the total contribution his or her employer agrees to make
26 in the member's behalf for past service earned prior to
27 October 1, 1975, excluding those contributions representing
28 the employer's matching share and the compound interest
29 calculation on the total contribution. However, a portion of
30 any contributions paid by an employer for past service credit
31

1 earned on and after October 1, 1975, may not be posted to a
2 member's account.

3 b. A refund of contributions payable after an employer
4 has made a written agreement to purchase past service for
5 employees of the covered group shall include contributions for
6 past service which are posted to a member's account. However,
7 contributions for past service earned on and after October 1,
8 1975, are not refundable.

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

23 (e) For service performed under the Florida Retirement
24 System after December 1, 1970, that was never reported to the
25 ~~division or the department~~ due to error, retirement credit may
26 be claimed by a member of the Florida Retirement System. The
27 division ~~department~~ shall adopt rules establishing criteria
28 for claiming such credit and detailing the documentation
29 required to substantiate the error.

30 Section 29. Section 121.091, Florida Statutes, is
31 amended to read:

1 121.091 Benefits payable under the system.--Benefits
2 may not be paid under this section unless the member has
3 terminated employment as provided in s. 121.021(39)(a) or
4 begun participation in the Deferred Retirement Option Program
5 as provided in subsection (13), and a proper application has
6 been filed in the manner prescribed by the division
7 ~~department~~. The division ~~department~~ may cancel an application
8 for retirement benefits when the member or beneficiary fails
9 to timely provide the information and documents required by
10 this chapter and the division's ~~department's~~ rules. The
11 division ~~department~~ shall adopt rules establishing procedures
12 for application for retirement benefits and for the
13 cancellation of such application when the required information
14 or documents are not received.

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

26 (a)1. For creditable years of Regular Class service, A
27 is 1.60 percent of the member's average final compensation, up
28 to the member's normal retirement date. Upon completion of the
29 first year after the normal retirement date, A is 1.63 percent
30 of the member's average final compensation. Following the
31 second year after the normal retirement date, A is 1.65

1 percent of the member's average final compensation. Following
2 the third year after the normal retirement date, and for
3 subsequent years, A is 1.68 percent of the member's average
4 final compensation.

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

6 a. Two percent of the member's average final
7 compensation for all creditable years prior to October 1,
8 1974;

9 b. Three percent of the member's average final
10 compensation for all creditable years after September 30,
11 1974, and before October 1, 1978;

12 c. Two percent of the member's average final
13 compensation for all creditable years after September 30,
14 1978, and before January 1, 1989;

15 d. Two and two-tenths percent of the member's final
16 monthly compensation for all creditable years after December
17 31, 1988, and before January 1, 1990;

18 e. Two and four-tenths percent of the member's average
19 final compensation for all creditable years after December 31,
20 1989, and before January 1, 1991;

21 f. Two and six-tenths percent of the member's average
22 final compensation for all creditable years after December 31,
23 1990, and before January 1, 1992;

24 g. Two and eight-tenths percent of the member's
25 average final compensation for all creditable years after
26 December 31, 1991, and before January 1, 1993; and

27 h. Three percent of the member's average final
28 compensation for all creditable years after December 31, 1992;

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

31

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

7 (b) B is the number of the member's years and any
8 fractional part of a year of creditable service earned
9 subsequent to November 30, 1970; and

10 (c) C is the normal retirement benefit credit brought
11 forward as of November 30, 1970, by a former member of an
12 existing system. Such normal retirement benefit credit shall
13 be determined as the product of X and Y when X is the
14 percentage of average final compensation which the member
15 would have been eligible to receive if the member had attained
16 his or her normal retirement date as of November 30, 1970, all
17 in accordance with the existing system under which the member
18 is covered on November 30, 1970, and Y is average final
19 compensation as defined in s. 121.021(25). However, any
20 member of an existing retirement system who is eligible to
21 retire and who does retire, become disabled, or die prior to
22 April 15, 1971, may have his or her retirement benefits
23 calculated on the basis of the best 5 of the last 10 years of
24 service.

25 (d) A member's average final compensation shall be
26 determined by formula to obtain the coverage for the 5 highest
27 fiscal years' salaries, calculated as provided by rule.

28 (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT
29 AGES.--If a member accumulates retirement benefits to commence
30 at different normal retirement ages by virtue of having
31 performed duties for an employer which would entitle him or

1 her to benefits as both a member of the Special Risk Class and
2 a member of either the Regular Class, Senior Management
3 Service Class, or Elected Officers' Class, the amount of
4 benefits payable shall be computed separately with respect to
5 each such age and the sum of such computed amounts shall be
6 paid as provided in this section.

7 (3) EARLY RETIREMENT BENEFIT.--Upon retirement on his
8 or her early retirement date, the member shall receive an
9 immediate monthly benefit that shall begin to accrue on the
10 first day of the month of the retirement date and be payable
11 on the last day of that month and each month thereafter during
12 his or her lifetime. Such benefit shall be calculated as
13 follows:

14 (a) The amount of each monthly payment shall be
15 computed in the same manner as for a normal retirement
16 benefit, in accordance with subsection (1), but shall be based
17 on the member's average monthly compensation and creditable
18 service as of the member's early retirement date. The benefit
19 so computed shall be reduced by five-twelfths of 1 percent for
20 each complete month by which the early retirement date
21 precedes the normal retirement date of age 62 for a member of
22 the Regular Class, Senior Management Service Class, or the
23 Elected Officers' Class, and age 55 for a member of the
24 Special Risk Class, or age 52 if a Special Risk member has
25 completed 25 years of creditable service in accordance with s.
26 121.021(29)(b)3.

27 (b) If the employment of a member is terminated by
28 reason of death subsequent to the completion of 20 years of
29 creditable service, the monthly benefit payable to the
30 member's beneficiary shall be calculated in accordance with
31 subsection (1), but shall be based on average monthly

1 compensation and creditable service as of the date of death.
2 The benefit so computed shall be reduced by five-twelfths of 1
3 percent for each complete month by which death precedes the
4 normal retirement date specified above or the date on which
5 the member would have attained 30 years of creditable service
6 had he or she survived and continued his or her employment,
7 whichever provides a higher benefit.

8 (4) DISABILITY RETIREMENT BENEFIT.--

9 (a) Disability retirement; entitlement and effective
10 date.--

11 1. A member who becomes totally and permanently
12 disabled, as defined in paragraph (b), after completing 5
13 years of creditable service, or a member who becomes totally
14 and permanently disabled in the line of duty regardless of
15 service, shall be entitled to a monthly disability benefit;
16 except that any member with less than 5 years of creditable
17 service on July 1, 1980, or any person who becomes a member of
18 the Florida Retirement System on or after such date must have
19 completed 10 years of creditable service prior to becoming
20 totally and permanently disabled in order to receive
21 disability retirement benefits for any disability which occurs
22 other than in the line of duty. However, if a member employed
23 on July 1, 1980, with less than 5 years of creditable service
24 as of that date, becomes totally and permanently disabled
25 after completing 5 years of creditable service and is found
26 not to have attained fully insured status for benefits under
27 the federal Social Security Act, such member shall be entitled
28 to a monthly disability benefit.

29 2. If the division has received from the employer the
30 required documentation of the member's termination of
31 employment, the effective retirement date for a member who

1 applies and is approved for disability retirement shall be
2 established by rule of the division.

3 3. For a member who is receiving Workers' Compensation
4 payments, the effective disability retirement date may not
5 precede the date the member reaches Maximum Medical
6 Improvement (MMI), unless the member terminates employment
7 prior to reaching MMI.

8 (b) Total and permanent disability.--A member shall be
9 considered totally and permanently disabled if, in the opinion
10 of the administrator, he or she is prevented, by reason of a
11 medically determinable physical or mental impairment, from
12 rendering useful and efficient service as an officer or
13 employee.

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

18 1. Such proof shall include the certification of the
19 member's total and permanent disability by two licensed
20 physicians of the state and such other evidence of disability
21 as the administrator may require, including reports from
22 vocational rehabilitation, evaluation, or testing specialists
23 who have evaluated the applicant for employment.

24 2. It must be documented that:

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

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

30 c. The member has not been employed with any other
31 employer after such termination.

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

7 4. The unavailability of an employment position that
8 the member is physically and mentally capable of performing
9 will not be considered as proof of total and permanent
10 disability.

11 (d) Election on appeal.--A member whose application
12 for regular disability retirement has been denied and who has
13 filed an appeal to the State Retirement Commission may, if
14 eligible, elect to receive normal or early service retirement
15 benefits while he or she is awaiting the decision on the
16 appeal. However:

17 1. If the member elects to receive service retirement
18 benefits and disability benefits are later approved as a
19 result of the appeal, the payment option chosen by the member
20 may not be changed.

21 2. If the member elects to receive early service
22 retirement and the appeal is later denied, the member may not
23 change his or her election of early retirement.

24
25 Before such regular or early retirement benefits may be paid
26 by the division, the member must provide to the division a
27 written statement indicating that the member understands that
28 such changes are not permitted after he or she begins
29 receiving the benefits.

30 (e) Disability retirement benefit.--Upon the
31 retirement of a member on his or her disability retirement

1 date, the member shall receive a monthly benefit that shall
2 begin to accrue on the first day of the month of disability
3 retirement and shall be payable on the last day of that month
4 and each month thereafter during his or her lifetime and
5 continued disability.

6 (f) Computation of disability retirement benefit.--The
7 amount of each monthly payment shall be computed in the same
8 manner as for a normal retirement benefit, in accordance with
9 subsection (1), but shall be based on disability option
10 actuarial equivalency tables and the average monthly
11 compensation and creditable service of the member as of the
12 disability retirement date, subject to the following
13 conditions:

14 1. If the member's disability occurred in the line of
15 duty, the monthly Option 1 benefit shall not be less than 42
16 percent of average monthly compensation as of the disability
17 retirement date; or

18 2. If the member's disability occurred other than in
19 the line of duty, the monthly Option 1 benefit shall not be
20 less than 25 percent of average monthly compensation as of the
21 disability retirement date.

22 (g) Reapplication.--A member, whose initial
23 application for disability retirement has been denied, may
24 reapply for disability benefits. However, such member's
25 reapplication will be considered only if the member presents
26 new medical evidence of a medical condition that existed prior
27 to the member's termination of employment. The division may
28 prescribe by rule procedures for reapplication and for review
29 and approval or disapproval of reapplication.

30 (h) Recovery from disability.--The administrator may
31 require periodic reexaminations at the expense of the

1 retirement fund. The division may adopt rules establishing
2 procedures for conducting and review of such reexaminations.

3 1. If the administrator finds that a member who is
4 receiving disability benefits is, at any time prior to his or
5 her normal retirement date, no longer disabled, the
6 administrator shall direct that the benefits be discontinued.
7 The decision of the administrator on this question shall be
8 final and binding. If such member:

9 a. Does not reenter the employ of an employer and was
10 not vested as of the disability retirement date, he or she
11 shall be entitled to the excess, if any, of his or her
12 accumulated contributions over the total disability benefits
13 received up to the date of recovery.

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

17 (I) The excess, if any, of his or her accumulated
18 contributions over the total disability benefits received up
19 to the date of recovery; or

20 (II) A deferred benefit commencing on the last day of
21 the month of the normal retirement date which shall be payable
22 on the last day of the month thereafter during his or her
23 lifetime. The amount of such monthly benefit shall be
24 computed in the same manner as for a normal retirement
25 benefit, in accordance with subsection (1), but shall be based
26 on average monthly compensation and creditable service as of
27 the member's disability retirement date.

28 c. Reenters employment of an employer within 6 months
29 after recovery, the member's service will be deemed to have
30 been continuous, but the period beginning with the first month
31 for which he or she received a disability benefit payment and

1 ending with the date he or she reentered employment will not
2 be considered as creditable service for the purpose of
3 computing benefits except as provided in sub-subparagraph d.
4 As used in this section, the term "accumulated contributions"
5 for such member means the excess of the member's accumulated
6 contributions as of the disability retirement date over the
7 total disability benefits received under paragraph (e).

8 d. Terminates his or her disability benefit, reenters
9 covered employment, and is continuously employed for a minimum
10 of 1 year of creditable service, he or she may claim as
11 creditable service the months during which he or she was
12 receiving a disability benefit, upon payment of the required
13 contributions. Contributions shall equal the total required
14 employee and employer contribution rate applicable during the
15 period the retiree received retirement benefits, multiplied
16 times his or her rate of monthly compensation prior to the
17 commencement of disability retirement for each month of the
18 period claimed, plus 4 percent interest until July 1, 1975,
19 and 6.5 percent interest thereafter, compounded annually each
20 June 30 to the date of payment. If the member does not claim
21 credit for all of the months he or she received disability
22 benefits, the months claimed must be the most recent months of
23 retirement. Such credit for periods of disability, when
24 purchased under the Florida Retirement System, shall apply
25 toward vesting requirements for eligibility to purchase
26 additional credit for other service.

27 2. Both the member receiving disability benefits who
28 reenters employment and the employer employing such disability
29 retiree shall notify the division immediately upon
30 reemployment, and the division shall terminate such member's
31 disability benefits, effective the first day of the month

1 following the month in which notification of recovery is
2 received. If the member is reemployed with a Florida
3 Retirement System employer at the time of benefit termination,
4 and he or she has received disability retirement benefit and
5 salary payments concurrently prior to notifying the division,
6 he or she may elect within 30 days to:

7 a. Retain the retirement benefits received prior to
8 termination of disability benefits and begin receiving
9 retirement service credit effective upon the date of
10 termination of benefits; or

11 b. Repay, within 12 months after his or her decision
12 to receive service credit, the retirement benefits received
13 for each month of reemployment prior to termination of
14 disability benefits and begin receiving retirement service
15 credit effective upon the date of reemployment. Any such
16 unpaid benefits shall have compound interest of 6.5 percent
17 added June 30.

18
19 A member may not receive both retirement service credit for
20 employment and retirement benefits for the same month.

21 3. If, after recovery of disability and reentry into
22 covered employment, the member again becomes disabled and is
23 again approved for disability retirement, the Option 1 monthly
24 retirement benefit shall not be less than the Option 1 monthly
25 benefit calculated at the time of the previous disability,
26 plus any cost of living increases up to the time the
27 disability benefit was terminated upon his or her reentry into
28 covered employment.

29 (i) Nonadmissible causes of disability.--A member
30 shall not be entitled to receive any disability retirement
31 benefit if the disability is a result of any of the following:

1 1. Injury or disease sustained by the member while
2 willfully participating in a riot, civil insurrection, or
3 other act of violence or while committing a felony;

4 2. Injury or disease sustained by the member after his
5 or her employment has terminated; or

6 3. Intentional, self-inflicted injury.

7 (j) Disability retirement of justice or judge by order
8 of Supreme Court.--

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

23 2. Should any justice or judge who is a member of the
24 Florida Retirement System be retired for disability by order
25 of the Supreme Court upon recommendation of the Judicial
26 Qualifications Commission pursuant to the provisions of Art. V
27 of the State Constitution, then all contributions to his or
28 her account and all contributions made on his or her behalf by
29 the employer shall be transferred to and deposited in the
30 General Revenue Fund of the state, and there is hereby
31 appropriated annually out of the General Revenue Fund, to be

1 | paid into the Florida Retirement System Fund, an amount
2 | necessary to pay the benefits of all justices and judges
3 | retired from the Florida Retirement System pursuant to Art. V
4 | of the State Constitution.

5 | (5) TERMINATION BENEFITS.--

6 | (a) A member whose employment is terminated for any
7 | reason other than death or retirement prior to becoming vested
8 | is entitled to the return of his or her accumulated
9 | contributions as of the date of termination.

10 | (b) A member whose employment is terminated for any
11 | reason other than death or retirement after becoming vested
12 | may elect to receive a deferred monthly benefit which shall
13 | begin to accrue on the first day of the month of normal or
14 | early retirement and shall be payable on the last day of that
15 | month and each month thereafter during his or her lifetime.
16 | The amount of monthly benefit shall be computed in the same
17 | manner as for a normal retirement benefit in accordance with
18 | subsection (1) or early retirement benefit in accordance with
19 | s. 121.021(30), but based on average monthly compensation and
20 | creditable service as of the date of termination.

21 | (c) In lieu of the deferred monthly benefit provided
22 | in paragraph (b), the terminated member may elect to receive a
23 | lump-sum amount equal to his or her accumulated contributions
24 | as of the date of termination.

25 | (d) If any retired member dies without having received
26 | in benefit payments an amount equal to his or her accumulated
27 | contributions, there shall be payable to his or her designated
28 | beneficiary an amount equal to the excess, if any, of the
29 | member's accumulated contributions over the total monthly
30 | payments made to the member prior to the date of death.

31 |

1 (e) A member shall be deemed a terminated member when
2 termination of employment has occurred as provided in s.
3 121.021(39).

4 (f) Any member who has been found guilty by a verdict
5 of a jury, or by the court trying the case without a jury, of
6 committing, aiding, or abetting any embezzlement or theft from
7 his or her employer, bribery in connection with the
8 employment, or other felony specified in chapter 838, except
9 ss. 838.15 and 838.16, committed prior to retirement, or who
10 has entered a plea of guilty or of nolo contendere to such
11 crime, or any member whose employment is terminated by reason
12 of the member's admitted commitment, aiding, or abetting of an
13 embezzlement or theft from his or her employer, bribery, or
14 other felony specified in chapter 838, except ss. 838.15 and
15 838.16, shall forfeit all rights and benefits under this
16 chapter, except the return of his or her accumulated
17 contributions as of the date of termination.

18 (g) Any elected official who is convicted by the
19 Senate of an impeachable offense shall forfeit all rights and
20 benefits under this chapter, except the return of his or her
21 accumulated contributions as of the date of the conviction.

22 (h) Any member who, prior to retirement, is adjudged
23 by a court of competent jurisdiction to have violated any
24 state law against strikes by public employees, or who has been
25 found guilty by such court of violating any state law
26 prohibiting strikes by public employees, shall forfeit all
27 rights and benefits under this chapter, except the return of
28 his or her accumulated contributions as of the date of the
29 conviction.

30 (i) Any beneficiary who by a verdict of a jury or by
31 the court trying the case without a jury is found guilty, or

1 who has entered a plea of guilty or nolo contendere, of
2 unlawfully and intentionally killing or procuring the death of
3 the member forfeits all rights to the deceased member's
4 benefits under this chapter, and the benefits will be paid as
5 if such beneficiary had predeceased the decedent. Benefits may
6 not be paid by the division pending final resolution of such
7 charges against the beneficiary.

8 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND
9 DISABILITY RETIREMENT BENEFITS.--

10 (a) Prior to the receipt of the first monthly
11 retirement payment, a member shall elect to receive the
12 retirement benefits to which he or she is entitled under
13 subsection (1), subsection (2), subsection (3), or subsection
14 (4) in accordance with one of the following options:

15 1. The maximum retirement benefit payable to the
16 member during his or her lifetime.

17 2. A decreased retirement benefit payable to the
18 member during his or her lifetime and, in the event of his or
19 her death within a period of 10 years after retirement, the
20 same monthly amount payable for the balance of such 10-year
21 period to his or her beneficiary or, in case the beneficiary
22 is deceased, in accordance with subsection (8) as though no
23 beneficiary had been named.

24 3. A decreased retirement benefit payable during the
25 joint lifetime of both the member and his or her joint
26 annuitant and which, after the death of either, shall continue
27 during the lifetime of the survivor in the same amount,
28 subject to the provisions of subsection (12).

29 4. A decreased retirement benefit payable during the
30 joint lifetime of the member and his or her joint annuitant
31 and which, after the death of either, shall continue during

1 the lifetime of the survivor in an amount equal to 66 2/3
2 percent of the amount that was payable during the joint
3 lifetime of the member and his or her joint annuitant, subject
4 to the provisions of subsection (12).

5
6 The spouse of any member who elects to receive the benefit
7 provided under subparagraph 1. or subparagraph 2. shall be
8 notified of and shall acknowledge any such election. The
9 division shall establish by rule a method for selecting the
10 appropriate actuarial factor for optional forms of benefits
11 selected under subparagraphs 3. and 4., based on the age of
12 the member and the joint annuitant.

13 (b) The benefit payable under any option stated above
14 shall be the actuarial equivalent, based on tables adopted by
15 the administrator for this purpose, of the amount to which the
16 member was otherwise entitled.

17 (c) A member who elects the option in subparagraph
18 (a)2. shall, in accordance with subsection (8), designate one
19 or more persons to receive the benefits payable in the event
20 of his or her death. Such persons shall be the beneficiaries
21 of the member. The member may also designate one or more
22 contingent beneficiaries to receive any benefits remaining
23 upon the death of the primary beneficiary.

24 (d) A member who elects the option in subparagraph
25 (a)3. or subparagraph (a)4. shall, on a form provided for that
26 purpose, designate a joint annuitant to receive the benefits
27 which continue to be payable upon the death of the member.
28 After benefits have commenced under the option in subparagraph
29 (a)3. or subparagraph (a)4., the following shall apply:

30 1. A retired member may change his or her designation
31 of a joint annuitant only twice. If such a retired member

1 desires to change his or her designation of a joint annuitant,
2 he or she shall file with the division a notarized "change of
3 joint annuitant" form and shall notify the former joint
4 annuitant in writing of such change. Effective the first day
5 of the next month following receipt by the division of a
6 completed change of joint annuitant form, the division shall
7 adjust the member's monthly benefit by the application of
8 actuarial tables and calculations developed to ensure that the
9 benefit paid is the actuarial equivalent of the present value
10 of the member's current benefit. The consent of a retired
11 member's first designated joint annuitant to any such change
12 shall not be required. However, if either the member or the
13 joint annuitant dies before the effective date of the request
14 for change of joint annuitant, the requested change shall be
15 void, and survivor benefits, if any, shall be paid as if no
16 request had been made.

17 2. In the event of the dissolution of marriage of a
18 retired member and a joint annuitant, such member may make an
19 election to nullify the joint annuitant designation of the
20 former spouse, unless there is an existing qualified domestic
21 relations order preventing such action. The member shall file
22 with the division a written, notarized nullification which
23 shall be effective on the first day of the next month
24 following receipt by the division. Benefits shall be paid as
25 if the former spouse predeceased the member. A member who
26 makes such an election may not reverse the nullification but
27 may designate a new joint annuitant in accordance with
28 subparagraph 1.

29 (e) The election of an option shall be null and void
30 if the member dies before the effective date of retirement.

31

1 (f) A member who elects to receive benefits under the
2 option in subparagraph (a)3. may designate one or more
3 qualified persons, either a spouse or other dependent, as his
4 or her joint annuitant to receive the benefits after the
5 member's death in whatever proportion he or she so assigns to
6 each person named as joint annuitant. The division shall adopt
7 appropriate actuarial tables and calculations necessary to
8 ensure that the benefit paid is the actuarial equivalent of
9 the benefit to which the member is otherwise entitled under
10 the option in subparagraph (a)1.

11 (g) Upon the death of a retired member or beneficiary
12 receiving monthly benefits under this chapter, the monthly
13 benefits shall be paid through the last day of the month of
14 death and shall terminate, or be adjusted, if applicable, as
15 of that date in accordance with the optional form of benefit
16 selected at the time of retirement.

17 (h) The option selected or determined for payment of
18 benefits as provided in this section shall be final and
19 irrevocable at the time a benefit payment is cashed or
20 deposited or credited to the Deferred Retirement Option
21 Program as provided in subsection (13).

22 (7) DEATH BENEFITS.--

23 (a) If the employment of a member is terminated by
24 reason of his or her death prior to being vested, except as
25 provided in paragraph (f), there shall be payable to his or
26 her designated beneficiary the member's accumulated
27 contributions.

28 (b) If the employment of an active member who may or
29 may not have applied for retirement is terminated by reason of
30 his or her death subsequent to becoming vested and prior to
31 his or her effective date of retirement, if established, it

1 shall be assumed that the member retired as of the date of
2 death in accordance with subsection (1) if eligible for normal
3 retirement benefits, subsection (2) if eligible for benefits
4 payable for dual normal retirement, or subsection (3) if
5 eligible for early retirement benefits. Benefits payable to
6 the designated beneficiary shall be as follows:

7 1. For a beneficiary who qualifies as a joint
8 annuitant, the optional form of payment provided in accordance
9 with subparagraph (6)(a)3. shall be paid for the joint
10 annuitant's lifetime.

11 2. For a beneficiary who does not qualify as a joint
12 annuitant, no continuing monthly benefit shall be paid and the
13 beneficiary shall be entitled only to the return of the
14 member's personal contributions. If there is no monetary
15 interest in the member's retirement account for which such
16 beneficiary is eligible, the beneficiary shall be the next
17 named beneficiary or, if no other beneficiary is named, the
18 beneficiary shall be the next eligible beneficiary according
19 to subsection (8).

20 (c) If a retiring member dies on or after the
21 effective date of retirement, but prior to a benefit payment
22 being cashed or deposited, or credited to the Deferred
23 Retirement Option Program, benefits shall be paid as follows:

24 1. For a designated beneficiary who qualifies as a
25 joint annuitant, benefits shall be paid in the optional form
26 of payment provided in subparagraph (6)(a)3. for the joint
27 annuitant's lifetime or, if the member chose the optional form
28 of payment provided in subparagraph (6)(a)2., the joint
29 annuitant may select the form provided in either subparagraph
30 (6)(a)2. or subparagraph (6)(a)3.

31

1 2. For a designated beneficiary who does not qualify
2 as a joint annuitant, any benefits payable shall be paid as
3 provided in the option selected by the member; or if the
4 member has not selected an option, benefits shall be paid in
5 the optional form of payment provided in subparagraph (6)(a)1.

6 (d) Notwithstanding any other provision in this
7 chapter to the contrary, with the exception of the Deferred
8 Retirement Option Program, as provided in subsection (13):

9 1. The surviving spouse of any member killed in the
10 line of duty may receive a monthly pension equal to one-half
11 of the monthly salary being received by the member at the time
12 of death for the rest of the surviving spouse's lifetime or,
13 if the member was vested, such surviving spouse may elect to
14 receive a benefit as provided in paragraph (b). Benefits
15 provided by this paragraph shall supersede any other
16 distribution that may have been provided by the member's
17 designation of beneficiary.

18 2. If the surviving spouse of a member killed in the
19 line of duty dies, the monthly payments which would have been
20 payable to such surviving spouse had such surviving spouse
21 lived shall be paid for the use and benefit of such member's
22 child or children under 18 years of age and unmarried until
23 the 18th birthday of the member's youngest child.

24 3. If a member killed in the line of duty leaves no
25 surviving spouse but is survived by a child or children under
26 18 years of age, the benefits provided by subparagraph 1.,
27 normally payable to a surviving spouse, shall be paid for the
28 use and benefit of such member's child or children under 18
29 years of age and unmarried until the 18th birthday of the
30 member's youngest child.

31

1 4. The surviving spouse of a member whose benefit
2 terminated because of remarriage shall have the benefit
3 reinstated beginning July 1, 1993, at an amount that would
4 have been payable had the benefit not been terminated.

5 (e) The surviving spouse or other dependent of any
6 member, except a member who participated in the Deferred
7 Retirement Option Program, whose employment is terminated by
8 death shall, upon application to the administrator, be
9 permitted to pay the required contributions for any service
10 performed by the member which could have been claimed by the
11 member at the time of his or her death. Such service shall be
12 added to the creditable service of the member and shall be
13 used in the calculation of any benefits which may be payable
14 to the surviving spouse or other surviving dependent.

15 (f) Notwithstanding any other provisions in this
16 chapter to the contrary and upon application to the
17 administrator, an eligible joint annuitant, of a member whose
18 employment is terminated by death within 1 year of such member
19 satisfying the service requirements for vesting and retirement
20 eligibility, shall be permitted to purchase only the
21 additional service credit necessary to vest and qualify for
22 retirement benefits, not to exceed a total of 1 year of
23 credit, by one or a combination of the following methods:

24 1. Such eligible joint annuitant may use the deceased
25 member's accumulated hours of annual, sick, and compensatory
26 leave to purchase additional creditable service, on an hour by
27 hour basis, provided that such deceased member's accumulated
28 leave is sufficient to cover the additional months required.
29 For each month of service credit needed prior to the final
30 month, credit for the total number of work hours in that month
31 must be purchased, using an equal number of the deceased

1 member's accumulated leave hours. Service credit required for
2 the final month in which the deceased member would have become
3 vested shall be awarded upon the purchase of 1 hour of credit.
4 Such eligible joint annuitant shall pay the contribution rate
5 in effect for the period of time being claimed for the
6 deceased member's class of membership, multiplied by such
7 member's monthly salary at the time of death, plus 6.5 percent
8 interest compounded annually. The accumulated leave payment
9 used in the average final compensation shall not include that
10 portion of the payment that represents any leave hours used in
11 the purchase of such creditable service.

12 2. Such eligible joint annuitant may purchase
13 additional months of creditable service for any periods of
14 out-of-state service as provided in s. 121.1115, and in-state
15 service as provided in s. 121.1122, that the deceased member
16 would have been eligible to purchase prior to his or her
17 death.

18
19 Service purchased under this paragraph shall be added to the
20 creditable service of the member and used to vest for
21 retirement eligibility, and shall be used in the calculation
22 of any benefits which may be payable to the eligible joint
23 annuitant. Any benefits paid in accordance with this
24 paragraph shall only be made prospectively.

25 (g) Notwithstanding any other provisions in this
26 chapter to the contrary, if any member who is vested dies and
27 the surviving spouse receives a refund of the accumulated
28 contributions made to the retirement trust fund, such spouse
29 may pay to the Division of Retirement an amount equal to the
30 sum of the amount of the deceased member's accumulated
31 contributions previously refunded plus interest at 4 percent

1 compounded annually each June 30 from the date of refund until
2 July 1, 1975, and 6.5 percent interest compounded annually
3 thereafter, until full payment is made, and receive the
4 monthly retirement benefit as provided in paragraph (b).

5 (h) The designated beneficiary who is the surviving
6 spouse or other dependent of a member whose employment is
7 terminated by death subsequent to becoming vested, but prior
8 to actual retirement, may elect to receive a deferred monthly
9 benefit as if the member had lived and had elected a deferred
10 monthly benefit, as provided in paragraph (5)(b), calculated
11 on the basis of the average final compensation and creditable
12 service of the member at his or her death and the age the
13 member would have attained on the commencement date of the
14 deferred benefit elected by the beneficiary, paid in
15 accordance with option 3 of paragraph (6)(a).

16 (8) DESIGNATION OF BENEFICIARIES.--

17 (a) Each member may, on a form provided for that
18 purpose, signed and filed with the division, designate a
19 choice of one or more persons, named sequentially or jointly,
20 as his or her beneficiary who shall receive the benefits, if
21 any, which may be payable in the event of the member's death
22 pursuant to the provisions of this chapter. If no beneficiary
23 is named in the manner provided above, or if no beneficiary
24 designated by the member survives the member, the beneficiary
25 shall be the spouse of the deceased, if living. If the
26 member's spouse is not alive at his or her death, the
27 beneficiary shall be the living children of the member. If no
28 children survive, the beneficiary shall be the member's father
29 or mother, if living; otherwise, the beneficiary shall be the
30 member's estate. The beneficiary most recently designated by
31 a member on a form or letter filed with the division shall be

1 the beneficiary entitled to any benefits payable at the time
2 of the member's death, except that benefits shall be paid as
3 provided in paragraph (7)(d) when death occurs in the line of
4 duty. Notwithstanding any other provisions in this subsection
5 to the contrary, for a member who dies prior to his or her
6 effective date of retirement on or after January 1, 1999, the
7 spouse at the time of death shall be the member's beneficiary
8 unless such member designates a different beneficiary as
9 provided herein subsequent to the member's most recent
10 marriage.

11 (b) A designated beneficiary of a retirement account
12 for whom there is a monetary interest may disclaim his or her
13 monetary interest as provided in s. 689.21, and in accordance
14 with division rules governing such disclaimers. Such
15 disclaimer must be filed within 24 months after the event that
16 created the interest, that is, the death of the member or
17 annuitant.

18 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

19 (a) Any person who is retired under this chapter,
20 except under the disability retirement provisions of
21 subsection (4), may be employed by an employer that does not
22 participate in a state-administered retirement system and may
23 receive compensation from that employment without limiting or
24 restricting in any way the retirement benefits payable to that
25 person.

26 (b)1. Any person who is retired under this chapter,
27 except under the disability retirement provisions of
28 subsection (4), may be reemployed by any private or public
29 employer after retirement and receive retirement benefits and
30 compensation from his or her employer without any limitations,
31 except that a person may not receive both a salary from

1 reemployment with any agency participating in the Florida
2 Retirement System and retirement benefits under this chapter
3 for a period of 12 months immediately subsequent to the date
4 of retirement. However, a DROP participant shall continue
5 employment and receive a salary during the period of
6 participation in the Deferred Retirement Option Program, as
7 provided in subsection (13).

8 2. Any person to whom the limitation in subparagraph
9 1. applies who violates such reemployment limitation and who
10 is reemployed with any agency participating in the Florida
11 Retirement System before completion of the 12-month limitation
12 period shall give timely notice of this fact in writing to the
13 employer and to the division and shall have his or her
14 retirement benefits suspended for the balance of the 12-month
15 limitation period. Any person employed in violation of this
16 paragraph and any employing agency which knowingly employs or
17 appoints such person without notifying the Division of
18 Retirement 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 while reemployed during this
25 reemployment limitation period shall be repaid to the
26 retirement trust fund, and retirement benefits shall remain
27 suspended until such repayment has been made. Benefits
28 suspended beyond the reemployment limitation shall apply
29 toward repayment of benefits received in violation of the
30 reemployment limitation.

31

1 3. A district school board may reemploy a retired
2 member as a substitute or hourly teacher, education
3 paraprofessional, transportation assistant, bus driver, or
4 food service worker on a noncontractual basis after he or she
5 has been retired for 1 calendar month, in accordance with s.
6 121.021(39). Any retired member who is reemployed within 1
7 calendar month after retirement shall void his or her
8 application for retirement benefits. District school boards
9 reemploying such teachers, education paraprofessionals,
10 transportation assistants, bus drivers, or food service
11 workers are subject to the retirement contribution required by
12 subparagraph 7. Reemployment of a retired member as a
13 substitute or hourly teacher, education paraprofessional,
14 transportation assistant, bus driver, or food service worker
15 is limited to 780 hours during the first 12 months of his or
16 her retirement. Any retired member reemployed for more than
17 780 hours during his or her first 12 months of retirement
18 shall give timely notice in writing to the employer and to the
19 division of the date he or she will exceed the limitation.
20 The division shall suspend his or her retirement benefits for
21 the remainder of the first 12 months of retirement. Any
22 person employed in violation of this subparagraph and any
23 employing agency which knowingly employs or appoints such
24 person without notifying the Division of Retirement to suspend
25 retirement benefits shall be jointly and severally liable for
26 reimbursement to the retirement trust fund of any benefits
27 paid during the reemployment limitation period. To avoid
28 liability, such employing agency shall have a written
29 statement from the retiree that he or she is not retired from
30 a state-administered retirement system. Any retirement
31 benefits received by a retired member while reemployed in

1 excess of 780 hours during the first 12 months of retirement
2 shall be repaid to the Retirement System Trust Fund, and his
3 or her retirement benefits shall remain suspended until
4 repayment is made. Benefits suspended beyond the end of the
5 retired member's first 12 months of retirement shall apply
6 toward repayment of benefits received in violation of the
7 780-hour reemployment limitation.

8 4. A community college board of trustees may reemploy
9 a retired member as an adjunct instructor, that is, an
10 instructor who is noncontractual and part-time, or as a
11 participant in a phased retirement program within the Florida
12 Community College System, after he or she has been retired for
13 1 calendar month, in accordance with s. 121.021(39). Any
14 retired member who is reemployed within 1 calendar month after
15 retirement shall void his or her application for retirement
16 benefits. Boards of trustees reemploying such instructors are
17 subject to the retirement contribution required in
18 subparagraph 7. A retired member may be reemployed as an
19 adjunct instructor for no more than 780 hours during the first
20 12 months of retirement. Any retired member reemployed for
21 more than 780 hours during the first 12 months of retirement
22 shall give timely notice in writing to the employer and to the
23 division of the date he or she will exceed the limitation.
24 The division shall suspend his or her retirement benefits for
25 the remainder of the first 12 months of retirement. Any
26 person employed in violation of this subparagraph and any
27 employing agency which knowingly employs or appoints such
28 person without notifying the Division of Retirement to suspend
29 retirement benefits shall be jointly and severally liable for
30 reimbursement to the retirement trust fund of any benefits
31 paid during the reemployment limitation period. To avoid

1 liability, such employing agency shall have a written
2 statement from the retiree that he or she is not retired from
3 a state-administered retirement system. Any retirement
4 benefits received by a retired member while reemployed in
5 excess of 780 hours during the first 12 months of retirement
6 shall be repaid to the Retirement System Trust Fund, and
7 retirement benefits shall remain suspended until repayment is
8 made. Benefits suspended beyond the end of the retired
9 member's first 12 months of retirement shall apply toward
10 repayment of benefits received in violation of the 780-hour
11 reemployment limitation.

12 5. The State University System may reemploy a retired
13 member as an adjunct faculty member or as a participant in a
14 phased retirement program within the State University System
15 after the retired member has been retired for 1 calendar
16 month, in accordance with s. 121.021(39). Any retired member
17 who is reemployed within 1 calendar month after retirement
18 shall void his or her application for retirement benefits.
19 The State University System is subject to the retired
20 contribution required in subparagraph 7., as appropriate. A
21 retired member may be reemployed as an adjunct faculty member
22 or a participant in a phased retirement program for no more
23 than 780 hours during the first 12 months of his or her
24 retirement. Any retired member reemployed for more than 780
25 hours during the first 12 months of retirement shall give
26 timely notice in writing to the employer and to the division
27 of the date he or she will exceed the limitation. The
28 division shall suspend his or her retirement benefits for the
29 remainder of the first 12 months of retirement. Any person
30 employed in violation of this subparagraph and any employing
31 agency which knowingly employs or appoints such person without

1 notifying the Division of Retirement to suspend retirement
2 benefits shall be jointly and severally liable for
3 reimbursement to the retirement trust fund of any benefits
4 paid during the reemployment limitation period. To avoid
5 liability, such employing agency shall have a written
6 statement from the retiree that he or she is not retired from
7 a state-administered retirement system. Any retirement
8 benefits received by a retired member while reemployed in
9 excess of 780 hours during the first 12 months of retirement
10 shall be repaid to the Retirement System Trust Fund, and
11 retirement benefits shall remain suspended until repayment is
12 made. Benefits suspended beyond the end of the retired
13 member's first 12 months of retirement shall apply toward
14 repayment of benefits received in violation of the 780-hour
15 reemployment limitation.

16 6. The Board of Trustees of the Florida School for the
17 Deaf and the Blind may reemploy a retired member as a
18 substitute teacher, substitute residential instructor, or
19 substitute nurse on a noncontractual basis after he or she has
20 been retired for 1 calendar month, in accordance with s.
21 121.021(39). Any retired member who is reemployed within 1
22 calendar month after retirement shall void his or her
23 application for retirement benefits. The Board of Trustees of
24 the Florida School for the Deaf and the Blind reemploying such
25 teachers, residential instructors, or nurses is subject to the
26 retirement contribution required by subparagraph 7.
27 Reemployment of a retired member as a substitute teacher,
28 substitute residential instructor, or substitute nurse is
29 limited to 780 hours during the first 12 months of his or her
30 retirement. Any retired member reemployed for more than 780
31 hours during the first 12 months of retirement shall give

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

22 7. The employment by an employer of any retiree or
23 DROP participant of any state-administered retirement system
24 shall have no effect on the average final compensation or
25 years of creditable service of the retiree or DROP
26 participant. Prior to July 1, 1991, upon employment of any
27 person, other than an elected officer as provided in s.
28 121.053, who has been retired under any state-administered
29 retirement program, the employer shall pay retirement
30 contributions in an amount equal to the unfunded actuarial
31 liability portion of the employer contribution which would be

1 required for regular members of the Florida Retirement System.
2 Effective July 1, 1991, contributions shall be made as
3 provided in s. 121.122 for retirees with renewed membership or
4 subsection (13) with respect to DROP participants.

5 8. Any person who has previously retired and who is
6 holding an elective public office or an appointment to an
7 elective public office eligible for the Elected Officers'
8 Class on or after July 1, 1990, shall be enrolled in the
9 Florida Retirement System as provided in s. 121.053(1)(b) or,
10 if holding an elective public office that does not qualify for
11 the Elected Officers' Class on or after July 1, 1991, shall be
12 enrolled in the Florida Retirement System as provided in s.
13 121.122, and shall continue to receive retirement benefits as
14 well as compensation for the elected officer's service for as
15 long as he or she remains in elective office. However, any
16 retired member who served in an elective office prior to July
17 1, 1990, suspended his or her retirement benefit, and had his
18 or her Florida Retirement System membership reinstated shall,
19 upon retirement from such office, have his or her retirement
20 benefit recalculated to include the additional service and
21 compensation earned.

22 9. Any person who is holding an elective public office
23 which is covered by the Florida Retirement System and who is
24 concurrently employed in nonelected covered employment may
25 elect to retire while continuing employment in the elective
26 public office, provided that he or she shall be required to
27 terminate his or her nonelected covered employment. Any
28 person who exercises this election shall receive his or her
29 retirement benefits in addition to the compensation of the
30 elective office without regard to the time limitations
31 otherwise provided in this subsection. No person who seeks to

1 exercise the provisions of this subparagraph, as the same
2 existed prior to May 3, 1984, shall be deemed to be retired
3 under those provisions, unless such person is eligible to
4 retire under the provisions of this subparagraph, as amended
5 by chapter 84-11, Laws of Florida.

6 10. The limitations of this paragraph apply to
7 reemployment in any capacity with an "employer" as defined in
8 s. 121.021(10), irrespective of the category of funds from
9 which the person is compensated.

10 11. From July 1, 1997, through December 31, 1998,
11 notwithstanding the limitations of this subsection, except
12 that any retiree who is reemployed within 1 calendar month
13 after retirement shall void his or her application for
14 retirement benefits, any retiree of the Florida Retirement
15 System may be reemployed by a covered employer during the 2nd
16 through 12th months of the reemployment limitation period
17 without suspending his or her retirement benefits, provided
18 that the reemployment is for the sole purpose of working on
19 the technical aspects of correcting or replacing the computer
20 systems and programs necessary to resolve the year 2000 date
21 problem for computing which confronts all public employers
22 covered by the Florida Retirement System.

23 (10) FUTURE BENEFITS BASED ON ACTUARIAL DATA.--It is
24 the intent of the Legislature that future benefit increases
25 enacted into law in this chapter shall be financed
26 concurrently by increased contributions or other adequate
27 funding, and such funding shall be based on sound actuarial
28 data as developed by the actuary or state retirement actuary,
29 as provided in ss. 121.021(6) and 121.192.

30 (11) A member who becomes eligible to retire and has
31 accumulated the maximum benefit of 100 percent of average

1 final compensation may continue in active service, and, if
2 upon the member's retirement the member elects to receive a
3 retirement compensation pursuant to subsection (2), subsection
4 (6), or subsection (7), the actuarial equivalent percentage
5 factor applicable to the age of such member at the time the
6 member reached the maximum benefit and to the age, at that
7 time, of the member's spouse shall determine the amount of
8 benefits to be paid.

9 (12) SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN
10 SURVIVOR BENEFITS.--Notwithstanding any provision of this
11 chapter to the contrary, for members with an effective date of
12 retirement, or date of death if prior to retirement, on or
13 after January 1, 1996, the named joint annuitant, as defined
14 in s. 121.021(28)(b), who is eligible to receive benefits
15 under subparagraph (6)(a)3. or subparagraph (6)(a)4., shall
16 receive the maximum monthly retirement benefit that would have
17 been payable to the member under subparagraph (6)(a)1.;
18 however, payment of such benefit shall cease the month the
19 joint annuitant attains age 25 unless such joint annuitant is
20 disabled and incapable of self-support, in which case,
21 benefits shall cease when the joint annuitant is no longer
22 disabled. The administrator may require proof of disability
23 or continued disability in the same manner as is provided for
24 a member seeking or receiving a disability retirement benefit
25 under subsection (4).

26 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
27 and subject to the provisions of this section, the Deferred
28 Retirement Option Program, hereinafter referred to as the
29 DROP, is a program under which an eligible member of the
30 Florida Retirement System may elect to participate, deferring
31 receipt of retirement benefits while continuing employment

1 with his or her Florida Retirement System employer. The
2 deferred monthly benefits shall accrue in the System Trust
3 Fund on behalf of the participant, plus interest compounded
4 monthly, for the specified period of the DROP participation,
5 as provided in paragraph (c). Upon termination of employment,
6 the participant shall receive the total DROP benefits and
7 begin to receive the previously determined normal retirement
8 benefits. Participation in the DROP does not guarantee
9 employment for the specified period of DROP.

10 (a) Eligibility of member to participate in the
11 DROP.--All active Florida Retirement System members in a
12 regularly established position, and all active members of
13 either the Teachers' Retirement System established in chapter
14 238 or the State and County Officers' and Employees'
15 Retirement System established in chapter 122 which systems are
16 consolidated within the Florida Retirement System under s.
17 121.011, are eligible to elect participation in the DROP
18 provided that:

19 1. The member is not a renewed member of the Florida
20 Retirement System under s. 121.122, or a member of the State
21 Community College System Optional Retirement Program under s.
22 121.051, the Senior Management Service Optional Annuity
23 Program under s. 121.055, or the optional retirement program
24 for the State University System under s. 121.35.

25 2. Election to participate is made within 12 months
26 immediately following the date on which the member first
27 reaches normal retirement date, or, for a member who reaches
28 normal retirement date based on service before he or she
29 reaches age 62, or age 55 for Special Risk Class members,
30 election to participate may be deferred to the 12 months
31 immediately following the date the member attains 57, or age

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

20 3. The employer of a member electing to participate in
21 the DROP, or employers if dually employed, shall acknowledge
22 in writing to the division the date the member's participation
23 in the DROP begins and the date the member's employment and
24 DROP participation will terminate.

25 4. Simultaneous employment of a participant by
26 additional Florida Retirement System employers subsequent to
27 the commencement of participation in the DROP shall be
28 permissible provided such employers acknowledge in writing a
29 DROP termination date no later than the participant's existing
30 termination date or the 60-month limitation period as provided
31 in subparagraph (b)1.

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

3 a. A change of employment must take place without a
4 break in service so that the member receives salary for each
5 month of continuous DROP participation. If a member receives
6 no salary during a month, DROP participation shall cease
7 unless the employer verifies a continuation of the employment
8 relationship for such participant pursuant to s.
9 121.021(39)(b).

10 b. Such participant and new employer shall notify the
11 division on forms required by the division as to the identity
12 of the new employer.

13 c. The new employer shall acknowledge, in writing, the
14 participant's DROP termination date, which may be extended but
15 not beyond the original 60-month period provided in
16 subparagraph (b)1., shall acknowledge liability for any
17 additional retirement contributions and interest required if
18 the participant fails to timely terminate employment, and
19 shall be subject to the adjustment required in
20 sub-subparagraph (c)5.d.

21 (b) Participation in the DROP.--

22 1. An eligible member may elect to participate in the
23 DROP for a period not to exceed a maximum of 60 calendar
24 months immediately following the date on which the member
25 first reaches his or her normal retirement date or the date to
26 which he or she is eligible to defer his or her election to
27 participate as provided in subparagraph (a)2. However, a
28 member who has reached normal retirement date prior to the
29 effective date of the DROP shall be eligible to participate in
30 the DROP for a period of time not to exceed 60 calendar months
31 immediately following the effective date of the DROP, except a

1 member of the Special Risk Class who has reached normal
2 retirement date prior to the effective date of the DROP and
3 whose total accrued value exceeds 75 percent of average final
4 compensation as of his or her effective date of retirement
5 shall be eligible to participate in the DROP for no more than
6 36 calendar months immediately following the effective date of
7 the DROP.

8 2. Upon deciding to participate in the DROP, the
9 member shall submit, on forms required by the division:

- 10 a. A written election to participate in the DROP;
11 b. Selection of the DROP participation and termination
12 dates, which satisfy the limitations stated in paragraph (a)
13 and subparagraph 1. Such termination date shall be in a
14 binding letter of resignation with the employer, establishing
15 a deferred termination date. The member may change the
16 termination date within the limitations of subparagraph 1.,
17 but only with the written approval of his or her employer;
18 c. A properly completed DROP application for service
19 retirement as provided in this section; and
20 d. Any other information required by the division.

21 3. The DROP participant shall be a retiree under the
22 Florida Retirement System for all purposes, except for
23 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,
24 121.053, and 121.122. However, participation in the DROP does
25 not alter the participant's employment status and such
26 employee shall not be deemed retired from employment until his
27 or her deferred resignation is effective and termination
28 occurs as provided in s. 121.021(39).

29 4. Elected officers shall be eligible to participate
30 in the DROP subject to the following:

31

1 a. An elected officer who reaches normal retirement
2 date during a term of office may defer the election to
3 participate in the DROP until the next succeeding term in that
4 office. Such elected officer who exercises this option may
5 participate in the DROP for up to 60 calendar months or a
6 period of no longer than such succeeding term of office,
7 whichever is less.

8 b. An elected or a nonelected participant may run for
9 a term of office while participating in DROP and, if elected,
10 extend the DROP termination date accordingly, except, however,
11 if such additional term of office exceeds the 60-month
12 limitation established in subparagraph 1., and the officer
13 does not resign from office within such 60-month limitation,
14 the retirement and the participant's DROP shall be null and
15 void as provided in sub-subparagraph (c)5.d.

16 c. An elected officer who is dually employed and
17 elects to participate in DROP shall be required to satisfy the
18 definition of termination within the 60-month limitation
19 period as provided in subparagraph 1. for the nonelected
20 position and may continue employment as an elected officer as
21 provided in s. 121.053. The elected officer will be enrolled
22 as a renewed member in the Elected Officers' Class or the
23 Regular Class, as provided in ss. 121.053 and 121.22, on the
24 first day of the month after termination of employment in the
25 nonelected position and termination of DROP. Distribution of
26 the DROP benefits shall be made as provided in paragraph (c).

27 (c) Benefits payable under the DROP.--

28 1. Effective with the date of DROP participation, the
29 member's initial normal monthly benefit, including creditable
30 service, optional form of payment, and average final
31 compensation, and the effective date of retirement shall be

1 fixed. The beneficiary established under the Florida
2 Retirement System shall be the beneficiary eligible to receive
3 any DROP benefits payable if the DROP participant dies prior
4 to the completion of the period of DROP participation. In the
5 event a joint annuitant predeceases the member, the member may
6 name a beneficiary to receive accumulated DROP benefits
7 payable. Such retirement benefit, the annual cost of living
8 adjustments provided in s. 121.101, and interest shall accrue
9 monthly in the System Trust Fund. Such interest shall accrue
10 at an effective annual rate of 6.5 percent compounded monthly,
11 on the prior month's accumulated ending balance, up to the
12 month of termination or death.

13 2. Each employee who elects to participate in the DROP
14 shall be allowed to elect to receive a lump-sum payment for
15 accrued annual leave earned in accordance with agency policy
16 upon beginning participation in the DROP. Such accumulated
17 leave payment certified to the division upon commencement of
18 DROP shall be included in the calculation of the member's
19 average final compensation. The employee electing such
20 lump-sum payment upon beginning participation in DROP will not
21 be eligible to receive a second lump-sum payment upon
22 termination, except to the extent the employee has earned
23 additional annual leave which combined with the original
24 payment does not exceed the maximum lump-sum payment allowed
25 by the employing agency's policy or rules. Such early
26 lump-sum payment shall be based on the hourly wage of the
27 employee at the time he or she begins participation in the
28 DROP. If the member elects to wait and receive such lump-sum
29 payment upon termination of DROP and termination of employment
30 with the employer, any accumulated leave payment made at that
31 time cannot be included in the member's retirement benefit,

1 which was determined and fixed by law when the employee
2 elected to participate in the DROP.

3 3. The effective date of DROP participation and the
4 effective date of retirement of a DROP participant shall be
5 the first day of the month selected by the member to begin
6 participation in the DROP, provided such date is properly
7 established, with the written confirmation of the employer,
8 and the approval of the division, on forms required by the
9 division.

10 4. Normal retirement benefits and interest thereon
11 shall continue to accrue in the DROP until the established
12 termination date of the DROP, or until the participant
13 terminates employment or dies prior to such date. Although
14 individual DROP accounts shall not be established, a separate
15 accounting of each participant's accrued benefits under the
16 DROP shall be calculated and provided to participants.

17 5. At the conclusion of the participant's DROP, the
18 division shall distribute the participant's total accumulated
19 DROP benefits, subject to the following provisions:

20 a. The division shall receive verification by the
21 participant's employer or employers that such participant has
22 terminated employment as provided in s. 121.021(39)(b).

23 b. The terminated DROP participant or, if deceased,
24 such participant's named beneficiary, shall elect on forms
25 provided by the division to receive payment of the DROP
26 benefits in accordance with one of the options listed below.
27 For a participant or beneficiary who fails to elect a method
28 of payment within 60 days of termination of the DROP, the
29 division will pay a lump sum as provided in
30 sub-sub-subparagraph (I).

31

1 (I) Lump sum.--All accrued DROP benefits, plus
2 interest, less withholding taxes remitted to the Internal
3 Revenue Service, shall be paid to the DROP participant or
4 surviving beneficiary.

5 (II) Direct rollover.--All accrued DROP benefits, plus
6 interest, shall be paid from the DROP directly to the
7 custodian of an eligible retirement plan as defined in s.
8 402(c)(8)(B) of the Internal Revenue Code. However, in the
9 case of an eligible rollover distribution to the surviving
10 spouse of a deceased participant, an eligible retirement plan
11 is an individual retirement account or an individual
12 retirement annuity as described in s. 402(c)(9) of the
13 Internal Revenue Code.

14 (III) Partial lump sum.--A portion of the accrued DROP
15 benefits shall be paid to the DROP participant or surviving
16 spouse, less withholding taxes remitted to the Internal
17 Revenue Service, and the remaining DROP benefits shall be
18 transferred directly to the custodian of an eligible
19 retirement plan as defined in s. 402(c)(8)(B) of the Internal
20 Revenue Code. However, in the case of an eligible rollover
21 distribution to the surviving spouse of a deceased
22 participant, an eligible retirement plan is an individual
23 retirement account or an individual retirement annuity as
24 described in s. 402(c)(9) of the Internal Revenue Code. The
25 proportions shall be specified by the DROP participant or
26 surviving beneficiary.

27 c. The form of payment selected by the DROP
28 participant or surviving beneficiary complies with the minimum
29 distribution requirements of the Internal Revenue Code.

30 d. A DROP participant who fails to terminate
31 employment as defined in s. 121.021(39)(b) shall be deemed not

1 to be retired, and the DROP election shall be null and void.
2 Florida Retirement System membership shall be reestablished
3 retroactively to the date of the commencement of the DROP, and
4 each employer with whom the participant continues employment
5 shall be required to pay to the System Trust Fund the
6 difference between the DROP contributions paid in paragraph
7 (i) and the contributions required for the applicable Florida
8 Retirement System class of membership during the period the
9 member participated in the DROP, plus 6.5 percent interest
10 compounded annually.

11 6. The accrued benefits of any DROP participant, and
12 any contributions accumulated under such program, shall not be
13 subject to assignment, execution, attachment, or to any legal
14 process whatsoever, except for qualified domestic relations
15 orders by a court of competent jurisdiction, income deduction
16 orders as provided in s. 61.1301, and federal income tax
17 levies.

18 7. DROP participants shall not be eligible for
19 disability retirement benefits as provided in subsection (4).

20 (d) Death benefits under the DROP.--

21 1. Upon the death of a DROP participant, the named
22 beneficiary shall be entitled to apply for and receive the
23 accrued benefits in the DROP as provided in sub-subparagraph
24 (c)5.b.

25 2. The normal retirement benefit accrued to the DROP
26 during the month of a participant's death shall be the final
27 monthly benefit credited for such DROP participant.

28 3. Eligibility to participate in the DROP terminates
29 upon death of the participant. If the participant dies on or
30 after the effective date of enrollment in the DROP, but prior
31 to the first monthly benefit being credited to the DROP,

1 Florida Retirement System benefits shall be paid in accordance
2 with subparagraph (7)(c)1. or subparagraph 2.

3 4. A DROP participants' survivors shall not be
4 eligible to receive Florida Retirement System death benefits
5 as provided in paragraph (7)(d).

6 (e) Cost-of-living adjustment.--On each July 1, the
7 participants' normal retirement benefit shall be increased as
8 provided in s. 121.101.

9 (f) Retiree health insurance subsidy.--DROP
10 participants are not eligible to apply for the retiree health
11 insurance subsidy payments as provided in s. 112.363 until
12 such participants have terminated employment and participation
13 in the DROP.

14 (g) Renewed membership.--DROP participants shall not
15 be eligible for renewed membership in the Florida Retirement
16 System under ss. 121.053 and 121.122 until termination of
17 employment is effectuated as provided in s. 121.021(39)(b).

18 (h) Employment limitation after DROP
19 participation.--Upon satisfying the definition of termination
20 of employment as provided in s. 121.021(39)(b), DROP
21 participants shall be subject to such reemployment limitations
22 as other retirees. Reemployment restrictions applicable to
23 retirees as provided in subsection (9) shall not apply to DROP
24 participants until their employment and participation in the
25 DROP are terminated.

26 (i) Contributions.--

27 1. All employers paying the salary of a DROP
28 participant filling a regularly established position shall
29 contribute 11.56 percent of such participant's gross
30 compensation, which shall constitute the entire employer DROP
31 contribution with respect to such participant. Such

1 contributions, payable to the System Trust Fund in the same
2 manner as required in s. 121.071, shall be made as appropriate
3 for each pay period and are in addition to contributions
4 required for social security and the Retiree Health Insurance
5 Subsidy Trust Fund. Such employer, social security, and
6 health insurance subsidy contributions are not included in the
7 DROP.

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

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

23 (j) Forfeiture of retirement benefits.--Nothing in
24 this section shall be construed to remove DROP participants
25 from the scope of s. 8(d), Art. II of the State Constitution,
26 s. 112.3173, and paragraph (5)(f). DROP participants who
27 commit a specified felony offense while employed will be
28 subject to forfeiture of all retirement benefits, including
29 DROP benefits, pursuant to those provisions of law.

30 (k) Administration of program.--The division shall
31 make such rules as are necessary for the effective and

1 efficient administration of this subsection. The division
2 shall not be required to advise members of the federal tax
3 consequences of an election related to the DROP but may advise
4 members to seek independent advice.

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

8 (a) Federal income tax shall be withheld in accordance
9 with federal law, unless the payee elects otherwise on Form
10 W-4P. The division shall prepare and distribute to each
11 recipient of monthly retirement benefits an appropriate income
12 tax form that reflects the recipient's income and federal
13 income tax withheld for the calendar year just ended.

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

19 1. Premiums for life and health-related insurance
20 policies from approved companies.

21 2. Life insurance premiums for the State Group Life
22 Insurance Plan, if authorized in writing by the payee and by
23 the Department of Management Services.

24 3. Repayment of overpayments from the Florida
25 Retirement System Trust Fund, the State Employees' Health
26 Insurance Trust Fund, or the State Employees' Life Insurance
27 Trust Fund, upon notification of the payee.

28 4. Payments to an alternate payee for alimony, child
29 support, or division of marital assets pursuant to a qualified
30 domestic relations order under s. 222.21 or an income
31 deduction order under s. 61.1301.

1 5. Payments to the Internal Revenue Service for
2 federal income tax levies, upon notification of the division
3 by the Internal Revenue Service.

4 (c) A payee shall notify the division of any change in
5 his or her address. The division may suspend benefit payments
6 to a payee if correspondence sent to the payee's mailing
7 address is returned due to an incorrect address. Benefit
8 payments shall be resumed upon notification to the division of
9 the payee's new address.

10 (d) A payee whose retirement benefits are reduced by
11 the application of maximum benefit limits under s. 415(b) of
12 the Internal Revenue Code, as specified in s. 121.30(5), shall
13 have the portion of his or her calculated benefit in the
14 Florida Retirement System defined benefit plan which exceeds
15 such federal limitation paid through the Florida Retirement
16 System Preservation of Benefits Plan, as provided in s.
17 121.1001.

18 Section 30. Paragraph (b) of subsection (7) of section
19 121.101, Florida Statutes, is amended to read:

20 121.101 Cost-of-living adjustment of benefits.--

21 (7) The purpose of this subsection is to establish a
22 supplemental cost-of-living adjustment for certain retirees
23 and beneficiaries who receive monthly retirement benefits
24 under the provisions of this chapter and the existing systems
25 consolidated therein, s. 112.05 for certain state officers and
26 employees, and s. 238.171 for certain elderly incapacitated
27 teachers.

28 (b) Application for the supplemental cost-of-living
29 adjustment provided by this subsection shall include
30 certification by the retiree or annuitant that he or she is
31 not receiving, and is not eligible to receive, social security

1 benefits and shall include written authorization for the
2 division ~~department~~ to have access to information from the
3 Social Security Administration concerning his or her
4 entitlement to, or eligibility for, social security benefits.
5 Such supplemental cost-of-living adjustment shall not be paid
6 unless and until the application requirements of this
7 paragraph are met.

8 Section 31. Paragraph (e) of subsection (2) of section
9 121.111, Florida Statutes, is amended to read:

10 121.111 Credit for military service.--

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

16 (e) Any member claiming credit under this subsection
17 must certify on the form prescribed by the division ~~department~~
18 that credit for such service has not and will not be claimed
19 for retirement purposes under any other federal, state, or
20 local retirement or pension system where "length of service"
21 is a factor in determining the amount of compensation
22 received, except where credit for such service has been
23 granted in a pension system providing retired pay for
24 nonregular service as provided in paragraph (d). If the member
25 dies prior to retirement, the member's beneficiary must make
26 the required certification before credit may be claimed. If
27 such certification is not made by the member or the member's
28 beneficiary, credit for wartime military service shall not be
29 allowed.

30 Section 32. Section 121.133, Florida Statutes, is
31 amended to read:

1 121.133 Cancellation of uncashed
2 warrants.--Notwithstanding the provisions of s. 17.26 or s.
3 717.123 to the contrary, effective July 1, 1998, if any state
4 warrant issued by the Comptroller for the payment of
5 retirement benefits from the Florida Retirement System Trust
6 Fund, or any other pension trust fund administered by the
7 division ~~department~~, is not presented for payment within 1
8 year after the last day of the month in which it was
9 originally issued, the Comptroller shall cancel the benefit
10 warrant and credit the amount of the warrant to the Florida
11 Retirement System Trust Fund or other pension trust fund
12 administered by the division ~~department~~, as appropriate. The
13 division ~~department~~ may provide for issuance of a replacement
14 warrant when deemed appropriate.

15 Section 33. Section 121.135, Florida Statutes, is
16 amended to read:

17 121.135 Annual report to Legislature concerning
18 state-administered retirement systems.--The division
19 ~~department~~ shall make to each regular session of the
20 Legislature a written report on the operation and condition of
21 the state-administered retirement systems.

22 Section 34. Section 121.136, Florida Statutes, is
23 amended to read:

24 121.136 Annual benefit statement to
25 members.--Beginning January 1, 1993, and each January
26 thereafter, the division ~~department~~ shall provide each active
27 member of the Florida Retirement System with 5 or more years
28 of creditable service an annual statement of benefits. Such
29 statement should provide the member with basic data about the
30 member's retirement account. Minimally, it shall include the
31 member's retirement plan, the amount of funds on deposit in

1 the retirement account, and an estimate of retirement
2 benefits.

3 Section 35. Section 121.1815, Florida Statutes, is
4 amended to read:

5 121.1815 Special pensions to individuals;
6 administration of laws by the Division of Retirement
7 ~~Department of Management Services~~.--All powers, duties, and
8 functions related to the administration of laws providing
9 special pensions to individuals, including chapter 18054, Laws
10 of Florida, 1937; chapter 26788, Laws of Florida, 1951, as
11 amended by chapter 57-871, Laws of Florida; chapter 26836,
12 Laws of Florida, 1951; and chapter 63-953, Laws of Florida,
13 are vested in the division ~~department~~. All laws hereinafter
14 enacted by the Legislature pertaining to special pensions for
15 individuals shall be administered by the division ~~department~~,
16 unless contrary provisions are contained in such law. Upon the
17 death of any person receiving a monthly pension under this
18 section, the monthly pension shall be paid through the last
19 day of the month of death and shall terminate on that date,
20 unless contrary provisions are contained in the special
21 pension law.

22 Section 36. Subsection (1) of section 121.1905,
23 Florida Statutes, is amended to read:

24 121.1905 Division of Retirement; creation.--

25 (1) There is created the Division of Retirement, which
26 shall be assigned to and administratively housed within the
27 State Board of Administration and shall exercise the powers
28 and duties specified in this chapter and in other chapters as
29 determined by law within the ~~Department of Management~~
30 ~~Services~~. The division shall be headed by a director who is
31

1 appointed by and serves at the pleasure of the State Board of
2 Administration.

3 Section 37. Section 121.192, Florida Statutes, is
4 amended to read:

5 121.192 State retirement actuary.--The division
6 ~~department~~ may employ an actuary. Such actuary shall, together
7 with such other duties as the director assigns ~~secretary may~~
8 ~~assign~~, be responsible for:

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

11 (2) Making periodic valuations of the retirement
12 systems.

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

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

17 Section 38. Section 121.193, Florida Statutes, is
18 amended to read:

19 121.193 External compliance audits.--

20 (1) The division ~~department~~ shall conduct audits of
21 the payroll and personnel records of participating agencies.
22 These audits shall be made to determine the accuracy of
23 reports submitted to the division ~~department~~ and to assess the
24 degree of compliance with applicable statutes, rules, and
25 coverage agreements. Audits shall be scheduled on a regular
26 basis, as the result of concerns known to exist at an agency,
27 or as a followup to ensure agency action was taken to correct
28 deficiencies found in an earlier audit.

29 (2) Upon request, participating agencies shall furnish
30 the division ~~department~~ with information and documents that
31 the division ~~department~~ requires to conduct the audit. The

1 ~~division department~~ may prescribe by rule the documents that
2 may be requested.

3 (3) The ~~division department~~ shall review the agency's
4 operations concerning retirement and social security coverage.
5 Preliminary findings shall be discussed with agency personnel
6 at the close of the audit. An audit report of findings and
7 recommendations shall be submitted to ~~division department~~
8 management and an audit summary letter shall be submitted to
9 the agency noting any concerns and necessary corrective
10 action.

11 Section 39. Subsection (1) of section 121.22, Florida
12 Statutes, is amended to read:

13 121.22 State Retirement Commission; creation;
14 membership; compensation.--

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

26 (b) The State Retirement Commission shall be assigned
27 to and administratively housed within the Division of
28 Retirement, but the commission shall function independently
29 and shall not be under the supervision of the division or the
30 board. The exercise by the commission of its powers, duties,
31

1 and functions as prescribed by law is not subject to the
2 review or approval of the division or the board.

3 Section 40. Subsection (1) of section 121.23, Florida
4 Statutes, is amended to read:

5 121.23 Disability retirement and special risk
6 membership applications; Retirement Commission; powers and
7 duties; judicial review.--The provisions of this section apply
8 to all proceedings in which the administrator has made a
9 written final decision on the merits respecting applications
10 for disability retirement, reexamination of retired members
11 receiving disability benefits, applications for special risk
12 membership, and reexamination of special risk members in the
13 Florida Retirement System. The jurisdiction of the State
14 Retirement Commission under this section shall be limited to
15 written final decisions of the administrator on the merits.

16 (1) In accordance with the rules of procedure adopted
17 by the Division ~~Department of Management Services~~, the
18 administrator shall:

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

22 (b) Give affected members, or their counsel, an
23 opportunity to present to the division written evidence in
24 opposition to the proposed action or refusal to act or a
25 written statement challenging the grounds upon which the
26 administrator has chosen to justify his or her action or
27 inaction.

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

30 Section 41. Subsections (2), (3), and (4) of section
31 121.24, Florida Statutes, are amended to read:

1 121.24 Conduct of commission business; legal and other
2 assistance; compensation.--

3 (2) Legal counsel for the commission may be provided
4 by the Department of Legal Affairs or by the division
5 ~~Department of Management Services~~, with the concurrence of the
6 commission, and shall be paid by the division ~~Department of~~
7 ~~Management Services~~ from the appropriate funds.

8 (3) The division ~~Department of Management Services~~
9 shall provide timely and appropriate training for newly
10 appointed members of the commission. Such training shall be
11 designed to acquaint new members of the commission with the
12 duties and responsibilities of the commission.

13 (4) The division ~~Department of Management Services~~
14 shall furnish administrative and secretarial assistance to the
15 commission and shall provide a place where the commission may
16 hold its meetings.

17 Section 42. Subsection (9) of section 121.30, Florida
18 Statutes, is amended to read:

19 121.30 Statements of purpose and intent and other
20 provisions required for qualification under the Internal
21 Revenue Code of the United States.--Any other provisions in
22 this chapter to the contrary notwithstanding, it is
23 specifically provided that:

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

27 Section 43. Paragraph (c) of subsection (2),
28 paragraphs (c) and (e) of subsection (3), paragraphs (a), (b),
29 and (c) of subsection (4), and subsection (6) of section
30 121.35, Florida Statutes, are amended to read:

31

1 121.35 Optional retirement program for the State
2 University System.--

3 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL
4 PROGRAM.--

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

8 (3) ELECTION OF OPTIONAL PROGRAM.--

9 (c) Any employee who becomes eligible to participate
10 in the optional retirement program on or after January 1,
11 1993, shall be a compulsory participant of the program unless
12 such employee elects membership in the Florida Retirement
13 System. Such election shall be made in writing and filed with
14 the personnel officer of the employer. Any eligible employee
15 who fails to make such election within the prescribed time
16 period shall be deemed to have elected to participate in the
17 optional retirement program.

18 1. Any employee whose optional retirement program
19 eligibility results from initial employment shall be enrolled
20 in the program at the commencement of employment. If, within
21 90 days after commencement of employment, the employee elects
22 membership in the Florida Retirement System, such membership
23 shall be effective retroactive to the date of commencement of
24 employment.

25 2. Any employee whose optional retirement program
26 eligibility results from a change in status due to the
27 subsequent designation of the employee's position as one of
28 those specified in paragraph (2)(a) or due to the employee's
29 appointment, promotion, transfer, or reclassification to a
30 position specified in paragraph (2)(a) shall be enrolled in
31 the optional retirement program upon such change in status and

1 shall be notified by the employer of such action. If, within
2 90 days after the date of such notification, the employee
3 elects to retain membership in the Florida Retirement System,
4 such continuation of membership shall be retroactive to the
5 date of the change in status.

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

21 (e) The election by an eligible employee to
22 participate in the optional retirement program shall be
23 irrevocable for so long as the employee continues to meet the
24 eligibility requirements specified in subsection (2), except
25 as provided in paragraph (h). In the event that an employee
26 participates in the optional retirement program for 90 days or
27 more and is subsequently employed in an administrative or
28 professional position which has been determined by the
29 division ~~department~~, under subparagraph (2)(a)2., to be not
30 otherwise eligible for participation in the optional
31 retirement program, the employee shall continue participation

1 in the optional program so long as the employee meets the
2 other eligibility requirements for the program, except as
3 provided in paragraph (h).

4 (4) CONTRIBUTIONS.--

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

25 (b) Each employer shall contribute on behalf of each
26 participant in the optional retirement program an amount equal
27 to the unfunded actuarial accrued liability portion of the
28 employer contribution which would be required for members of
29 the Florida Retirement System. This contribution shall be
30 paid to the division ~~department~~ for transfer to the Florida
31 Retirement System Trust Fund.

1 (c) An Optional Retirement Program Trust Fund shall be
2 established in the State Treasury and administered by the
3 division ~~department~~ to make payments to the provider companies
4 on behalf of the optional retirement program participants, and
5 to transfer the unfunded liability portion of the state
6 optional retirement program contributions to the Florida
7 Retirement System Trust Fund.

8 (6) ADMINISTRATION OF PROGRAM.--

9 (a) The optional retirement program authorized by this
10 section shall be administered by the division ~~department~~. The
11 division ~~department~~ shall adopt rules establishing the
12 responsibilities of the Board of Regents and institutions in
13 the State University System in administering the optional
14 retirement program. The Board of Regents shall, no more than
15 90 days after July 1, 1983, submit to the division ~~department~~
16 its recommendations for the annuity contracts to be offered by
17 the companies chosen by the division ~~department~~. The
18 recommendations of the board shall include the following:

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

21 2. The suitability of the rights and benefits to the
22 needs of the participants and the interests of the
23 institutions in the recruitment and retention of eligible
24 employees.

25 (b) After receiving and considering the
26 recommendations of the Board of Regents, the division
27 ~~department~~ shall designate no more than four companies from
28 which annuity contracts may be purchased under the program and
29 shall approve the form and content of the optional retirement
30 program contracts. Upon application by a qualified Florida
31 domestic company, the division ~~department~~ shall give

1 reasonable notice to all other such companies that it intends
2 to designate one of such companies as a fifth company from
3 which annuity contracts may be purchased pursuant to this
4 section and that they may apply for such designation prior to
5 the deadline established by said notice. At least 60 days
6 after giving such notice and upon receipt of the
7 recommendation of the Board of Regents, the division
8 ~~department~~ shall so designate one of such companies as the
9 fifth company from which such contracts may be purchased.

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

21 (d) The provisions of each contract applicable to a
22 participant in the optional retirement program shall be
23 contained in a written program description which shall include
24 a report of pertinent financial and actuarial information on
25 the solvency and actuarial soundness of the program and the
26 benefits applicable to the participant. Such description
27 shall be furnished by the companies to each participant in the
28 program and to the division ~~department~~ upon commencement of
29 participation in the program and annually thereafter.

30 (e) The division ~~department~~ shall ensure that each
31 participant in the optional retirement program is provided an

1 accounting of the total contribution and the annual
2 contribution made by and on behalf of such participant.

3 Section 44. Paragraph (b) of subsection (3) and
4 paragraphs (a) and (b) of subsection (14) of section 121.40,
5 Florida Statutes, are amended to read:

6 121.40 Cooperative extension personnel at the
7 Institute of Food and Agricultural Sciences; supplemental
8 retirement benefits.--

9 (3) DEFINITIONS.--The definitions provided in s.
10 121.021 shall not apply to this section except when
11 specifically cited. For the purposes of this section, the
12 following words or phrases have the respective meanings set
13 forth:

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

17 (14) ADMINISTRATION OF SYSTEM.--

18 (a) The division ~~department~~ shall make such rules as
19 are necessary for the effective and efficient administration
20 of this system. The director ~~secretary~~ of the division
21 ~~department~~ shall be the administrator of the system. The funds
22 to pay the expenses for such administration shall be
23 appropriated from the interest earned on investments made for
24 the trust fund.

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

29 Section 45. Subsection (3) of section 121.45, Florida
30 Statutes, is amended to read:

31

1 121.45 Interstate compacts relating to pension
2 portability.--

3 (3) ESTABLISHMENT OF COMPACTS.--

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

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

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

23 (d) Once a proposal has been developed, the division
24 ~~department~~ shall contract with its consulting actuaries to
25 conduct an actuarial study of the proposal to determine the
26 cost to the Florida Retirement System Trust Fund and the State
27 of Florida.

28 (e) After the actuarial study has been completed, the
29 division ~~department~~ shall present its findings and the
30 actuarial study to the Legislature for consideration. If
31 either house of the Legislature elects to enter into such a

1 compact, it shall be introduced in the form of a proposed
2 committee bill to the full Legislature during the same or next
3 regular session.

4 Section 46. Subsections (1) and (6) of section 122.02,
5 Florida Statutes, are amended to read:

6 122.02 Definitions.--The following words and phrases
7 as used in this chapter shall have the following meaning
8 unless a different meaning is plainly required by the context:

9 (1) "State and county officers and employees" shall
10 include all full-time officers or employees who receive
11 compensation for services rendered from state or county funds,
12 or from funds of drainage districts or mosquito control
13 districts of a county or counties, or from funds of the State
14 Board of Administration or from funds of closed bank
15 receivership accounts or from funds of any state institution
16 or who receive compensation for employment or service from any
17 agency, branch, department, institution or board of the state,
18 or any county of the state, for service rendered the state or
19 county from funds from any source provided for their
20 employment or service regardless of whether the same is paid
21 by state or county warrant or not; provided that such
22 compensation in whatever form paid shall be specified in terms
23 of fixed monthly salaries by the employing state or county
24 agency or state or county official and shall not include
25 amounts allowed for professional employees for special or
26 particular service or for subsistence or travel expenses;
27 provided further the division ~~department~~ shall prescribe
28 appropriate procedure for contribution deduction out of such
29 compensation in accordance with the provisions of this
30 chapter, provided further that such officers and employees

31

1 defined herein shall not include those officers and employees
2 excepted from the provisions by s. 122.18 of this law.

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

6 Section 47. Paragraph (d) of subsection (6) and
7 subsection (9) of section 122.03, Florida Statutes, are
8 amended to read:

9 122.03 Contributions; participants; prior service
10 credit.--

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

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

27 (9) The surviving spouse or other dependent of any
28 member whose employment is terminated by death shall, upon
29 application to the division ~~department~~, be permitted to pay
30 the required contributions for any service performed by the
31 member which could have been claimed by the member at the time

1 of death. Such service shall be added to the creditable
2 service of the member and shall be used in the calculation of
3 any benefits which may be payable to the surviving spouse or
4 other surviving dependent.

5 Section 48. Subsection (2) of section 122.05, Florida
6 Statutes, is amended to read:

7 122.05 Legislator services included.--

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

14 Section 49. Subsection (2) of section 122.06, Florida
15 Statutes, is amended to read:

16 122.06 Legislative employee services included.--

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

23 Section 50. Subsection (2) of section 122.07, Florida
24 Statutes, is amended to read:

25 122.07 Seasonal state employment included; time limit
26 and procedure for claiming.--

27 (2) Any state employee as described in subsection (1)
28 in the classification set forth in s. 122.01 may elect to
29 receive credit as a state employee under the State and County
30 Officers and Employees' Retirement System by providing to the
31 division ~~department~~ a statement from the state in which he or

1 she was employed, listing days employed and monthly earnings
2 and such other information as may, in the opinion of the
3 division ~~department~~, be necessary or appropriate in the
4 carrying out of this section. Credit shall be granted upon
5 payment to the division ~~department~~ by such employee of an
6 amount equal to the total retirement contribution that would
7 have been required had the member worked in this state during
8 the period based on the salary drawn by such employee during
9 his or her last full month of employment by the state or any
10 department thereof for each month during such ~~said~~ fiscal year
11 for which such employee was not employed by the state or any
12 department thereof, but was employed by some other state, plus
13 interest compounded annually each June 30 from the date of the
14 service in another state to the date of payment at the rate of
15 4 percent until July 1, 1975, and 6.5 percent thereafter. The
16 member shall have until his or her date of retirement to claim
17 and purchase credit for such employment in another state.

18 Section 51. Paragraph (a) of subsection (1), Paragraph
19 (b) of subsection (4), and subsections (5) and (9) of section
20 122.08, Florida Statutes, are amended to read:

21 122.08 Requirements for retirement;
22 classifications.--There shall be two retirement
23 classifications for all state and county officers and
24 employees participating herein as hereafter provided in this
25 section:

26 (1)(a) Any state or county officer or employee who has
27 attained normal retirement age, which shall be age 60 for a
28 person who had become a member prior to July 1, 1963, and age
29 62 for a person who had or shall become a member on or after
30 July 1, 1963, and has accumulated at least 10 years' service
31 in the aggregate within the contemplation of this law, and who

1 has made or makes contributions to the State and County
2 Officers and Employees' Retirement Trust Fund for 5 or more
3 years as prescribed in this law, may voluntarily retire from
4 office or employment and be entitled to receive retirement
5 compensation, the amount of which shall be 2 percent for each
6 year of service rendered, based upon the average final
7 compensation, payable in equal monthly installments, upon his
8 or her own requisition. Requisition requirements shall be set
9 by the division ~~department~~.

10 (4)

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

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

31

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

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

16 (b) If the deceased member's surviving spouse has not
17 received a refund of the deceased member's contributions, such
18 spouse shall, upon application to the division ~~department~~,
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 death
25 and had selected the option in subsection (4) which would
26 afford the surviving spouse the greatest amount of benefits,
27 such benefit to be based on the ages of the spouse and member
28 as of the date of death of the member. Such benefit shall
29 commence on the first day of the month following the payment
30 of the aforesaid amount to the division ~~department~~, if
31 paragraph (a) is applicable, or on the first day of the month

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

3 Section 52. Section 122.09, Florida Statutes, is
4 amended to read:

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

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

14 Section 53. Subsection (4) of section 122.10, Florida
15 Statutes, is amended to read:

16 122.10 Separation from service; refund of
17 contributions.--

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

28 Section 54. Subsection (1) of section 122.12, Florida
29 Statutes, is amended to read:

30
31

1 122.12 Designation of beneficiary; death of
2 participant; forfeiture of contributions after benefits paid;
3 survivor benefits.--

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

17 Section 55. Section 122.13, Florida Statutes, is
18 amended to read:

19 122.13 Administration of law; appropriation.--The
20 division ~~department~~ shall make such rules as are necessary for
21 the effective administration of this chapter, and the cost is
22 hereby annually appropriated and shall be paid into the State
23 and County Officers and Employees' Retirement Trust Fund out
24 of the Intangible Tax Fund in the State Treasury in the amount
25 necessary to administer efficiently the state and county
26 retirement law. At the end of each fiscal year, beginning
27 with fiscal year 1959-1960, the administrative cost of the
28 state and county retirement system for the fiscal year just
29 ended shall be refunded to the General Revenue Fund from
30 interest earned on investments made subsequent to June 30,
31 1959.

1 Section 56. Subsection (2) of section 122.15, Florida
2 Statutes, is amended to read:

3 122.15 Benefits exempt from taxes and execution.--

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

9 Section 57. Paragraph (b) of subsection (2) of section
10 122.16, Florida Statutes, is amended to read:

11 122.16 Employment after retirement.--

12 (2)

13 (b) Any person to whom the limitation in paragraph (a)
14 applies who violates such reemployment limitation and is
15 reemployed with any agency participating in the Florida
16 Retirement System prior to completion of the 12-month
17 limitation period shall give timely notice of this fact in
18 writing to his or her employer and to the division ~~department~~;
19 and his or her retirement benefits shall be suspended for the
20 balance of the 12-month limitation period. Any person
21 employed in violation of this subsection and any employing
22 agency which knowingly employs or appoints such person without
23 notifying the division ~~department~~ to suspend retirement
24 benefits shall be jointly and severally liable for
25 reimbursement to the retirement trust fund of any benefits
26 paid during the reemployment limitation period. To avoid
27 liability, such employing agency shall have a written
28 statement from the retiree that he or she is not retired from
29 a state-administered retirement system. Any retirement
30 benefits received by such person while he or she is reemployed
31 during this reemployment limitation period shall be repaid to

1 the retirement trust fund, and his or her retirement benefits
2 shall remain suspended until such repayment has been made. Any
3 benefits suspended beyond the reemployment limitation period
4 shall apply toward the repayment of benefits received in
5 violation of the reemployment limitation.

6 Section 58. Subsections (3) and (5) of section 122.23,
7 Florida Statutes, are amended to read:

8 122.23 Definitions.--In addition to those definitions
9 set forth in s. 122.02 the following words and phrases used in
10 ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the
11 respective meanings set forth:

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

15 (5) "State agency" means the division ~~Department of~~
16 ~~Management Services~~ within the provisions and contemplation of
17 chapter 650.

18 Section 59. Subsections (1) and (5) of section 122.30,
19 Florida Statutes, are amended to read:

20 122.30 Appropriations.--

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

27 (5) In addition to amounts appropriated by other
28 provisions of this chapter or other laws to defray cost of
29 administration of this system, there is ~~hereby~~ appropriated
30 out of the Intangible Tax Fund of the state for use of the
31 division ~~department~~ in its administration of the two divisions

1 of this system, the sum of \$100,000, or so much thereof as may
2 be required for that purpose.

3 Section 60. Paragraphs (b) and (c) of subsection (1)
4 and subsection (11) of section 122.34, Florida Statutes, are
5 amended to read:

6 122.34 Special provisions for certain sheriffs and
7 full-time deputy sheriffs.--

8 (1)

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

16 (c) The division ~~department~~ shall make such rules as
17 are necessary for the effective administration of the intent
18 of this section.

19 (11) No high hazard member shall be permitted to
20 receive benefits under this section until examined by a duly
21 qualified physician or surgeon, or board of physicians and
22 surgeons, to be selected by the Governor for that purpose, and
23 found to be disabled in the degree and in the manner specified
24 in this section. At such time as the division ~~Department of~~
25 ~~Management Services~~ directs, any high hazard member receiving
26 disability benefits under this section shall submit to a
27 medical examination to determine if such disability has
28 continued, and the cost of such examination shall be paid from
29 the retirement trust fund herein provided for; and in the
30 event it is declared by such ~~said~~ examination that such ~~said~~
31 disability has cleared, such member shall be ordered to return

1 to active duty with the same rank and salary that he or she
2 had at the time of disability. Any such member who shall fail
3 to return to duty following such order shall forfeit all
4 rights and claims under this law. Every high hazard member
5 retiring under this provision shall be paid so long as the
6 member's permanent total or partial disability continues, on
7 his or her own requisition.

8 Section 61. Section 122.351, Florida Statutes, is
9 amended to read:

10 122.351 Funding by local agencies.--Commencing on July
11 1, 1969, all county and local agencies covered under the
12 provisions of s. 122.35 shall accumulate and be responsible
13 for the payment of social security and retirement matching
14 costs as required under s. 122.35, from the intangible tax
15 allocation of that county and any other source available to
16 the local governmental units, except that all agencies, other
17 than the school boards, shall be given credit for 50 percent
18 of their 1967-1969 actual employer matching cost, actual cost
19 being that cost in cash actually paid by the employer for
20 matching retirement and social security into the fund by the
21 agency for such ~~said~~ biennium. The above credit of 50 percent
22 shall be calculated by the division ~~department~~.

23 Section 62. Subsection (6) of section 175.032, Florida
24 Statutes, is amended to read:

25 175.032 Definitions.--For any municipality, special
26 fire control district, chapter plan, local law municipality,
27 local law special fire control district, or local law plan
28 under this chapter, the following words and phrases have the
29 following meanings:

30
31

1 (6) "Division" means the Division of Retirement of the
2 State Board of Administration ~~Department of Management~~
3 ~~Services~~.

4 Section 63. Section 175.1215, Florida Statutes, is
5 amended to read:

6 175.1215 Police and Firefighters' Premium Tax Trust
7 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
8 created, to be administered by the Division of Retirement ~~of~~
9 ~~the Department of Management Services~~. Funds credited to the
10 trust fund, as provided in chapter 95-250, Laws of Florida, or
11 similar legislation, shall be expended for the purposes set
12 forth in that legislation.

13 Section 64. Subsection (7) of section 185.02, Florida
14 Statutes, is amended to read:

15 185.02 Definitions.--For any municipality, chapter
16 plan, local law municipality, or local law plan under this
17 chapter, the following words and phrases as used in this
18 chapter shall have the following meanings, unless a different
19 meaning is plainly required by the context:

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

23 Section 65. Section 185.105, Florida Statutes, is
24 amended to read:

25 185.105 Police and Firefighters' Premium Tax Trust
26 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
27 created, to be administered by the Division of Retirement ~~of~~
28 ~~the Department of Management Services~~. Funds credited to the
29 trust fund, as provided in chapter 95-250, Laws of Florida, or
30 similar legislation, shall be expended for the purposes set
31 forth in that legislation.

1 Section 66. Paragraph (ii) of subsection (4) of
2 section 215.20, Florida Statutes, is amended to read:

3 215.20 Certain income and certain trust funds to
4 contribute to the General Revenue Fund.--

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

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

13

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

22 Section 67. Subsection (3) of section 215.28, Florida
23 Statutes, is amended to read:

24 215.28 United States securities, purchase by state and
25 county officers and employees; deductions from salary.--

26 (3) All deductions so made by any such disbursing
27 authority shall be deposited in a trust account separate and
28 apart from the funds of the state, county, or subordinate
29 agency. Such account will be subject to withdrawal only for
30 the purchase of United States securities on behalf of officers
31 and employees, or for refunds to such persons in accordance

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

16 Section 68. Subsection (3) of section 215.50, Florida
17 Statutes, is amended to read:

18 215.50 Custody of securities purchased; income.--

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

1 Retirement System Trust Fund in the State Treasury such
2 amounts as may be requested by the director of the Division of
3 Retirement of the State Board of Administration ~~Department of~~
4 ~~Management Services~~.

5 Section 69. Subsections (2), (3), (11), and (13) of
6 section 238.01, Florida Statutes, are amended to read:

7 238.01 Definitions.--The following words and phrases
8 as used in this chapter shall have the following meanings
9 unless a different meaning is plainly required by the context:

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

13 (3) "Teacher" means any member of the teaching or
14 professional staff and any certificated employee of any public
15 free school, of any district school system and vocational
16 school, any member of the teaching or professional staff of
17 the Florida School for the Deaf and Blind, child training
18 schools of the Department of Juvenile Justice, the Department
19 of Corrections, and any tax-supported institution of higher
20 learning of the state, and any member and any certified
21 employee of the Department of Education, any certified
22 employee of the retirement system, any full-time employee of
23 any nonprofit professional association or corporation of
24 teachers functioning in Florida on a statewide basis, which
25 seeks to protect and improve public school opportunities for
26 children and advance the professional and welfare status of
27 its members, any person now serving as superintendent, or who
28 was serving as county superintendent of public instruction on
29 July 1, 1939, and any hereafter duly elected or appointed
30 superintendent, who holds a valid Florida teachers'
31 certificate. In all cases of doubt the division ~~Department of~~

1 ~~Management Services~~ shall determine whether any person is a
2 teacher as defined herein.

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

6 (13) "Earnable compensation" means the full
7 compensation payable to a teacher working the full working
8 time for his or her position. In respect to plans A, B, C, and
9 D only, in cases where compensation includes maintenance, the
10 division ~~Department of Management Services~~ shall fix the value
11 of that part of the compensation not paid in money; provided
12 that all members shall from July 1, 1955, make contributions
13 to the retirement system on the basis of "earnable
14 compensation" as defined herein and all persons who are
15 members on July 1, 1955, may, upon application, have their
16 "earnable compensation" for the time during which they have
17 been members prior to that date determined on the basis of
18 "earnable compensation" as defined in this law, upon paying to
19 the retirement system, on or before the date of retirement, a
20 sum equal to the additional contribution with accumulated
21 regular interest thereon they would have made if "earnable
22 compensation" had been defined, at the time they became
23 members, as it is now defined. However, earnable compensation
24 for all plan years beginning on or after July 1, 1990, shall
25 not include any amounts in excess of the compensation
26 limitation (originally \$200,000) established by s. 401(a)(17)
27 of the Internal Revenue Code prior to the Omnibus Budget
28 Reconciliation Act of 1993, which limitation shall be adjusted
29 for changes in the cost of living since 1989, in the manner
30 provided by s. 401(a)(17) of the Internal Revenue Code of
31 1991. This limitation, which has been part of the Teachers'

1 Retirement System since plan years beginning on or after July
2 1, 1990, shall be adjusted as required by federal law for
3 qualified government plans.

4 Section 70. Section 238.02, Florida Statutes, is
5 amended to read:

6 238.02 Name and date of establishment.--A retirement
7 system is established and placed under the management of the
8 division ~~Department of Management Services~~ for the purpose of
9 providing retirement allowances and other benefits for
10 teachers of the state. The retirement system shall begin
11 operations on July 1, 1939. It has such powers and privileges
12 of a corporation as may be necessary to carry out effectively
13 the provisions of this chapter and shall be known as the
14 "Teachers' Retirement System of the State," and by such name
15 all of its business shall be transacted, all of its funds
16 invested, and all of its cash and securities and other
17 property held in trust for the purpose for which received.

18 Section 71. Section 238.03, Florida Statutes, is
19 amended to read:

20 238.03 Administration.--

21 (1) The general administration and the responsibility
22 for the proper operation of the retirement system and for
23 making effective the provisions of this chapter are vested in
24 the division ~~Department of Management Services~~. Subject to
25 the limitation of this chapter, the department shall, from
26 time to time, establish rules and regulations for the
27 administration and transaction of the business of the
28 retirement system and shall perform such other functions as
29 are required for the execution of this chapter.

30 (2) The division ~~department~~ shall keep in convenient
31 form such data as shall be necessary for actuarial valuation

1 of the various funds created by this chapter and for checking
2 the experience of the retirement system.

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

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

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

24 (6) The actuary shall make an annual valuation of the
25 assets and liabilities of the funds of the retirement system
26 on the basis of the tables adopted by the division ~~department~~
27 in accordance with the requirements of this section, and shall
28 prepare an annual statement of the amounts to be contributed
29 by the state in accordance with s. 238.09.

30 (7) The division ~~department~~ shall publish annually the
31 valuation, as certified by the actuary, of the assets and

1 liabilities of the various funds created by this chapter, a
2 statement as to the receipts and disbursements of the funds,
3 and a statement as to the accumulated cash and securities of
4 the funds.

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

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

14 Section 72. Paragraph (b) of subsection (1),
15 paragraphs (a) and (b) of subsection (3), and subsection (4)
16 of section 238.05, Florida Statutes, are amended to read:

17 238.05 Membership.--

18 (1) The membership of the retirement system shall
19 consist of the following:

20 (b) All persons who became or who become teachers on
21 or after July 1, 1939, except as provided in paragraph (a) and
22 subsection (5) hereof, shall become members of the retirement
23 system by virtue of their appointment as teachers. However,
24 employees who are not members of the teaching or professional
25 staff shall only become members of the retirement system by
26 filing a notice with the division ~~department~~ of their election
27 to become members.

28 (3) Except as otherwise provided in s. 238.07(9),
29 membership of any person in the retirement system will cease
30 if he or she is continuously unemployed as a teacher for a
31 period of more than 5 consecutive years, or upon the

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

18 (a) A person who has been granted leave of absence
19 shall file with the division ~~department~~ before his or her next
20 contribution is due an application to continue his or her
21 membership during the period covered by the person's leave of
22 absence and, if such application is filed, shall make his or
23 her contribution to the retirement system on the basis of his
24 or her last previous annual salary as a teacher, and shall,
25 prior to retirement, pay in full to the system such
26 contributions with accumulated regular interest. Such
27 contributions with interest may be paid at one time or in
28 monthly, quarterly, semiannual, or annual payments in the
29 person's discretion.

30 (b) A person who enters or who has entered the Armed
31 Forces of the United States may either continue his or her

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

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

21 Section 73. Subsections (3) and (10), paragraphs (a)
22 and (b) of subsection (12), subsection (13), paragraphs (a),
23 (b), and (d) of subsection (15A), and paragraphs (a) and (d)
24 of subsection (16) of section 238.07, Florida Statutes, are
25 amended to read:

26 238.07 Regular benefits; survivor benefits.--

27 (3) Any member who, prior to July 1, 1955, elected to
28 retire under one of plans A, B, C, or D may elect, prior to
29 retirement, to retire under plan E in accordance with the
30 terms hereof. Any person who became a member on or after July
31 1, 1955, shall retire under plan E, except as provided for

1 under s. 238.31. With respect to plans A, B, C, or D, any
2 member shall have the right at any time to change to a plan of
3 retirement requiring a lower rate of contribution. The
4 division ~~Department of Management Services~~ shall also notify
5 the member of the rate of contribution such member must make
6 from and after selecting such plan of retirement. Any member
7 in service may retire upon reaching the age of retirement
8 formerly selected by him or her, upon the member's written
9 application to the division ~~department~~ setting forth at which
10 time, not more than 90 days subsequent to the execution and
11 filing of such application, it is his or her desire to retire
12 notwithstanding that during such period of notification he or
13 she may have separated from service. Upon receipt of such
14 application for retirement, the division ~~department~~ shall
15 retire such member not more than 90 days thereafter. Before
16 such member may retire he or she must file with the division
17 ~~department~~ his or her written selection of one of the optional
18 benefits provided in s. 238.08.

19 (10) Any member in service, who has 10 or more years
20 of creditable service, may upon the application of his or her
21 employer or upon his or her own application, be retired by the
22 division ~~department~~ not less than 30 nor more than 90 days
23 next following the date of filing such application, on a
24 disability retirement allowance; provided that a physician
25 licensed by this state examines and certifies that such member
26 is mentally or physically incapacitated for the further
27 performance of duty, that such incapacity is likely to be
28 permanent, and that such member should be retired, and the
29 division ~~department~~ concurs. In making the determination, the
30 division ~~department~~ may require other evidence of disability
31 as deemed appropriate.

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

16 (b) If the division ~~department~~ finds that a disability
17 beneficiary is engaged in or is able to engage in a gainful
18 occupation paying more than the difference between his or her
19 disability retirement allowance and his or her average final
20 compensation, the amount of the beneficiary's pension shall be
21 reduced to an amount which, together with his or her annuity
22 and the amount earnable by him or her, shall equal the amount
23 of his or her average final compensation. Should the
24 beneficiary's earning capacity later be changed, the amount of
25 his or her pension may be further modified; provided that the
26 pension so modified shall not exceed the amount of the pension
27 allowable under subsection (11), at the time of retirement,
28 nor an amount which, when added to the amount earnable by the
29 beneficiary, together with his or her annuity, equals the
30 amount of his or her average final compensation. A
31 beneficiary restored to active service at a salary less than

1 the average final compensation upon the basis of which he or
2 she was retired shall not become a member of the retirement
3 system at that time.

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

13 (15A)(a) Any member of the Teachers' Retirement System
14 who has heretofore, or who hereafter, retires with no less
15 than 10 years of creditable service and who has passed his or
16 her 65th birthday, may, upon application to the division
17 ~~department~~, have his or her retirement allowance redetermined
18 and thereupon shall be entitled to a monthly service
19 retirement allowance which shall be equal to \$4 multiplied by
20 the number of years of the member's creditable service which
21 shall be payable monthly during his or her retirement;
22 provided, that the amount of retirement allowance as
23 determined hereunder, shall be reduced by an amount equal to:

24 1. Any social security benefits received by the
25 member, and

26 2. Any social security benefits that the member is
27 eligible to receive by reason of his or her own right or
28 through his or her spouse.

29 (b) No payment shall be made to a member of the
30 Teachers' Retirement System under this act, until the division

31

1 ~~department~~ has determined the social security status of such
2 member.

3 (d) The division ~~department~~ shall review, at least
4 annually, the social security status of all members of the
5 Teachers' Retirement System receiving payment under this act
6 and shall increase or decrease payments to such members as
7 shall be necessary to carry out the intent of this act.

8 (16)(a) Definitions under survivor benefits are:

9 1. A dependent is a child, widow, widower, or parent
10 of the deceased member who was receiving not less than
11 one-half of his or her support from the deceased member at the
12 time of the death of such member.

13 2. A child is a natural or legally adopted child of a
14 member, who:

15 a. Is under 18 years of age, or

16 b. Is over 18 years of age but not over 22 years of
17 age and is enrolled as a student in an accredited educational
18 institution, or

19 c. Is 18 years of age or older and is physically or
20 mentally incapable of self-support, when such mental and
21 physical incapacity occurred prior to such child obtaining the
22 age of 18 years. Such person shall cease to be regarded as a
23 child upon the termination of such physical or mental
24 disability. The determination as to such physical or mental
25 incapability shall be vested in the division ~~department~~.

26

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

31

1 3. A parent is a natural parent of a member and
2 includes a lawful spouse of a natural parent.

3 4. A beneficiary is a person who is entitled to
4 benefits under this subsection by reason of his or her
5 relation to a deceased member during the lifetime of such
6 member.

7 (d) Limitations on rights of beneficiary are:

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

14 Minimum number of years 15 of service in Florida	16 Period after serving in 17 Florida in which 18 death of member 19 occurs
19 3 to 5.....	2 years
20 6 to 9.....	5 years
21 10 or more.....	10 years

22
23 2. Upon the death of a member, the division ~~department~~
24 shall make a determination of the beneficiary or beneficiaries
25 of the deceased member and shall pay survivor benefits to such
26 beneficiary or beneficiaries beginning 1 month immediately
27 following the death of the member except where the beneficiary
28 has not reached the age required to receive benefits under
29 paragraph (b), in which event the payment of survivor benefits
30 shall begin as of the month immediately following the month in
31 which the beneficiary reaches the required age. When required

1 by the division ~~department~~, the beneficiary or beneficiaries
2 shall file an application for survivor benefits upon forms
3 prescribed by the division ~~department~~.

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

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

21 Section 74. Subsection (2), paragraph (b) of
22 subsection (5), and subsections (6) and (7) of section 238.08,
23 Florida Statutes, are amended to read:

24 238.08 Optional benefits.--A member may elect to
25 receive his or her benefits under the terms of this chapter
26 according to the provisions of any one of the following
27 options:

28 (2) Option two. A member may elect to receive on
29 retirement the actuarial equivalent (at that time) of his or
30 her retirement allowance in a reduced retirement allowance
31 payable throughout life, with the provisions that if the

1 member dies before he or she has received in payment of his or
2 her annuity the amount of his or her accumulated
3 contributions, as they were at the time of his or her
4 retirement, the balance shall be paid to such person, if any,
5 as he or she shall nominate by written designation duly
6 acknowledged and filed with the division ~~department~~;
7 otherwise, to his or her executors or administrators.

8 (5)

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

27 (6) Notwithstanding any provision in this chapter to
28 the contrary, the following provisions shall apply to any
29 member of the retirement system who has accumulated at least
30 10 years of service and dies prior to retirement:

1 (a) If the deceased member's surviving spouse has
2 previously received a refund of the member's accumulated
3 contributions made to the retirement system, such spouse may
4 pay to the division ~~department~~ an amount equal to the sum of
5 the amount of the deceased member's contributions previously
6 refunded and regular interest compounded annually on the
7 amount of such refunded contributions from the date of refund
8 to the date of payment to the division ~~department~~, and by so
9 doing be entitled to receive the monthly retirement benefit
10 provided in paragraph (c).

11 (b) If the deceased member's surviving spouse has not
12 received a refund of the deceased member's accumulated
13 contributions, such spouse shall, upon application to the
14 division ~~department~~ within 30 days of the death of the member,
15 receive the monthly retirement benefit provided in paragraph
16 (c).

17 (c) The monthly benefit payable to the spouse
18 described in paragraph (a) or paragraph (b) shall be the
19 amount which would have been payable to the deceased member's
20 spouse, assuming that the member retired on the date of his or
21 her death and had selected the option in subsection (3), such
22 benefit to be based on the ages of the spouse and member as of
23 the date of death of the member. The benefit shall commence on
24 the first day of the month following the payment of the
25 aforesaid amount to the division ~~department~~, if paragraph (a)
26 is applicable, or on the first day of the month following the
27 receipt of the spouse's application by the division
28 ~~department~~, if paragraph (b) is applicable.

29 (7) The surviving spouse or other dependent of any
30 member whose employment is terminated by death shall, upon
31 application to the division ~~department~~, be permitted to pay

1 the required contributions for any service performed by the
2 member which could have been claimed by the member at the time
3 of his or her death. Such service shall be added to the
4 creditable service of the member and shall be used in the
5 calculation of any benefits which may be payable to the
6 surviving spouse or other surviving dependent.

7 Section 75. Paragraphs (a), (c), and (d) of subsection
8 (1), paragraphs (b), (c), and (e) of subsection (3), and
9 paragraph (b) of subsection (5) of section 238.09, Florida
10 Statutes, are amended to read:

11 238.09 Method of financing.--All of the assets of the
12 retirement system shall be credited, according to the purposes
13 for which they are held, to one of four funds; namely, the
14 Annuity Savings Trust Fund, the Pension Accumulation Trust
15 Fund, the Expense Trust Fund, and the Survivors' Benefit Trust
16 Fund.

17 (1) The Annuity Savings Trust Fund shall be a fund in
18 which shall be accumulated contributions made from the
19 salaries of members under the provisions of paragraph (c) or
20 paragraph (f). Contribution to, payments from, the Annuity
21 Savings Trust Fund shall be made as follows:

22 (a) With respect to plan A, B, C, or D, upon the basis
23 of such tables as the division adopts ~~Department of Management~~
24 ~~Services shall adopt~~, and regular interest, the actuary of the
25 retirement system shall determine for each member the
26 proportion of earnable compensation which, when deducted from
27 each payment of his or her prospective earnable annual
28 compensation prior to his or her minimum service retirement
29 age, and accumulated at regular interest until such age, shall
30 be computed to provide at such age:

31

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

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

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

13
14 In the case of any member who has attained his or her minimum
15 service retirement age prior to becoming a member, the
16 proportion of salary applicable to such member, with respect
17 to plan A, B, C, or D, shall be the proportion computed for
18 the age 1 year younger than his or her minimum service
19 retirement age.

20 (c) The division ~~department~~ shall certify to each
21 employer the proportion of the earnable compensation of each
22 member who is compensated by the employer, and the employer
23 shall cause to be deducted from the salary of each member on
24 each and every payroll for each and every payroll period an
25 amount equal to the proportion of the member's earnable
26 compensation so computed. With respect to plan A, B, C, or D,
27 the employer shall not make any deduction for annuity purposes
28 from the compensation of a member who has attained the age of
29 60 years, if such member elects not to contribute.

30 (d) In determining the amount earnable by a member in
31 a payroll period, the division ~~department~~ may consider the

1 rate of compensation payable to such member on the first day
2 of the payroll period as continuing throughout such payroll
3 period, and it may omit deductions from compensation for any
4 period less than a full payroll period if a teacher was not a
5 member on the first day of the payroll period, and to
6 facilitate the making of deductions, it may modify any
7 deduction required of any member by such an amount as shall
8 not exceed one-tenth of 1 percent of the annual salary from
9 which said deduction is to be made.

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

19 (b) On the basis of regular interest and of such
20 mortality and other tables as are ~~shall be~~ adopted by the
21 division ~~department~~, the actuary engaged by the division
22 ~~department~~ to make each valuation required by this chapter
23 shall, during the period over which the accrued liability
24 contribution is payable, determine, immediately after making
25 such valuation, the uniform and constant percentage of the
26 earnable compensation of the average new entrant, which, if
27 contributed on the basis of his or her compensation throughout
28 his or her entire period of service, would be sufficient to
29 provide for the payment of any pension payable by the state on
30 his or her account. The rate percent so determined shall be
31 known as the normal contribution rate. After the accrued

1 liability contribution has ceased to be payable, the normal
2 contribution rate shall be the rate percent of the earnable
3 compensation of all members, obtained by deducting from the
4 total liabilities of the Pension Accumulation Trust Fund the
5 amount of the funds in hand to the credit of that fund and
6 dividing the remainder by 1 percent of the present value of
7 the prospective future salaries of all members as computed on
8 the basis of the mortality and service tables adopted by the
9 division ~~department~~ and on the basis of regular interest. The
10 normal rate of contribution shall be determined and certified
11 to the division ~~department~~ by the actuary after each valuation
12 and shall continue in force until a new valuation and
13 certification are made.

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

25 (e) The accrued liability contribution shall be
26 discontinued as soon as the accumulated reserve in the Pension
27 Accumulation Trust Fund shall equal the present value, as
28 actuarially computed and approved by the division ~~department~~,
29 of the total liability of such fund less the present value,
30 computed on the basis of the normal contribution rate, then in
31

1 force of the prospective normal contributions to be received
2 on account of persons who are at that time members.

3 (5)

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

19 Section 76. Section 238.10, Florida Statutes, is
20 amended to read:

21 238.10 Management of funds.--The division ~~Department~~
22 ~~of Management Services~~, annually, shall allow regular interest
23 on the amount for the preceding year to the credit of each of
24 the funds of the retirement system, and to the credit of the
25 individual account therein, if any, with the exception of the
26 expense fund, from the interest and dividends earned from
27 investments.

28 Section 77. Paragraph (b) of subsection (1) and
29 subsections (2) and (3) of section 238.11, Florida Statutes,
30 are amended to read:

31 238.11 Collection of contributions.--

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

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

12 (2) The collection of the state contribution shall be
13 made as follows:

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

23 (b) The division ~~Department of Management Services~~
24 shall certify one-fourth of the amount so ascertained for each
25 year to the Comptroller on or before the last day of July,
26 October, January, and April of each year. The Comptroller
27 shall, on or before the first day of August, November,
28 February, and May of each year, draw his or her warrant or
29 warrants on the Treasurer for the respective amounts due the
30 several funds of the retirement system. On the receipt of the
31 warrant or warrants of the Comptroller, the Treasurer shall

1 immediately transfer to the several funds of the retirement
2 system the amounts due.

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

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

13 (b) The division ~~Department of Management Services~~
14 shall certify one-fourth of the amount so ascertained for each
15 year to the nonprofit professional association or corporation
16 of teachers on or before the last day of July, October,
17 January, and April of each year. The nonprofit professional
18 association or corporation of teachers shall, on or before the
19 first day of August, November, February, and May of each year,
20 draw its check payable to the division ~~department~~ for the
21 respective amounts due the several funds of the retirement
22 system. Upon receipt of the check, the division ~~department~~
23 shall immediately transfer to the several funds of the
24 retirement system the amounts due, provided, however, that the
25 amounts due the several funds of the retirement system from
26 any such association or corporation for creditable service
27 accruing to any such member before July 1, 1947, shall be paid
28 prior to the retirement of any such member.

29 Section 78. Section 238.12, Florida Statutes, is
30 amended to read:

31 238.12 Duties of employers.--

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

12 (2) During September of each year, or at such other
13 time as the division approves ~~department shall approve~~, each
14 employer shall certify to the division ~~department~~ the names of
15 all teachers to whom this chapter applies.

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

23 Section 79. Section 238.14, Florida Statutes, is
24 amended to read:

25 238.14 Protection against fraud.--Any person who shall
26 knowingly make any false statement, or shall falsify or permit
27 to be falsified any record or records of this retirement
28 system in any attempt to defraud such system as a result of
29 such act, shall be guilty of a misdemeanor of the second
30 degree, punishable as provided in s. 775.082 or s. 775.083.
31 Should any change or error in records result in any member or

1 beneficiary receiving from the retirement system more or less
2 than he or she would have been entitled to receive had the
3 records been correct, then on discovery of any such error the
4 division ~~department~~ shall correct such error, and, as far as
5 practicable, shall adjust the payments in such a manner that
6 the actuarial equivalent of the benefit, to which such member
7 or beneficiary was correctly entitled, shall be paid.

8 Section 80. Section 238.15, Florida Statutes, is
9 amended to read:

10 238.15 Exemption of funds from taxation, execution,
11 and assignment.--The pensions, annuities or any other benefits
12 accrued or accruing to any person under the provisions of this
13 chapter and the accumulated contributions and cash securities
14 in the funds created under this chapter are exempted from any
15 state, county or municipal tax of the state, and shall not be
16 subject to execution or attachment or to any legal process
17 whatsoever, and shall be unassignable, except:

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

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

29 Section 81. Paragraph (b) of subsection (3) of section
30 238.171, Florida Statutes, is amended to read:

31 238.171 Monthly allowance; when made.--

1 (3)

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

10 Section 82. Paragraphs (b), (c), (d), (e), and (f) of
11 subsection (2) of section 238.181, Florida Statutes, are
12 amended to read:

13 238.181 Reemployment after retirement; conditions and
14 limitations.--

15 (2)

16 (b) Any person to whom the limitation in paragraph (a)
17 applies who violates such reemployment limitation and who is
18 reemployed with any agency participating in the Florida
19 Retirement System before completion of the 12-month limitation
20 period shall give timely notice of this fact in writing to his
21 or her employer and to the division ~~Department of Management~~
22 ~~Services~~ and shall have his or her retirement benefits
23 suspended for the balance of the 12-month limitation period.
24 Any person employed in violation of this paragraph and any
25 employing agency which knowingly employs or appoints such
26 person without notifying the division ~~department~~ to suspend
27 retirement benefits shall be jointly and severally liable for
28 reimbursement to the retirement trust fund of any benefits
29 paid during the reemployment limitation period. To avoid
30 liability, such employing agency shall have a written
31 statement from the retiree that he or she is not retired from

1 a state-administered retirement system. Any retirement
2 benefits received while reemployed during this reemployment
3 limitation period shall be repaid to the retirement trust
4 fund, and retirement benefits shall remain suspended until
5 such repayment has been made. Benefits suspended beyond the
6 reemployment limitation shall apply toward repayment of
7 benefits received in violation of the reemployment limitation.

8 (c) A district school board may reemploy a retired
9 member as a substitute or hourly teacher on a noncontractual
10 basis after he or she has been retired for 1 calendar month,
11 in accordance with s. 121.021(39). Any retired member who is
12 reemployed within 1 calendar month after retirement shall void
13 his or her application for retirement benefits. District
14 school boards reemploying such teachers are subject to the
15 retirement contribution required by paragraph (g).
16 Reemployment of a retired member as a substitute or hourly
17 teacher is limited to 780 hours during the first 12 months of
18 his or her retirement. Any retired member reemployed for more
19 than 780 hours during his or her first 12 months of retirement
20 shall give timely notice in writing to his or her employer and
21 to the division ~~department~~ of the date he or she will exceed
22 the limitation. The division ~~department~~ shall suspend his or
23 her retirement benefits for the remainder of his or her first
24 12 months of retirement. Any person employed in violation of
25 this paragraph and any employing agency which knowingly
26 employs or appoints such person without notifying the division
27 ~~department~~ to suspend retirement benefits shall be jointly and
28 severally liable for reimbursement to the retirement trust
29 fund of any benefits paid during the reemployment limitation
30 period. To avoid liability, such employing agency shall have
31 a written statement from the retiree that he or she is not

1 retired from a state-administered retirement system. Any
2 retirement benefits received by a retired member while
3 reemployed in excess of 780 hours during his or her first 12
4 months of retirement shall be repaid to the Retirement System
5 Trust Fund, and his or her retirement benefits shall remain
6 suspended until repayment is made. Benefits suspended beyond
7 the end of the retired member's first 12 months of retirement
8 shall apply toward repayment of benefits received in violation
9 of the 780-hour reemployment limitation.

10 (d) A community college board of trustees may reemploy
11 a retired member as an adjunct instructor, that is, an
12 instructor who is noncontractual and part time, or as a
13 participant in a phased retirement program within a community
14 college, after he or she has been retired for 1 calendar
15 month, in accordance with s. 121.021(39). Any retired member
16 who is reemployed within 1 calendar month after retirement
17 shall void his or her application for retirement benefits.
18 Boards of trustees reemploying such instructors are subject to
19 the retirement contribution required in paragraph (g). A
20 retired member may be reemployed as an adjunct instructor for
21 no more than 780 hours during the first 12 months of his or
22 her retirement. Any retired member reemployed for more than
23 780 hours during his or her first 12 months of retirement
24 shall give timely notice in writing to his or her employer and
25 to the division ~~department~~ of the date he or she will exceed
26 the limitation. The division ~~department~~ shall suspend his or
27 her retirement benefits for the remainder of his or her first
28 12 months of retirement. Any person employed in violation of
29 this paragraph and any employing agency which knowingly
30 employs or appoints such person without notifying the division
31 ~~department~~ to suspend retirement benefits shall be jointly and

1 severally liable for reimbursement to the retirement trust
2 fund of any benefits paid during the reemployment limitation
3 period. To avoid liability, such employing agency shall have
4 a written statement from the retiree that he or she is not
5 retired from a state-administered retirement system. Any
6 retirement benefits received by a retired member while
7 reemployed in excess of 780 hours during his or her first 12
8 months of retirement shall be repaid to the Retirement System
9 Trust Fund, and retirement benefits shall remain suspended
10 until repayment is made. Benefits suspended beyond the end of
11 the retired member's first 12 months of retirement shall apply
12 toward repayment of benefits received in violation of the
13 780-hour reemployment limitation.

14 (e) The Board of Trustees of the Florida School for
15 the Deaf and the Blind may reemploy a retired member as a
16 substitute teacher, substitute residential instructor, or
17 substitute nurse on a noncontractual basis after he or she has
18 been retired for 1 calendar month, in accordance with s.
19 121.021(39). Any retired member who is reemployed within 1
20 calendar month after retirement shall void his or her
21 application for retirement benefits. The Board of Trustees of
22 the Florida School for the Deaf and the Blind reemploying such
23 teachers, residential instructors, or nurses is subject to the
24 retirement contribution required by paragraph (g).
25 Reemployment of a retired member as a substitute teacher,
26 substitute residential instructor, or substitute nurse is
27 limited to 780 hours during the first 12 months of his or her
28 retirement. Any retired member reemployed for more than 780
29 hours during his or her first 12 months of retirement shall
30 give timely notice in writing to his or her employer and to
31 the division ~~department~~ of the date he or she will exceed the

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

20 (f) The State University System may reemploy a retired
21 member as an adjunct faculty member or as a participant in a
22 phased retirement program within the State University System
23 after the retired member has been retired for 1 calendar
24 month, in accordance with s. 121.021(39). Any retired member
25 who is reemployed within 1 calendar month after retirement
26 shall void his or her application for retirement benefits. The
27 State University System is subject to the retired contribution
28 required in paragraph (g), as appropriate. A retired member
29 may be reemployed as an adjunct faculty member or a
30 participant in a phased retirement program for no more than
31 780 hours during the first 12 months of his or her retirement.

1 Any retired member reemployed for more than 780 hours during
2 his or her first 12 months of retirement shall give timely
3 notice in writing to his or her employer and to the division
4 ~~department~~ of the date he or she will exceed the limitation.
5 The division ~~department~~ shall suspend his or her retirement
6 benefits for the remainder of his or her first 12 months of
7 retirement. Any person employed in violation of this
8 paragraph and any employing agency which knowingly employs or
9 appoints such person without notifying the division ~~department~~
10 to suspend retirement benefits shall be jointly and severally
11 liable for reimbursement to the retirement trust fund of any
12 benefits paid during the reemployment limitation period. To
13 avoid liability, such employing agency shall have a written
14 statement from the retiree that he or she is not retired from
15 a state-administered retirement system. Any retirement
16 benefits received by a retired member while reemployed in
17 excess of 780 hours during his or her first 12 months of
18 retirement shall be repaid to the Retirement System Trust
19 Fund, and retirement benefits shall remain suspended until
20 repayment is made. Benefits suspended beyond the end of the
21 retired member's first 12 months of retirement shall apply
22 toward repayment of benefits received in violation of the
23 780-hour reemployment limitation.

24 Section 83. Section 238.32, Florida Statutes, is
25 amended to read:

26 238.32 Service credit in disputed cases.--The division
27 ~~Department of Management Services~~ may in its discretion allow
28 or deny a member service credit in disputed or doubtful cases
29 for employment in Florida and out-of-state schools in order to
30 serve the best interests of the state and the member, subject
31 to the membership dates set forth in s. 238.06(4).

1 Section 84. Subsection (4) of section 650.02, Florida
2 Statutes, is amended to read:

3 650.02 Definitions.--For the purpose of this chapter:

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

7 Section 85. This act shall take effect July 1, 2000.

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SENATE SUMMARY

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Transfers the Division of Retirement from the Department
12 of Management Services to the State Board of
Administration.

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