Florida House of Representatives - 2000 HB 831 By Representatives Boyd, Fasano, Bense, Posey, K. Smith, Healey, Kelly, Merchant, Betancourt, Cantens and Stansel

1	A bill to be entitled
2	An act relating to state employees; requiring
3	the Department of Management Services to
4	contract with a private vendor for a
5	tax-sheltered plan for state employees who are
6	eligible for payment for accumulated sick leave
7	or annual leave upon termination of employment;
8	providing conditions; providing for funding;
9	providing for review of proposed plans by the
10	State Board of Administration; providing for
11	continuous departmental oversight; authorizing
12	employees to withdraw such funds upon
13	termination of employment; providing that
14	employees are to be held harmless by the state
15	for early withdrawal penalties imposed by the
16	Internal Revenue Service; providing for
17	participation in the plan by employees enrolled
18	in the Deferred Retirement Option Program;
19	authorizing the department to determine the
20	calculation and frequency of payments into the
21	tax-sheltered plan; providing an effective
22	date.
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24	Be It Enacted by the Legislature of the State of Florida:
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26	Section 1. Alternative benefits; tax-sheltered
27	annual-leave and sick-leave payments
28	(1) The Department of Management Services shall
29	contract for the implementation of a tax-sheltered plan for
30	state employees who are eligible for payment for accumulated
31	sick leave or annual leave upon termination of employment. The
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contract must provide for a private vendor to administer the 1 2 plan. The plan must provide retirement benefits in a manner 3 that minimizes the tax liability of the participants. The plan must be funded by employer contributions of payments for 4 5 accumulated sick leave or annual leave. The plan must have б received all necessary federal and state approval as required 7 by law and must comply with the provisions of section 112.65, 8 Florida Statutes. The department's request for proposals by 9 vendors for such a plan may require that the vendor provide market-risk or volatility ratings from recognized rating 10 11 agencies for each of its investment products. The proposal 12 must be reviewed by the State Board of Administration, which 13 shall advise the department with respect to the findings of 14 that review. The department shall provide for a system of 15 continuous quality-assurance oversight to ensure that the 16 program objectives are achieved and that the program is 17 prudently managed. (2) Within 30 days after termination from employment, 18 an employee may elect to withdraw the moneys without penalty 19 20 by the plan administrator and shall be held harmless by the state with regard to any early withdrawal penalties imposed by 21 22 the Internal Revenue Service. 23 (3) Notwithstanding the terminal-pay provisions of 24 section 110.122, Florida Statutes, the department shall 25 develop and contract for a tax-sheltered plan for sick-leave 26 payments for employees participating in the Deferred 27 Retirement Option Program. These payments shall be paid into a 28 tax-sheltered plan during the time the employee participates 29 in the DROP program and shall be distributed to the employee upon termination of the DROP program. 30 31

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1	(4) The department shall determine by rule the methods
2	of calculation and frequency of payments into the
3	tax-sheltered plans.
4	Section 2. This act shall take effect July 1, 2000.
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7	SENATE SUMMARY
8	Requires the Department of Management Services to contract with a private vendor for a tax-sheltered plan
9	for state employees who are eligible to receive payment for their accumulated sick leave or annual leave upon
10	termination of their employment. Specifies conditions and provides for funding by the contributions of the employer for accumulated sick leave and annual leave. Provides
11	for accumulated sick leave and annual leave. Provides for review of the plan by the State Board of
12	for review of the plan by the State Board of Administration. Provides for continual departmental oversight. Authorizes state employees to withdraw moneys
13	oversight. Authorizes state employees to withdraw moneys from the plan upon termination of employment. Provides that employees are to be held harmless by the state for
14	early withdrawal penalties imposed by the Internal Revenue Service, Authorizes the department to determine
15	by rule the calculation and frequency of payments into the plan.
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