

By Representative Gay

1                                   A bill to be entitled  
2           An act relating to retirement; amending s.  
3           121.011, F.S.; providing for the preservation  
4           of rights of members of the Florida Retirement  
5           System with respect to the Florida Millennium  
6           Retirement System; amending s. 121.021, F.S.;  
7           redefining the terms "system" and "member";  
8           providing a definition of "qualified  
9           participant"; amending s. 121.051, F.S.;  
10          providing for compulsory participation in the  
11          Florida Millennium Retirement System after a  
12          certain date; creating s. 121.0525, F.S.;  
13          providing for election to terminate  
14          participation in the Florida Retirement System  
15          and to participate in the Florida Millennium  
16          Retirement System; creating s. 121.0535, F.S.;  
17          providing for the transfer of lump sum payments  
18          to the qualified participants' accounts in the  
19          Florida Millennium Retirement System; creating  
20          s. 121.0545, F.S.; providing for the transfer  
21          of assets to the Florida's Future Trust Fund;  
22          providing effective dates.

23  
24 Be It Enacted by the Legislature of the State of Florida:

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26           Section 1. Paragraph (h) is added to subsection (3) of  
27 section 121.011, Florida Statutes, to read:

28           121.011 Florida Retirement Systems ~~System~~.--

29           (3) PRESERVATION OF RIGHTS.--

30           (h) The rights of members of the retirement system as  
31 of May 31, 2000, shall not be impaired, nor shall their

1 benefits be reduced by virtue of any part of this chapter,  
2 except if an eligible member of the Florida Retirement System  
3 elects to participate in the Florida Millennium Retirement  
4 System, then he or she shall be transferred to the Florida  
5 Millennium Retirement System on or before June 1, 2001, and  
6 shall be subject to the provisions of the Florida Millennium  
7 Retirement System established pursuant to this chapter.

8           Section 2. Subsections (3) and (12) of section  
9 121.021, Florida Statutes, are amended, and subsection (55) is  
10 added to said section, to read:

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

14           (3) "System" means the general retirement system  
15 established by this chapter to be known and cited as the  
16 "Florida Retirement System" or the general retirement system  
17 established pursuant to s. 401(k) of the Internal Revenue Code  
18 and cited as the "Florida Millennium Retirement System."

19           (12) "Member" means any officer or employee who is  
20 covered under the Florida Retirement System or any officer or  
21 employee who is covered or who becomes covered under the  
22 Florida Millennium Retirement System ~~or who becomes covered~~  
23 ~~under this system~~ in accordance with this chapter. On and  
24 after December 1, 1970, all new members and those members  
25 transferring from existing systems shall be divided into the  
26 following classes: "Special Risk Class," as provided in s.  
27 121.0515(2); "Special Risk Administrative Support Class," as  
28 provided in s. 121.0515(7); "Elected Officers' Class," as  
29 provided in s. 121.052; "Senior Management Service Class," as  
30 provided in s. 121.055; and "Regular Class," which consists of  
31 all members who are not in the Special Risk Class, Special

1 Risk Administrative Support Class, Elected Officers' Class, or  
2 Senior Management Service Class.

3 (55) "Qualified participant" means an individual who  
4 is a participant of the Florida Millennium Retirement System  
5 and who meets one of the following requirements:

6 (a) An individual who is first employed and entered  
7 upon the payroll of his or her employer on or after June 1,  
8 2000, and who before June 1, 2000, would have been eligible to  
9 be a member of the Florida Retirement System.

10 (b) An individual who elects to terminate membership  
11 in the Florida Retirement System and who elects to participate  
12 in the Florida Millennium Retirement System in the manner  
13 prescribed in s. 121.0525.

14 Section 3. Paragraph (a) of subsection (1) of section  
15 121.051, Florida Statutes, is amended, and paragraph (e) is  
16 added to said subsection, to read:

17 121.051 Participation in the system.--

18 (1) COMPULSORY PARTICIPATION.--

19 (a) The provisions of this law shall be compulsory as  
20 to all officers and employees, except elected officers who  
21 meet the requirements of s. 121.052(3), who are employed on or  
22 after December 1, 1970, and before May 31, 2000, of an  
23 employer other than those referred to in paragraph (2)(b), and  
24 each officer or employee, as a condition of employment, shall  
25 become a member of the system as of his or her date of  
26 employment, except that a person who is retired from any state  
27 retirement system and is reemployed on or after December 1,  
28 1970, shall not be permitted to renew his or her membership in  
29 any state retirement system except as provided in s.  
30 121.091(4)(h) for a person who recovers from disability, and  
31 as provided in s. 121.091(9)(b)8. for a person who is elected

1 to public office, and, effective July 1, 1991, as provided in  
2 s. 121.122 for all other retirees. Officers and employees of  
3 the University Athletic Association, Inc., a nonprofit  
4 association connected with the University of Florida, employed  
5 on and after July 1, 1979, shall not participate in any  
6 state-supported retirement system. Any person appointed on or  
7 after July 1, 1989, to a faculty position in a college at the  
8 J. Hillis Miller Health Center at the University of Florida or  
9 the Medical Center at the University of South Florida which  
10 has a faculty practice plan provided by rule adopted by the  
11 Board of Regents shall not participate in the Florida  
12 Retirement System. A faculty member so appointed shall  
13 participate in the optional retirement program on the basis of  
14 his or her state-funded compensation, notwithstanding the  
15 provisions of s. 121.35(2)(a).

16 (e) The provisions of the Florida Millennium  
17 Retirement System established pursuant to s. 401(k) of the  
18 Internal Revenue Code shall be compulsory as to all officers  
19 and employees who are first employed on or after June 1, 2000,  
20 and each officer or employee, as a condition of employment,  
21 shall become a member of the Florida Millennium Retirement  
22 System as of his or her date of employment.

23 Section 4. Section 121.0525, Florida Statutes, is  
24 created to read:

25 121.0525 Election to terminate participation in the  
26 Florida Retirement System and to participate in the Florida  
27 Millennium Retirement System.--

28 (1) Except as otherwise provided in subsection (2),  
29 the Department of Management Services shall provide an  
30 opportunity for each officer or employee who is a member of  
31 the Florida Retirement System on June 1, 2000, to elect in

1 writing to terminate membership in the Florida Retirement  
2 System and to elect to become a qualified participant in the  
3 Florida Millennium Retirement System. An election made by a  
4 member under this subsection is irrevocable. The Department  
5 of Management Services shall accept written elections under  
6 this subsection from members during the period beginning June  
7 1, 2000, to October 31, 2000. A member who does not make a  
8 written election or who does not file the election during the  
9 period specified in this subsection continues to be a member  
10 of the Florida Retirement System. A member who makes and  
11 files a written election under this subsection elects to do  
12 all of the following:

13 (a) Cease to be a member of the Florida Retirement  
14 System effective 12 midnight May 31, 2001.

15 (b) Become a qualified participant in the Florida  
16 Millennium Retirement System effective 12:01 a.m., June 1,  
17 2001.

18 (c) Except as otherwise provided in this subsection,  
19 waive all of his or her rights to a pension, an annuity, a  
20 retirement allowance, an insurance benefit, or any other  
21 benefit under this chapter effective 12 midnight May 31, 2001.  
22 This subsection does not affect a person's right to health  
23 benefits provided in s. 112.363.

24 (2) This subsection applies to an individual who was a  
25 vested member of the Florida Retirement System on June 1,  
26 2000, and who terminates employment upon which that membership  
27 is based on or after June 1, 2000, but on or before May 31,  
28 2001. Before the termination of his or her employment, an  
29 individual described in this subsection may elect in writing  
30 to terminate membership in the Florida Retirement System and  
31 become a qualified participant in the Florida Millennium

1 Retirement System. An election made by the member under this  
2 subsection is irrevocable. The Department of Management  
3 Services shall accept written elections under this subsection  
4 from a member during the period beginning June 1, 2000, and  
5 ending on May 31, 2001. A member described in this subsection  
6 who does not make a written election or who does not file the  
7 election before the termination of his or her employment  
8 continues to be a member of the Florida Retirement System. A  
9 member who makes and files a written election under this  
10 subsection to terminate membership in the Florida Retirement  
11 System elects to do all of the following:

12 (a) Cease to be a member of the Florida Retirement  
13 System and become a qualified participant in the Florida  
14 Millennium Retirement System effective 12 midnight on the day  
15 immediately preceding the date of the termination of  
16 employment.

17 (b) Become a former qualified participant in the  
18 Florida Millennium Retirement System effective 12:01 a.m. on  
19 the day immediately following the date described in paragraph  
20 (a).

21 (c) Except as otherwise provided in this subsection,  
22 waive all of his or her rights to a pension, an annuity, a  
23 retirement allowance, an insurance benefit, or any other  
24 benefit under this chapter effective 12 midnight May 31, 2001.  
25 This subsection does not affect a person's right to health  
26 benefits provided in s. 112.363.

27 (3) If an individual who was a former nonvested member  
28 of the Florida Retirement System on June 1, 2000, is  
29 reemployed and by virtue of that employment is again eligible  
30 for membership in the Florida Retirement System, the  
31 individual shall elect in writing to remain a member of the

1 Florida Retirement System or to terminate membership in the  
2 Florida Retirement System and become a qualified participant  
3 in the Florida Millennium Retirement System. An election by an  
4 individual under this subsection is irrevocable. The  
5 Department of Management Services shall accept written  
6 elections under this subsection from a deferred member or a  
7 former nonvested member during the period beginning on the  
8 date of the individual's reemployment and ending upon the  
9 expiration of 60 days after the date of that reemployment. A  
10 former nonvested member who makes and files a written election  
11 to remain a member of the Florida Retirement System retains  
12 all rights and is subject to all conditions as a member of the  
13 Florida Retirement System under this chapter. A former  
14 nonvested member who does not make a written election or who  
15 does not file the election during the period specified in this  
16 subsection continues to be a member of the Florida Retirement  
17 System. A former nonvested member who makes and files a  
18 written election to terminate membership in the Florida  
19 Retirement System elects to do all of the following:  
20 (a) Cease to be a member of the Florida Retirement  
21 System effective 12 midnight on the last day of the payroll  
22 period that includes the date of the election.  
23 (b) Become a qualified participant in the Florida  
24 Millennium Retirement System effective 12:01 a.m. on the first  
25 day of the payroll period immediately following the date of  
26 the election.  
27 (c) Except as otherwise provided in this subsection,  
28 waive all of his or her rights to a pension, an annuity, a  
29 retirement allowance, an insurance benefit, or any other  
30 benefit under this act effective 12 midnight May 31, 2001.  
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1 This subsection does not affect a person's right to health  
2 benefits provided in s. 112.363.

3 (4) After consultation with the Department of  
4 Management Services' actuary and the State Board of  
5 Administration, the department shall determine the method by  
6 which a member or former nonvested member shall make a written  
7 election under this section. If the member or former  
8 nonvested member is married at the time of the election, the  
9 election is not effective unless the election is signed by the  
10 individual's spouse. However, this requirement may be waived  
11 if the spouse's signature cannot be obtained because of  
12 extenuating circumstances.

13 Section 5. Section 121.0535, Florida Statutes, is  
14 created to read:

15 121.0535 Transfer of lump sum payment.--

16 (1) The Department of Management Services shall direct  
17 the state treasurer to transfer a lump sum amount from the  
18 Florida Retirement System to the qualified participant's  
19 account on or before 12 midnight May 31, 2001. The Department  
20 of Management Services, based on actuarial calculations, shall  
21 calculate the amount to be transferred, which shall be the  
22 actuarial equivalent single-sum value of the employee's  
23 accrued retirement on the date of the transfer.

24 (2) For employees who have no vested benefits in the  
25 Florida Retirement System, the Department of Management  
26 Services, based on actuarial calculations, shall transfer to  
27 the qualified participant's account on or before 12 midnight  
28 May 31, 2001, the actuarial equivalent single-sum value of the  
29 employee's accrued retirement benefit on the date of the  
30 transfer.

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1 Section 6. (1) Section 121.0545, Florida Statutes, is  
2 created to read:

3 121.0545 Transfer of assets to the Florida's Future  
4 Trust Fund.--On or before July 1, 2001, the Department of  
5 Management Services shall:

6 (1) Determine or direct the determination of the total  
7 actuarial liability of the Florida Retirement System for those  
8 members who have elected to remain in the Florida Retirement  
9 System and those retired Florida Retirement System members.

10 (2) Purchase annuities sufficient to meet the total  
11 liability of the Florida Retirement System.

12 (3) Transfer the assets of the Florida Retirement  
13 System Trust Fund, with the exception of the annuities  
14 referenced above, to the Florida's Future Trust Fund.

15 (2) This section shall take effect July 1, 2000, if HB  
16 .... or similar legislation creating the Florida's Future  
17 Trust Fund is adopted in the same legislative session or an  
18 extension thereof.

19 Section 7. Except as otherwise provided herein, this  
20 act shall take effect upon becoming a law.

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23 HOUSE SUMMARY

24 Provides for a Florida Millennium Retirement System for  
25 employees employed on or after May 31, 2000. See bill for  
26 details.