

By Senator Lawson

3-918-01

1                                   A bill to be entitled  
2           An act relating to retirement; amending s.  
3           121.091, F.S.; providing for indexing  
4           compensation, as used for calculating benefits  
5           for terminated vested members of the Florida  
6           Retirement System, by 3 percent a year;  
7           providing an effective date.

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

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11           Section 1. Paragraph (b) of subsection (5) of section  
12   121.091, Florida Statutes, is amended to read:

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

26           (5) TERMINATION BENEFITS.--A member whose employment  
27   is terminated prior to retirement retains membership rights to  
28   previously earned member-noncontributory service credit, and  
29   to member-contributory service credit, if the member leaves  
30   the member contributions on deposit in his or her retirement  
31   account. If a terminated member receives a refund of member

1 contributions, such member may reinstate membership rights to  
2 the previously earned service credit represented by the refund  
3 by completing 1 year of creditable service and repaying the  
4 refunded member contributions, plus interest.

5 (b) A member whose employment is terminated for any  
6 reason other than death or retirement after becoming vested  
7 may elect to receive a deferred monthly benefit which shall  
8 begin to accrue on the first day of the month of normal or  
9 early retirement and shall be payable on the last day of that  
10 month and each month thereafter during his or her lifetime.  
11 The amount of monthly benefit shall be computed in the same  
12 manner as for a normal retirement benefit in accordance with  
13 subsection (1) or early retirement benefit in accordance with  
14 s. 121.021(30), but based on average monthly compensation and  
15 creditable service as of the date of termination, which  
16 compensation shall be indexed from the date of termination to  
17 the date of retirement by 3 percent a year.

18 Section 2. This act shall take effect July 1, 2001.

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21 SENATE SUMMARY

22 Provides for indexing "compensation," as used for  
23 calculating benefits for terminated, vested members of  
24 the Florida Retirement System, at the rate of 3 percent a  
25 year.  
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