

By Senator Mitchell

4-554-01

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, 110.205
10 112.05, 112.3173, 112.352, 112.354, 112.356,
11 112.358, 112.361, 112.362, 112.363, 112.625,
12 112.63, 112.64, 112.658, 112.661, 112.665,
13 121.021, 121.025, 121.031, 121.051, 121.0511,
14 121.0515, 121.052, 121.055, 121.071, 121.081,
15 121.085, 121.091, 121.101, 121.111, 121.133,
16 121.135, 121.136, 121.1815, 121.1905, 121.192,
17 121.193, 121.22, 121.23, 121.24, 121.30,
18 121.35, 121.40, 121.45, 121.4501, 122.02,
19 122.03, 122.05, 122.06, 122.07, 122.08, 122.09,
20 122.10, 122.12, 122.13, 122.15, 122.16, 122.23,
21 122.30, 122.34, 122.351, 175.032, 175.1215,
22 185.02, 185.105, 215.20, 215.28, 215.50,
23 238.01, 238.02, 238.03, 238.05, 238.07, 238.08,
24 238.09, 238.10, 238.11, 238.12, 238.14, 238.15,
25 238.171, 238.181, 238.32, 650.02, F.S., to
26 conform to such transfer; providing an
27 effective date.

28
29 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. The Division of Retirement of the
2 Department of Management Services is transferred to the State
3 Board of Administration. All powers, duties, functions,
4 records, personnel, property, and unexpended balances of
5 appropriations, allocations, and other funds relating to the
6 Division of Retirement are transferred by a type one transfer,
7 as defined in section 20.06, Florida Statutes, to the State
8 Board of Administration.

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

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

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

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

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

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

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

27 Section 4. Paragraph (t) of subsection (2) of section
28 110.205, Florida Statutes, is amended to read:

29 110.205 Career service; exemptions.--

30 (2) EXEMPT POSITIONS.--The exempt positions which are
31 not covered by this part include the following, provided that

1 no position, except for positions established for a limited
2 period of time pursuant to paragraph (h), shall be exempted if
3 the position reports to a position in the career service:

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

8 Section 5. Paragraph (b) of subsection (4) of section
9 112.05, Florida Statutes, is amended to read:

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

12 (4)

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 the employer and to the Division of Retirement of
19 the State Board of Administration; and the person's retirement
20 benefits shall be suspended for the balance of the 12-month
21 limitation period. Any person employed in violation of this
22 subsection and any employing agency which knowingly employs or
23 appoints such person without notifying the Division of
24 Retirement ~~Department of Management Services~~ 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 such person while reemployed during this

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

7 Section 6. Paragraph (d) of subsection (4) of section
8 112.3173, Florida Statutes, is amended to read:

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

12 (4) NOTICE.--

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

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

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

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

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1 Section 8. Section 112.354, Florida Statutes, is
2 amended to read:

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

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

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

16 Section 9. Section 112.356, Florida Statutes, is
17 amended to read:

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

3 Section 10. Section 112.358, Florida Statutes, is
4 amended to read:

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

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

14 112.361 Additional and updated supplemental retirement
15 benefits.--

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

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

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

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

1 (b) Filing written application with the division
2 ~~department~~ for such supplement.

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

11 (a) July 1, 1969, or

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

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

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

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

27 112.362 Recomputation of retirement benefits.--

28 (4)(a) Effective July 1, 1980, any person who retired
29 prior to July 1, 1987, under a state-supported retirement
30 system with not less than 10 years of creditable service and
31 who is not receiving or entitled to receive federal social

1 security benefits shall, upon reaching 65 years of age and
2 upon application to the division ~~Department of Management~~
3 ~~Services~~, be entitled to receive a minimum monthly benefit
4 equal to \$16.50 multiplied by the member's total number of
5 years of creditable service and adjusted by the actuarial
6 factor applied to the original benefit for optional forms of
7 retirement. Thereafter, the minimum monthly benefit shall be
8 recomputed as provided in paragraph (5)(a). Application for
9 this minimum monthly benefit shall include certification by
10 the retired member that he or she is not receiving and is not
11 entitled to receive social security benefits and shall include
12 written authorization for the division ~~Department of~~
13 ~~Management Services~~ to have access to information from the
14 Federal Social Security Administration concerning the member's
15 entitlement to or eligibility for social security benefits.
16 The minimum benefit provided by this paragraph shall not be
17 paid unless and until the application requirements of this
18 paragraph are satisfied.

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

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

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

12 112.363 Retiree health insurance subsidy.--

13 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
14 SUBSIDY.--

15 (a) A person who is retired under a state-administered
16 retirement system, or a beneficiary who is a spouse or
17 financial dependent entitled to receive benefits under a
18 state-administered retirement system, is eligible for health
19 insurance subsidy payments provided under this section; except
20 that pension recipients under ss. 121.40, 238.07(16)(a), and
21 250.22, recipients of health insurance coverage under s.
22 110.1232, or any other special pension or relief act shall not
23 be eligible for such payments.

24 (b) For purposes of this section, a person is deemed
25 retired from a state-administered retirement system when he or
26 she terminates employment with all employers participating in
27 the Florida Retirement System as described in s. 121.021(39)
28 and:

29 1. For a participant of the Public Employee Optional
30 Retirement Program established under part II of chapter 121,
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1 the participant meets the age or service requirements to
2 qualify for normal retirement as set forth in s. 121.021(29).

3 2. For a member of the Florida Retirement System
4 defined benefit program, or any employee who maintains
5 creditable service under both the defined benefit program and
6 the Public Employee Optional Retirement Program, the member
7 begins drawing retirement benefits from the defined benefit
8 program of the Florida Retirement System.

9 (c)1. Effective July 1, 2001, any person retiring on
10 or after such date as a member of the Florida Retirement
11 System, including any participant of the defined contribution
12 program administered pursuant to part II of chapter 121, must
13 have satisfied the vesting requirements for his or her
14 membership class under the Florida Retirement System defined
15 benefit program as administered under part I of chapter 121.

16 2. Notwithstanding the provisions of subparagraph 1.,
17 a person retiring due to disability must either qualify for a
18 regular or in-line-of-duty disability benefit as provided in
19 s. 121.091(4) or qualify for a disability benefit under a
20 disability plan established under part II of chapter 121, as
21 appropriate.

22 (d) Payment of the retiree health insurance subsidy
23 shall be made only after coverage for health insurance for the
24 retiree or beneficiary has been certified in writing to the
25 division ~~Department of Management Services~~. Participation in a
26 former employer's group health insurance program is not a
27 requirement for eligibility under this section.

28 (e) Participants in the Senior Management Service
29 Optional Annuity Program as provided in s. 121.055(6) and the
30 State University System Optional Retirement Program as
31 provided in s. 121.35 shall not receive the retiree health

1 insurance subsidy provided in this section. The employer of
2 such participant shall pay the contributions required in
3 subsection (8) to the annuity program provided in s.
4 121.055(6)(d) or s. 121.35(4)(a), as applicable.

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

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

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

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

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

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

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

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

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5 Such contributions shall be submitted to the division
6 ~~Department of Management Services~~ and deposited in the Retiree
7 Health Insurance Subsidy Trust Fund.

8 Section 14. Subsection (10) is added to section
9 112.625, Florida Statutes, to read:

10 112.625 Definitions.--As used in this act:

11 (10) "Division" means the Division of Retirement of
12 the State Board of Administration.

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

15 112.63 Actuarial reports and statements of actuarial
16 impact; review.--

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

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1 valuations necessary to comply with the requirements of ss.
2 11.45 and 218.32.

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

1 favor of the local retirement system and the division
2 ~~department~~ performs an actuarial review, the cost to the
3 division ~~department~~ of performing the actuarial review shall
4 be paid by the division ~~department~~.

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

7 112.64 Administration of funds; amortization of
8 unfunded liability.--

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

20 Section 17. Subsections (1) and (3) of section
21 112.658, Florida Statutes, are amended to read:

22 112.658 Office of Program Policy Analysis and
23 Government Accountability to determine compliance of the
24 Florida Retirement System.--

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

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1 (3) The Office of Program Policy Analysis and
2 Government Accountability shall employ the same actuarial
3 standards to monitor the division ~~Department of Management~~
4 ~~Services~~ as the division ~~Department of Management Services~~
5 uses to monitor local governments.

6 Section 18. Subsections (9), (16), and (17) of section
7 112.661, Florida Statutes, are amended to read:

8 112.661 Investment policies.--Investment of the assets
9 of any local retirement system or plan must be consistent with
10 a written investment policy adopted by the board. Such
11 policies shall be structured to maximize the financial return
12 to the retirement system or plan consistent with the risks
13 incumbent in each investment and shall be structured to
14 establish and maintain an appropriate diversification of the
15 retirement system or plan's assets.

16 (9) EXPECTED ANNUAL RATE OF RETURN.--The investment
17 policy shall require that, for each actuarial valuation, the
18 board determine the total expected annual rate of return for
19 the current year, for each of the next several years, and for
20 the long term thereafter. This determination must be filed
21 promptly with the division ~~Department of Management Services~~
22 and with the plan's sponsor and the consulting actuary. The
23 department shall use this determination only to notify the
24 board, the plan's sponsor, and consulting actuary of material
25 differences between the total expected annual rate of return
26 and the actuarial assumed rate of return.

27 (16) FILING OF INVESTMENT POLICY.--Upon adoption by
28 the board, the investment policy shall be promptly filed with
29 the division ~~Department of Management Services~~ and the plan's
30 sponsor and consulting actuary. The effective date of the
31 investment policy, and any amendment thereto, shall be the

1 31st calendar day following the filing date with the plan
2 sponsor.

3 (17) VALUATION OF ILLIQUID INVESTMENTS.--The
4 investment policy shall provide for the valuation of illiquid
5 investments for which a generally recognized market is not
6 available or for which there is no consistent or generally
7 accepted pricing mechanism. If those investments are utilized,
8 the investment policy must include the criteria set forth in
9 s. 215.47(6), except that submission to the Investment
10 Advisory Council is not required. The investment policy shall
11 require that, for each actuarial valuation, the board must
12 verify the determination of the fair market value for those
13 investments and ascertain that the determination complies with
14 all applicable state and federal requirements. The investment
15 policy shall require that the board disclose to the division
16 ~~Department of Management Services~~ and the plan's sponsor each
17 such investment for which the fair market value is not
18 provided.

19 Section 19. Section 112.665, Florida Statutes, is
20 amended to read:

21 112.665 Duties of Division of Retirement ~~Department of~~
22 ~~Management Services~~.--

23 (1) The Division of Retirement ~~Department of~~
24 ~~Management Services~~ shall:

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

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1 (b) Receive and comment upon all actuarial reviews of
2 retirement systems or plans maintained by units of local
3 government;

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

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

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

21 (f) Adopt reasonable rules to administer the
22 provisions of this part.

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

27 Section 20. Subsections (4), (5), and (32) and
28 paragraph (a) of subsection (39) of section 121.021, Florida
29 Statutes, are amended to read:

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1 121.021 Definitions.--The following words and phrases
2 as used in this chapter have the respective meanings set forth
3 unless a different meaning is plainly required by the context:

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

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

9 (32) "State agency" means the Division of Retirement
10 ~~Department of Management Services~~ within the provisions and
11 contemplation of chapter 650.

12 (39)(a) "Termination" occurs, except as provided in
13 paragraph (b), when a member ceases all employment
14 relationships with employers under this system, as defined in
15 subsection (10), but in the event a member should be employed
16 by any such employer within the next calendar month,
17 termination shall be deemed not to have occurred. A leave of
18 absence shall constitute a continuation of the employment
19 relationship, except that a leave of absence without pay due
20 to disability may constitute termination for a member, if such
21 member makes application for and is approved for disability
22 retirement in accordance with s. 121.091(4). The division
23 ~~department~~ may require other evidence of termination as it
24 deems necessary.

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

27 121.025 Administrator; powers and duties.--The
28 director ~~secretary~~ of the Division of Retirement ~~Department of~~
29 ~~Management Services~~ shall be the administrator of the
30 retirement and pension systems assigned or transferred to the
31 division ~~Department of Management Services~~ by law and shall

1 have the authority to sign the contracts necessary to carry
2 out the duties and responsibilities assigned by law to the
3 division ~~Department of Management Services~~.

4 Section 22. Subsections (1) and (2), paragraph (e) of
5 subsection (3), and subsection (5) of section 121.031, Florida
6 Statutes, are amended to read:

7 121.031 Administration of system; appropriation;
8 oaths; actuarial studies; public records.--

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

18 (2) The division ~~Department of Management Services~~ is
19 authorized to require oaths, by affidavit or otherwise, and
20 acknowledgments from persons in connection with the
21 administration of its duties and responsibilities under this
22 chapter.

23 (3) The administrator shall cause an actuarial study
24 of the system to be made at least annually and shall report
25 the results of such study to the Legislature by December 31
26 prior to the next legislative session. The study shall, at a
27 minimum, conform to the requirements of s. 112.63, with the
28 following exceptions and additions:

29 (e) The study shall include measures of funding status
30 and funding progress designed to facilitate the assessment of
31 trends over several actuarial valuations with respect to the

1 overall solvency of the system. Such measures shall be adopted
2 by the division ~~department~~ and shall be used consistently in
3 all actuarial valuations performed on the system.

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

20 Section 23. Paragraph (c) of subsection (1) and
21 paragraphs (b) and (f) of subsection (2) of section 121.051,
22 Florida Statutes, are amended to read:

23 121.051 Participation in the system.--

24 (1) COMPULSORY PARTICIPATION.--

25 (c)1. After June 30, 1983, a member of an existing
26 system who is reemployed after terminating employment shall
27 have at the time of reemployment the option of selecting to
28 remain in the existing retirement system or to transfer to the
29 Florida Retirement System. Failure to submit such selection
30 in writing to the division ~~Department of Management Services~~
31

1 within 6 months of reemployment shall result in compulsory
2 membership in the Florida Retirement System.

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

11 (2) OPTIONAL PARTICIPATION.--

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

1 requirement, the division ~~department~~ may require that the
2 effective date of coverage be changed.

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

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

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

28 5. Subject to the conditions set forth in subparagraph
29 6., the governing body of any hospital licensed under chapter
30 395 which is governed by the board of a special district as
31 defined in s. 189.403(1) or by the board of trustees of a

1 public health trust created under s. 154.07, hereinafter
2 referred to as "hospital district," and which participates in
3 the system, may elect to cease participation in the system
4 with regard to future employees in accordance with the
5 following procedure:

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

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

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

27 d. Upon meeting all applicable requirements of this
28 subparagraph, and subject to the conditions set forth in
29 subparagraph 6., partial withdrawal from the system and
30 adoption of the alternative retirement plan may be
31 accomplished by resolution duly adopted by the hospital

1 district board. The hospital district board must provide
2 written notice of such withdrawal to the division by mailing a
3 copy of the resolution to the division, postmarked no later
4 than December 15, 1995. The withdrawal shall take effect
5 January 1, 1996.

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

18 (f)1. Whenever an employer that participates in the
19 Florida Retirement System undertakes the transfer, merger, or
20 consolidation of governmental services or functions, the
21 employer must notify the division ~~department~~ at least 60 days
22 prior to such action and shall provide documentation as
23 required by the division ~~department~~.

24 2. When the agency to which a member's employing unit
25 is transferred, merged, or consolidated does not participate
26 in the Florida Retirement System, a member shall elect in
27 writing to remain in the Florida Retirement System or to
28 transfer to the local retirement system operated by such
29 agency. If such agency does not participate in a local
30 retirement system, the member shall continue membership in the
31 Florida Retirement System. In either case, the membership

1 shall continue for as long as the member is employed by the
2 agency to which his or her unit was transferred, merged, or
3 consolidated.

4 Section 24. Subsection (2) of section 121.0511,
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 25. 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.--

21 (3) PROCEDURE FOR DESIGNATING.--

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

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

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

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

30 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member
31 who is a special risk member on October 1, 1978, and who fails

1 to meet the criteria for special risk membership established
2 by this section shall have his or her special risk designation
3 removed and thereafter shall be a regular member and shall
4 earn only regular membership credit. The division ~~department~~
5 shall have the authority to review the special risk
6 designation of members to determine whether or not those
7 members continue to meet the criteria for special risk
8 membership.

9 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT
10 DATE.--

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

13 Section 26. Paragraph (e) of subsection (3) of section
14 121.052, Florida Statutes, is amended to read:

15 121.052 Membership class of elected officers.--

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

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

1 Section 27. Paragraphs (b) and (h) of subsection (1)
2 and paragraphs (a), (c), (d), and (f) of subsection (6) of
3 section 121.055, Florida Statutes, are amended to read:

4 121.055 Senior Management Service Class.--There is
5 hereby established a separate class of membership within the
6 Florida Retirement System to be known as the "Senior
7 Management Service Class," which shall become effective
8 February 1, 1987.

9 (1)

10 (b)1. Except as provided in subparagraph 2., effective
11 January 1, 1990, participation in the Senior Management
12 Service Class shall be compulsory for the president of each
13 community college, the manager of each participating city or
14 county, and all appointed district school superintendents.

15 Effective January 1, 1994, additional positions may be
16 designated for inclusion in the Senior Management Service
17 Class of the Florida Retirement System, provided that:

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

24 b. Up to 10 nonelective full-time positions may be
25 designated for each local agency employer reporting to the
26 division ~~Department of Management Services~~; for local agencies
27 with 100 or more regularly established positions, additional
28 nonelective full-time positions may be designated, not to
29 exceed 1 percent of the regularly established positions within
30 the agency.

31

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

6 (I) Heads an organizational unit; or

7 (II) Has responsibility to effect or recommend
8 personnel, budget, expenditure, or policy decisions in his or
9 her areas of responsibility.

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

23 (h)1. Except as provided in subparagraph 3., effective
24 January 1, 1994, participation in the Senior Management
25 Service Class shall be compulsory for the State Courts
26 Administrator and the Deputy State Courts Administrators, the
27 Clerk of the Supreme Court, the Marshal of the Supreme Court,
28 the Executive Director of the Justice Administrative
29 Commission, the Capital Collateral Regional Counsels, the
30 clerks of the district courts of appeals, the marshals of the
31 district courts of appeals, and the trial court administrator

1 in each judicial circuit. Effective January 1, 1994,
2 additional positions in the offices of the state attorney and
3 public defender in each judicial circuit may be designated for
4 inclusion in the Senior Management Service Class of the
5 Florida Retirement System, provided that:

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

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

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

25 (I) Heads an organizational unit; or

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

29 2. Participation in this class shall be compulsory,
30 except as provided in subparagraph 3., for any judicial
31 employee who holds a position designated for coverage in the

1 Senior Management Service Class, and such participation shall
2 continue until the employee terminates employment in a covered
3 position. Effective January 1, 2001, participation in this
4 class is compulsory for assistant state attorneys, assistant
5 statewide prosecutors, assistant public defenders, and
6 assistant capital collateral regional counsels.

7 3. In lieu of participation in the Senior Management
8 Service Class, such members, excluding assistant state
9 attorneys, assistant public defenders, assistant statewide
10 prosecutors, and assistant capital collateral regional
11 counsels, may participate in the Senior Management Service
12 Optional Annuity Program as established in subsection (6).

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

31

1 which shall be fully and immediately vested in the
2 participants.

3 (c) Participation.--

4 1. Any eligible employee who is employed on or before
5 February 1, 1987, may elect to participate in the optional
6 annuity program in lieu of participation in the Senior
7 Management Service Class. Such election shall be made in
8 writing and filed with the division ~~department~~ and the
9 personnel officer of the employer on or before May 1, 1987.
10 Any eligible employee who is employed on or before February 1,
11 1987, and who fails to make an election to participate in the
12 optional annuity program by May 1, 1987, shall be deemed to
13 have elected membership in the Senior Management Service
14 Class.

15 2. Any employee who becomes eligible to participate in
16 the optional annuity program by reason of initial employment
17 commencing after February 1, 1987, may, within 90 days after
18 the date of commencement of employment, elect to participate
19 in the optional annuity program. Such election shall be made
20 in writing and filed with the personnel officer of the
21 employer. Any eligible employee who does not within 90 days
22 after commencement of such employment elect to participate in
23 the optional annuity program shall be deemed to have elected
24 membership in the Senior Management Service Class.

25 3. A person who is appointed to a position in the
26 Senior Management Service Class and who is a member of an
27 existing retirement system or the Special Risk or Special Risk
28 Administrative Support Classes of the Florida Retirement
29 System may elect to remain in such system or class in lieu of
30 participation in the Senior Management Service Class or
31 optional annuity program. Such election shall be made in

1 writing and filed with the division ~~department~~ and the
2 personnel officer of the employer within 90 days of such
3 appointment. Any eligible employee who fails to make an
4 election to participate in the existing system, the Special
5 Risk Class of the Florida Retirement System, the Special Risk
6 Administrative Support Class of the Florida Retirement System,
7 or the optional annuity program shall be deemed to have
8 elected membership in the Senior Management Service Class.

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

14 (d) Contributions.--

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

1 2. Each employer shall contribute on behalf of each
2 participant in the Senior Management Service Optional Annuity
3 Program an amount equal to the unfunded actuarial accrued
4 liability portion of the employer contribution which would be
5 required for members of the Senior Management Service Class in
6 the Florida Retirement System. This contribution shall be paid
7 to the division ~~department~~ for transfer to the Florida
8 Retirement System Trust Fund.

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

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

23 5. Each participant in the Senior Management Service
24 Optional Annuity Program may contribute by way of salary
25 reduction or deduction a percentage amount of the
26 participant's gross compensation not to exceed the percentage
27 amount contributed by the employer to the optional annuity
28 program. Payment of the participant's contributions shall be
29 made by the employer to the division ~~department~~, which shall
30 forward the contributions to the designated company or
31

1 companies contracting for payment of benefits for the
2 participant under the program.

3 (f) Administration.--

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

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

28 3. The provisions of each contract applicable to a
29 participant in the Senior Management Service Optional Annuity
30 Program shall be contained in a written program description
31 which shall include a report of pertinent financial and

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

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

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

14 121.071 Contributions.--Contributions to the system
15 shall be made as follows:

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

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

25 Section 29. Paragraph (h) of subsection (1) and
26 paragraph (e) of subsection (2) of section 121.081, Florida
27 Statutes, are amended to read:

28 121.081 Past service; prior service;
29 contributions.--Conditions under which past service or prior
30 service may be claimed and credited are:

31 (1)

1 (h) The following provisions apply to the purchase of
2 past service:

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

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

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

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

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

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

1 any contributions paid by an employer for past service credit
2 earned on and after October 1, 1975, may not be posted to a
3 member's account.

4 b. A refund of contributions payable after an employer
5 has made a written agreement to purchase past service for
6 employees of the covered group shall include contributions for
7 past service which are posted to a member's account. However,
8 contributions for past service earned on and after October 1,
9 1975, are not refundable.

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

26 (e) For service performed under the Florida Retirement
27 System after December 1, 1970, that was never reported to the
28 division ~~or the department~~ due to error, retirement credit may
29 be claimed by a member of the Florida Retirement System. The
30 division ~~department~~ shall adopt rules establishing criteria

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1 for claiming such credit and detailing the documentation
2 required to substantiate the error.

3 Section 30. Subsection (1) of section 121.085, Florida
4 Statutes, is amended to read:

5 121.085 Creditable service.--The following provisions
6 shall apply to creditable service as defined in s.
7 121.021(17):

8 (1) The division ~~department~~ shall adopt rules
9 establishing procedures for the submission of evidence or
10 information necessary to establish a member's claim of
11 creditable service.

12 Section 31. Section 121.091, Florida Statutes, is
13 amended to read:

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

28 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
29 her normal retirement date, the member, upon application to
30 the administrator, shall receive a monthly benefit which shall
31 begin to accrue on the first day of the month of retirement

1 and be payable on the last day of that month and each month
2 thereafter during his or her lifetime. The normal retirement
3 benefit, including any past or additional retirement credit,
4 may not exceed 100 percent of the average final compensation.
5 The amount of monthly benefit shall be calculated as the
6 product of A and B, subject to the adjustment of C, if
7 applicable, as set forth below:

8 (a)1. For creditable years of Regular Class service, A
9 is 1.60 percent of the member's average final compensation, up
10 to the member's normal retirement date. Upon completion of the
11 first year after the normal retirement date, A is 1.63 percent
12 of the member's average final compensation. Following the
13 second year after the normal retirement date, A is 1.65
14 percent of the member's average final compensation. Following
15 the third year after the normal retirement date, and for
16 subsequent years, A is 1.68 percent of the member's average
17 final compensation.

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

19 a. Two percent of the member's average final
20 compensation for all creditable years prior to October 1,
21 1974;

22 b. Three percent of the member's average final
23 compensation for all creditable years after September 30,
24 1974, and before October 1, 1978;

25 c. Two percent of the member's average final
26 compensation for all creditable years after September 30,
27 1978, and before January 1, 1989;

28 d. Two and two-tenths percent of the member's final
29 monthly compensation for all creditable years after December
30 31, 1988, and before January 1, 1990;

31

1 e. Two and four-tenths percent of the member's average
2 final compensation for all creditable years after December 31,
3 1989, and before January 1, 1991;

4 f. Two and six-tenths percent of the member's average
5 final compensation for all creditable years after December 31,
6 1990, and before January 1, 1992;

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

10 h. Three percent of the member's average final
11 compensation for all creditable years after December 31, 1992;
12 and

13 i. Three percent of the member's average final
14 compensation for all creditable years of service after
15 September 30, 1978, and before January 1, 1993, for any
16 special risk member who retires after July 1, 2000, or any
17 member of the Special Risk Administrative Support Class
18 entitled to retain the special risk normal retirement date who
19 was a member of the Special Risk Class during the time period
20 and who retires after July 1, 2000.

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

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

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

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

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

19 (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT
20 AGES.--If a member accumulates retirement benefits to commence
21 at different normal retirement ages by virtue of having
22 performed duties for an employer which would entitle him or
23 her to benefits as both a member of the Special Risk Class and
24 a member of either the Regular Class, Senior Management
25 Service Class, or Elected Officers' Class, the amount of
26 benefits payable shall be computed separately with respect to
27 each such age and the sum of such computed amounts shall be
28 paid as provided in this section.

29 (3) EARLY RETIREMENT BENEFIT.--Upon retirement on his
30 or her early retirement date, the member shall receive an
31 immediate monthly benefit that shall begin to accrue on the

1 first day of the month of the retirement date and be payable
2 on the last day of that month and each month thereafter during
3 his or her lifetime. Such benefit shall be calculated as
4 follows:

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

18 (b) If the employment of a member is terminated by
19 reason of death subsequent to the completion of 20 years of
20 creditable service, the monthly benefit payable to the
21 member's beneficiary shall be calculated in accordance with
22 subsection (1), but shall be based on average monthly
23 compensation and creditable service as of the date of death.
24 The benefit so computed shall be reduced by five-twelfths of 1
25 percent for each complete month by which death precedes the
26 normal retirement date specified above or the date on which
27 the member would have attained 30 years of creditable service
28 had he or she survived and continued his or her employment,
29 whichever provides a higher benefit.

30 (4) DISABILITY RETIREMENT BENEFIT.--
31

1 (a) Disability retirement; entitlement and effective
2 date.--

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

21 b. Effective July 1, 2001, a member of the defined
22 benefit retirement program who becomes totally and permanently
23 disabled, as defined in paragraph (b), after completing 8
24 years of creditable service, or a member who becomes totally
25 and permanently disabled in the line of duty regardless of
26 service, shall be entitled to a monthly disability benefit.

27 2. If the division has received from the employer the
28 required documentation of the member's termination of
29 employment, the effective retirement date for a member who
30 applies and is approved for disability retirement shall be
31 established by rule of the division.

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

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

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

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

22 2. It must be documented that:

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

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

28 c. The member has not been employed with any other
29 employer after such termination.

30 3. If the application is for in-line-of-duty
31 disability, in addition to the requirements of subparagraph

1 2., it must be documented by competent medical evidence that
2 the disability was caused by a job-related illness or accident
3 which occurred while the member was in an employee/employer
4 relationship with his or her employer.

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

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

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

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

22
23 Before such regular or early retirement benefits may be paid
24 by the division, the member must provide to the division a
25 written statement indicating that the member understands that
26 such changes are not permitted after he or she begins
27 receiving the benefits.

28 (e) Disability retirement benefit.--Upon the
29 retirement of a member on his or her disability retirement
30 date, the member shall receive a monthly benefit that shall
31 begin to accrue on the first day of the month of disability

1 retirement and shall be payable on the last day of that month
2 and each month thereafter during his or her lifetime and
3 continued disability.

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

12 1. If the member's disability occurred in the line of
13 duty, the monthly Option 1 benefit shall not be less than:

14 a. Forty-two percent of average monthly compensation
15 as of the disability retirement date; or

16 b. Sixty-five percent of the average monthly
17 compensation as of the disability retirement date for a member
18 of the special risk class who retires on or after July 1,
19 2000; or

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

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

1 (h) Recovery from disability.--The administrator may
2 require periodic reexaminations at the expense of the
3 retirement fund. The division may adopt rules establishing
4 procedures for conducting and review of such reexaminations.

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

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

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

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

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

30 c. Reenters employment of an employer within 6 months
31 after recovery, the member's service will be deemed to have

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

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

29 | 2. Both the member receiving disability benefits who
30 | reenters employment and the employer employing such disability
31 | retiree shall notify the division immediately upon

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

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

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

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

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

31

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

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

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

9 3. Intentional, self-inflicted injury.

10 (j) Disability retirement of justice or judge by order
11 of Supreme Court.--

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

26 2. Should any justice or judge who is a member of the
27 Florida Retirement System be retired for disability by order
28 of the Supreme Court upon recommendation of the Judicial
29 Qualifications Commission pursuant to the provisions of Art. V
30 of the State Constitution, then all contributions to his or
31 her account and all contributions made on his or her behalf by

1 the employer shall be transferred to and deposited in the
2 General Revenue Fund of the state, and there is hereby
3 appropriated annually out of the General Revenue Fund, to be
4 paid into the Florida Retirement System Fund, an amount
5 necessary to pay the benefits of all justices and judges
6 retired from the Florida Retirement System pursuant to Art. V
7 of the State Constitution.

8 (5) TERMINATION BENEFITS.--A member whose employment
9 is terminated prior to retirement retains membership rights to
10 previously earned member-noncontributory service credit, and
11 to member-contributory service credit, if the member leaves
12 the member contributions on deposit in his or her retirement
13 account. If a terminated member receives a refund of member
14 contributions, such member may reinstate membership rights to
15 the previously earned service credit represented by the refund
16 by completing 1 year of creditable service and repaying the
17 refunded member contributions, plus interest.

18 (a) A member whose employment is terminated for any
19 reason other than death or retirement prior to becoming vested
20 is entitled to the return of his or her accumulated
21 contributions as of the date of termination.

22 (b) A member whose employment is terminated for any
23 reason other than death or retirement after becoming vested
24 may elect to receive a deferred monthly benefit which shall
25 begin to accrue on the first day of the month of normal or
26 early retirement and shall be payable on the last day of that
27 month and each month thereafter during his or her lifetime.
28 The amount of monthly benefit shall be computed in the same
29 manner as for a normal retirement benefit in accordance with
30 subsection (1) or early retirement benefit in accordance with
31

1 s. 121.021(30), but based on average monthly compensation and
2 creditable service as of the date of termination.

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

7 (d) If any retired member dies without having received
8 in benefit payments an amount equal to his or her accumulated
9 contributions, there shall be payable to his or her designated
10 beneficiary an amount equal to the excess, if any, of the
11 member's accumulated contributions over the total monthly
12 payments made to the member prior to the date of death.

13 (e) A member shall be deemed a terminated member when
14 termination of employment has occurred as provided in s.
15 121.021(39).

16 (f) Any member who has been found guilty by a verdict
17 of a jury, or by the court trying the case without a jury, of
18 committing, aiding, or abetting any embezzlement or theft from
19 his or her employer, bribery in connection with the
20 employment, or other felony specified in chapter 838, except
21 ss. 838.15 and 838.16, committed prior to retirement, or who
22 has entered a plea of guilty or of nolo contendere to such
23 crime, or any member whose employment is terminated by reason
24 of the member's admitted commitment, aiding, or abetting of an
25 embezzlement or theft from his or her employer, bribery, or
26 other felony specified in chapter 838, except ss. 838.15 and
27 838.16, shall forfeit all rights and benefits under this
28 chapter, except the return of his or her accumulated
29 contributions as of the date of termination.

30 (g) Any elected official who is convicted by the
31 Senate of an impeachable offense shall forfeit all rights and

1 benefits under this chapter, except the return of his or her
2 accumulated contributions as of the date of the conviction.

3 (h) Any member who, prior to retirement, is adjudged
4 by a court of competent jurisdiction to have violated any
5 state law against strikes by public employees, or who has been
6 found guilty by such court of violating any state law
7 prohibiting strikes by public employees, shall forfeit all
8 rights and benefits under this chapter, except the return of
9 his or her accumulated contributions as of the date of the
10 conviction.

11 (i) Any beneficiary who by a verdict of a jury or by
12 the court trying the case without a jury is found guilty, or
13 who has entered a plea of guilty or nolo contendere, of
14 unlawfully and intentionally killing or procuring the death of
15 the member forfeits all rights to the deceased member's
16 benefits under this chapter, and the benefits will be paid as
17 if such beneficiary had predeceased the decedent.

18 (j) Benefits shall not be paid by the division pending
19 final resolution of such charges against a member or
20 beneficiary if the resolution of such charges could require
21 the forfeiture of benefits as provided in paragraph (f),
22 paragraph (g), paragraph (h), or paragraph (i).

23 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND
24 DISABILITY RETIREMENT BENEFITS.--

25 (a) Prior to the receipt of the first monthly
26 retirement payment, a member shall elect to receive the
27 retirement benefits to which he or she is entitled under
28 subsection (1), subsection (2), subsection (3), or subsection
29 (4) in accordance with one of the following options:

30 1. The maximum retirement benefit payable to the
31 member during his or her lifetime.

1 2. A decreased retirement benefit payable to the
2 member during his or her lifetime and, in the event of his or
3 her death within a period of 10 years after retirement, the
4 same monthly amount payable for the balance of such 10-year
5 period to his or her beneficiary or, in case the beneficiary
6 is deceased, in accordance with subsection (8) as though no
7 beneficiary had been named.

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

13 4. A decreased retirement benefit payable during the
14 joint lifetime of the member and his or her joint annuitant
15 and which, after the death of either, shall continue during
16 the lifetime of the survivor in an amount equal to 66 2/3
17 percent of the amount that was payable during the joint
18 lifetime of the member and his or her joint annuitant, subject
19 to the provisions of subsection (12).

20
21 The spouse of any member who elects to receive the benefit
22 provided under subparagraph 1. or subparagraph 2. shall be
23 notified of and shall acknowledge any such election. The
24 division shall establish by rule a method for selecting the
25 appropriate actuarial factor for optional forms of benefits
26 selected under subparagraphs 3. and 4., based on the age of
27 the member and the joint annuitant.

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

1 (c) A member who elects the option in subparagraph
2 (a)2. shall, in accordance with subsection (8), designate one
3 or more persons to receive the benefits payable in the event
4 of his or her death. Such persons shall be the beneficiaries
5 of the member. The member may also designate one or more
6 contingent beneficiaries to receive any benefits remaining
7 upon the death of the primary beneficiary.

8 (d) A member who elects the option in subparagraph
9 (a)3. or subparagraph (a)4. shall, on a form provided for that
10 purpose, designate a joint annuitant to receive the benefits
11 which continue to be payable upon the death of the member.
12 After benefits have commenced under the option in subparagraph
13 (a)3. or subparagraph (a)4., the following shall apply:

14 1. A retired member may change his or her designation
15 of a joint annuitant only twice. If such a retired member
16 desires to change his or her designation of a joint annuitant,
17 he or she shall file with the division a notarized "change of
18 joint annuitant" form and shall notify the former joint
19 annuitant in writing of such change. Effective the first day
20 of the next month following receipt by the division of a
21 completed change of joint annuitant form, the division shall
22 adjust the member's monthly benefit by the application of
23 actuarial tables and calculations developed to ensure that the
24 benefit paid is the actuarial equivalent of the present value
25 of the member's current benefit. The consent of a retired
26 member's first designated joint annuitant to any such change
27 shall not be required. However, if either the member or the
28 joint annuitant dies before the effective date of the request
29 for change of joint annuitant, the requested change shall be
30 void, and survivor benefits, if any, shall be paid as if no
31 request had been made.

1 2. In the event of the dissolution of marriage of a
2 retired member and a joint annuitant, such member may make an
3 election to nullify the joint annuitant designation of the
4 former spouse, unless there is an existing qualified domestic
5 relations order preventing such action. The member shall file
6 with the division a written, notarized nullification which
7 shall be effective on the first day of the next month
8 following receipt by the division. Benefits shall be paid as
9 if the former spouse predeceased the member. A member who
10 makes such an election may not reverse the nullification but
11 may designate a new joint annuitant in accordance with
12 subparagraph 1.

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

15 (f) A member who elects to receive benefits under the
16 option in subparagraph (a)3. may designate one or more
17 qualified persons, either a spouse or other dependent, as his
18 or her joint annuitant to receive the benefits after the
19 member's death in whatever proportion he or she so assigns to
20 each person named as joint annuitant. The division shall adopt
21 appropriate actuarial tables and calculations necessary to
22 ensure that the benefit paid is the actuarial equivalent of
23 the benefit to which the member is otherwise entitled under
24 the option in subparagraph (a)1.

25 (g) Upon the death of a retired member or beneficiary
26 receiving monthly benefits under this chapter, the monthly
27 benefits shall be paid through the last day of the month of
28 death and shall terminate, or be adjusted, if applicable, as
29 of that date in accordance with the optional form of benefit
30 selected at the time of retirement.

31

1 (h) The option selected or determined for payment of
2 benefits as provided in this section shall be final and
3 irrevocable at the time a benefit payment is cashed or
4 deposited or credited to the Deferred Retirement Option
5 Program as provided in subsection (13).

6 (7) DEATH BENEFITS.--

7 (a) If the employment of a member is terminated by
8 reason of his or her death prior to being vested, except as
9 provided in paragraph (f), there shall be payable to his or
10 her designated beneficiary the member's accumulated
11 contributions.

12 (b) If the employment of an active member who may or
13 may not have applied for retirement is terminated by reason of
14 his or her death subsequent to becoming vested and prior to
15 his or her effective date of retirement, if established, it
16 shall be assumed that the member retired as of the date of
17 death in accordance with subsection (1) if eligible for normal
18 retirement benefits, subsection (2) if eligible for benefits
19 payable for dual normal retirement, or subsection (3) if
20 eligible for early retirement benefits. Benefits payable to
21 the designated beneficiary shall be as follows:

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

26 2. For a beneficiary who does not qualify as a joint
27 annuitant, no continuing monthly benefit shall be paid and the
28 beneficiary shall be entitled only to the return of the
29 member's personal contributions. If there is no monetary
30 interest in the member's retirement account for which such
31 beneficiary is eligible, the beneficiary shall be the next

1 named beneficiary or, if no other beneficiary is named, the
2 beneficiary shall be the next eligible beneficiary according
3 to subsection (8).

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

8 1. For a designated beneficiary who qualifies as a
9 joint annuitant, benefits shall be paid in the optional form
10 of payment provided in subparagraph (6)(a)3. for the joint
11 annuitant's lifetime or, if the member chose the optional form
12 of payment provided in subparagraph (6)(a)2., the joint
13 annuitant may select the form provided in either subparagraph
14 (6)(a)2. or subparagraph (6)(a)3.

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

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

23 1. The surviving spouse of any member killed in the
24 line of duty may receive a monthly pension equal to one-half
25 of the monthly salary being received by the member at the time
26 of death for the rest of the surviving spouse's lifetime or,
27 if the member was vested, such surviving spouse may elect to
28 receive a benefit as provided in paragraph (b). Benefits
29 provided by this paragraph shall supersede any other
30 distribution that may have been provided by the member's
31 designation of beneficiary.

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

7 3. If a member killed in the line of duty leaves no
8 surviving spouse but is survived by a child or children under
9 18 years of age, the benefits provided by subparagraph 1.,
10 normally payable to a surviving spouse, shall be paid for the
11 use and benefit of such member's child or children under 18
12 years of age and unmarried until the 18th birthday of the
13 member's youngest child.

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

18 (e) The surviving spouse or other dependent of any
19 member, except a member who participated in the Deferred
20 Retirement Option Program, whose employment is terminated by
21 death shall, upon application to the administrator, be
22 permitted to pay the required contributions for any service
23 performed by the member which could have been claimed by the
24 member at the time of his or her death. Such service shall be
25 added to the creditable service of the member and shall be
26 used in the calculation of any benefits which may be payable
27 to the surviving spouse or other surviving dependent.

28 (f) Notwithstanding any other provisions in this
29 chapter to the contrary and upon application to the
30 administrator, an eligible joint annuitant, of a member whose
31 employment is terminated by death within 1 year of such member

1 satisfying the service requirements for vesting and retirement
2 eligibility, shall be permitted to purchase only the
3 additional service credit necessary to vest and qualify for
4 retirement benefits, not to exceed a total of 1 year of
5 credit, by one or a combination of the following methods:

6 1. Such eligible joint annuitant may use the deceased
7 member's accumulated hours of annual, sick, and compensatory
8 leave to purchase additional creditable service, on an hour by
9 hour basis, provided that such deceased member's accumulated
10 leave is sufficient to cover the additional months required.
11 For each month of service credit needed prior to the final
12 month, credit for the total number of work hours in that month
13 must be purchased, using an equal number of the deceased
14 member's accumulated leave hours. Service credit required for
15 the final month in which the deceased member would have become
16 vested shall be awarded upon the purchase of 1 hour of credit.
17 Such eligible joint annuitant shall pay the contribution rate
18 in effect for the period of time being claimed for the
19 deceased member's class of membership, multiplied by such
20 member's monthly salary at the time of death, plus 6.5 percent
21 interest compounded annually. The accumulated leave payment
22 used in the average final compensation shall not include that
23 portion of the payment that represents any leave hours used in
24 the purchase of such creditable service.

25 2. Such eligible joint annuitant may purchase
26 additional months of creditable service for any periods of
27 out-of-state service as provided in s. 121.1115, and in-state
28 service as provided in s. 121.1122, that the deceased member
29 would have been eligible to purchase prior to his or her
30 death.

31

1 Service purchased under this paragraph shall be added to the
2 creditable service of the member and used to vest for
3 retirement eligibility, and shall be used in the calculation
4 of any benefits which may be payable to the eligible joint
5 annuitant. Any benefits paid in accordance with this
6 paragraph shall only be made prospectively.

7 (g) Notwithstanding any other provisions in this
8 chapter to the contrary, if any member who is vested dies and
9 the surviving spouse receives a refund of the accumulated
10 contributions made to the retirement trust fund, such spouse
11 may pay to the Division of Retirement an amount equal to the
12 sum of the amount of the deceased member's accumulated
13 contributions previously refunded plus interest at 4 percent
14 compounded annually each June 30 from the date of refund until
15 July 1, 1975, and 6.5 percent interest compounded annually
16 thereafter, until full payment is made, and receive the
17 monthly retirement benefit as provided in paragraph (b).

18 (h) The designated beneficiary who is the surviving
19 spouse or other dependent of a member whose employment is
20 terminated by death subsequent to becoming vested, but prior
21 to actual retirement, may elect to receive a deferred monthly
22 benefit as if the member had lived and had elected a deferred
23 monthly benefit, as provided in paragraph (5)(b), calculated
24 on the basis of the average final compensation and creditable
25 service of the member at his or her death and the age the
26 member would have attained on the commencement date of the
27 deferred benefit elected by the beneficiary, paid in
28 accordance with option 3 of paragraph (6)(a).

29 (8) DESIGNATION OF BENEFICIARIES.--

30 (a) Each member may, on a form provided for that
31 purpose, signed and filed with the division, designate a

1 choice of one or more persons, named sequentially or jointly,
2 as his or her beneficiary who shall receive the benefits, if
3 any, which may be payable in the event of the member's death
4 pursuant to the provisions of this chapter. If no beneficiary
5 is named in the manner provided above, or if no beneficiary
6 designated by the member survives the member, the beneficiary
7 shall be the spouse of the deceased, if living. If the
8 member's spouse is not alive at his or her death, the
9 beneficiary shall be the living children of the member. If no
10 children survive, the beneficiary shall be the member's father
11 or mother, if living; otherwise, the beneficiary shall be the
12 member's estate. The beneficiary most recently designated by
13 a member on a form or letter filed with the division shall be
14 the beneficiary entitled to any benefits payable at the time
15 of the member's death, except that benefits shall be paid as
16 provided in paragraph (7)(d) when death occurs in the line of
17 duty. Notwithstanding any other provisions in this subsection
18 to the contrary, for a member who dies prior to his or her
19 effective date of retirement on or after January 1, 1999, the
20 spouse at the time of death shall be the member's beneficiary
21 unless such member designates a different beneficiary as
22 provided herein subsequent to the member's most recent
23 marriage.

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

31

1 (c) Notwithstanding the member's designation of
2 benefits to be paid through a trust to a beneficiary that is a
3 natural person as provided in s. 121.021(46), and
4 notwithstanding the provisions of the trust, benefits shall be
5 paid directly to the beneficiary if such person is no longer a
6 minor or incapacitated as defined in s. 744.102(10) and (11).

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

8 (a) Any person who is retired under this chapter,
9 except under the disability retirement provisions of
10 subsection (4), may be employed by an employer that does not
11 participate in a state-administered retirement system and may
12 receive compensation from that employment without limiting or
13 restricting in any way the retirement benefits payable to that
14 person.

15 (b)1. Any person who is retired under this chapter,
16 except under the disability retirement provisions of
17 subsection (4), may be reemployed by any private or public
18 employer after retirement and receive retirement benefits and
19 compensation from his or her employer without any limitations,
20 except that a person may not receive both a salary from
21 reemployment with any agency participating in the Florida
22 Retirement System and retirement benefits under this chapter
23 for a period of 12 months immediately subsequent to the date
24 of retirement. However, a DROP participant shall continue
25 employment and receive a salary during the period of
26 participation in the Deferred Retirement Option Program, as
27 provided in subsection (13).

28 2. Any person to whom the limitation in subparagraph
29 1. applies who violates such reemployment limitation and who
30 is reemployed with any agency participating in the Florida
31 Retirement System before completion of the 12-month limitation

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

20 3. A district school board may reemploy a retired
21 member as a substitute or hourly teacher, education
22 paraprofessional, transportation assistant, bus driver, or
23 food service worker on a noncontractual basis after he or she
24 has been retired for 1 calendar month, in accordance with s.
25 121.021(39). Any retired member who is reemployed within 1
26 calendar month after retirement shall void his or her
27 application for retirement benefits. District school boards
28 reemploying such teachers, education paraprofessionals,
29 transportation assistants, bus drivers, or food service
30 workers are subject to the retirement contribution required by
31 subparagraph 7. Reemployment of a retired member as a

1 substitute or hourly teacher, education paraprofessional,
2 transportation assistant, bus driver, or food service worker
3 is limited to 780 hours during the first 12 months of his or
4 her retirement. Any retired member reemployed for more than
5 780 hours during his or her first 12 months of retirement
6 shall give timely notice in writing to the employer and to the
7 division of the date he or she will exceed the limitation.
8 The division shall suspend his or her retirement benefits for
9 the remainder of the first 12 months of retirement. Any
10 person employed in violation of this subparagraph and any
11 employing agency which knowingly employs or appoints such
12 person without notifying the Division of Retirement to suspend
13 retirement benefits shall be jointly and severally liable for
14 reimbursement to the retirement trust fund of any benefits
15 paid during the reemployment limitation period. To avoid
16 liability, such employing agency shall have a written
17 statement from the retiree that he or she is not retired from
18 a state-administered retirement system. Any retirement
19 benefits received by a retired member while reemployed in
20 excess of 780 hours during the first 12 months of retirement
21 shall be repaid to the Retirement System Trust Fund, and his
22 or her retirement benefits shall remain suspended until
23 repayment is made. Benefits suspended beyond the end of the
24 retired member's first 12 months of retirement shall apply
25 toward repayment of benefits received in violation of the
26 780-hour reemployment limitation.

27 4. A community college board of trustees may reemploy
28 a retired member as an adjunct instructor, that is, an
29 instructor who is noncontractual and part-time, or as a
30 participant in a phased retirement program within the Florida
31 Community College System, after he or she has been retired for

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

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

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

5 6. The Board of Trustees of the Florida School for the
6 Deaf and the Blind may reemploy a retired member as a
7 substitute teacher, substitute residential instructor, or
8 substitute nurse on a noncontractual basis after he or she has
9 been retired for 1 calendar month, in accordance with s.
10 121.021(39). Any retired member who is reemployed within 1
11 calendar month after retirement shall void his or her
12 application for retirement benefits. The Board of Trustees of
13 the Florida School for the Deaf and the Blind reemploying such
14 teachers, residential instructors, or nurses is subject to the
15 retirement contribution required by subparagraph 7.
16 Reemployment of a retired member as a substitute teacher,
17 substitute residential instructor, or substitute nurse is
18 limited to 780 hours during the first 12 months of his or her
19 retirement. Any retired member reemployed for more than 780
20 hours during the first 12 months of retirement shall give
21 timely notice in writing to the employer and to the division
22 of the date he or she will exceed the limitation. The division
23 shall suspend his or her retirement benefits for the remainder
24 of the first 12 months of retirement. Any person employed in
25 violation of this subparagraph and any employing agency which
26 knowingly employs or appoints such person without notifying
27 the Division of Retirement to suspend retirement benefits
28 shall be jointly and severally liable for reimbursement to the
29 retirement trust fund of any benefits paid during the
30 reemployment limitation period. To avoid liability, such
31 employing agency shall have a written statement from the

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

11 7. The employment by an employer of any retiree or
12 DROP participant of any state-administered retirement system
13 shall have no effect on the average final compensation or
14 years of creditable service of the retiree or DROP
15 participant. Prior to July 1, 1991, upon employment of any
16 person, other than an elected officer as provided in s.
17 121.053, who has been retired under any state-administered
18 retirement program, the employer shall pay retirement
19 contributions in an amount equal to the unfunded actuarial
20 liability portion of the employer contribution which would be
21 required for regular members of the Florida Retirement System.
22 Effective July 1, 1991, contributions shall be made as
23 provided in s. 121.122 for retirees with renewed membership or
24 subsection (13) with respect to DROP participants.

25 8. Any person who has previously retired and who is
26 holding an elective public office or an appointment to an
27 elective public office eligible for the Elected Officers'
28 Class on or after July 1, 1990, shall be enrolled in the
29 Florida Retirement System as provided in s. 121.053(1)(b) or,
30 if holding an elective public office that does not qualify for
31 the Elected Officers' Class on or after July 1, 1991, shall be

1 enrolled in the Florida Retirement System as provided in s.
2 121.122, and shall continue to receive retirement benefits as
3 well as compensation for the elected officer's service for as
4 long as he or she remains in elective office. However, any
5 retired member who served in an elective office prior to July
6 1, 1990, suspended his or her retirement benefit, and had his
7 or her Florida Retirement System membership reinstated shall,
8 upon retirement from such office, have his or her retirement
9 benefit recalculated to include the additional service and
10 compensation earned.

11 9. Any person who is holding an elective public office
12 which is covered by the Florida Retirement System and who is
13 concurrently employed in nonelected covered employment may
14 elect to retire while continuing employment in the elective
15 public office, provided that he or she shall be required to
16 terminate his or her nonelected covered employment. Any
17 person who exercises this election shall receive his or her
18 retirement benefits in addition to the compensation of the
19 elective office without regard to the time limitations
20 otherwise provided in this subsection. No person who seeks to
21 exercise the provisions of this subparagraph, as the same
22 existed prior to May 3, 1984, shall be deemed to be retired
23 under those provisions, unless such person is eligible to
24 retire under the provisions of this subparagraph, as amended
25 by chapter 84-11, Laws of Florida.

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

30 11. From July 1, 1997, through December 31, 1998,
31 notwithstanding the limitations of this subsection, except

1 that any retiree who is reemployed within 1 calendar month
2 after retirement shall void his or her application for
3 retirement benefits, any retiree of the Florida Retirement
4 System may be reemployed by a covered employer during the 2nd
5 through 12th months of the reemployment limitation period
6 without suspending his or her retirement benefits, provided
7 that the reemployment is for the sole purpose of working on
8 the technical aspects of correcting or replacing the computer
9 systems and programs necessary to resolve the year 2000 date
10 problem for computing which confronts all public employers
11 covered by the Florida Retirement System.

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

19 (11) A member who becomes eligible to retire and has
20 accumulated the maximum benefit of 100 percent of average
21 final compensation may continue in active service, and, if
22 upon the member's retirement the member elects to receive a
23 retirement compensation pursuant to subsection (2), subsection
24 (6), or subsection (7), the actuarial equivalent percentage
25 factor applicable to the age of such member at the time the
26 member reached the maximum benefit and to the age, at that
27 time, of the member's spouse shall determine the amount of
28 benefits to be paid.

29 (12) SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN
30 SURVIVOR BENEFITS.--Notwithstanding any provision of this
31 chapter to the contrary, for members with an effective date of

1 retirement, or date of death if prior to retirement, on or
2 after January 1, 1996, the named joint annuitant, as defined
3 in s. 121.021(28)(b), who is eligible to receive benefits
4 under subparagraph (6)(a)3. or subparagraph (6)(a)4., shall
5 receive the maximum monthly retirement benefit that would have
6 been payable to the member under subparagraph (6)(a)1.;
7 however, payment of such benefit shall cease the month the
8 joint annuitant attains age 25 unless such joint annuitant is
9 disabled and incapable of self-support, in which case,
10 benefits shall cease when the joint annuitant is no longer
11 disabled. The administrator may require proof of disability
12 or continued disability in the same manner as is provided for
13 a member seeking or receiving a disability retirement benefit
14 under subsection (4).

15 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
16 and subject to the provisions of this section, the Deferred
17 Retirement Option Program, hereinafter referred to as the
18 DROP, is a program under which an eligible member of the
19 Florida Retirement System may elect to participate, deferring
20 receipt of retirement benefits while continuing employment
21 with his or her Florida Retirement System employer. The
22 deferred monthly benefits shall accrue in the System Trust
23 Fund on behalf of the participant, plus interest compounded
24 monthly, for the specified period of the DROP participation,
25 as provided in paragraph (c). Upon termination of employment,
26 the participant shall receive the total DROP benefits and
27 begin to receive the previously determined normal retirement
28 benefits. Participation in the DROP does not guarantee
29 employment for the specified period of DROP.

30 (a) Eligibility of member to participate in the
31 DROP.--All active Florida Retirement System members in a

1 regularly established position, and all active members of
2 either the Teachers' Retirement System established in chapter
3 238 or the State and County Officers' and Employees'
4 Retirement System established in chapter 122 which systems are
5 consolidated within the Florida Retirement System under s.
6 121.011, are eligible to elect participation in the DROP
7 provided that:

8 1. The member is not a renewed member of the Florida
9 Retirement System under s. 121.122, or a member of the State
10 Community College System Optional Retirement Program under s.
11 121.051, the Senior Management Service Optional Annuity
12 Program under s. 121.055, or the optional retirement program
13 for the State University System under s. 121.35.

14 2. Election to participate is made within 12 months
15 immediately following the date on which the member first
16 reaches normal retirement date, or, for a member who reaches
17 normal retirement date based on service before he or she
18 reaches age 62, or age 55 for Special Risk Class members,
19 election to participate may be deferred to the 12 months
20 immediately following the date the member attains 57, or age
21 52 for Special Risk Class members. For a member who first
22 reached normal retirement date or the deferred eligibility
23 date described above prior to the effective date of this
24 section, election to participate shall be made within 12
25 months after the effective date of this section. A member who
26 fails to make an election within such 12-month limitation
27 period shall forfeit all rights to participate in the DROP.
28 The member shall advise his or her employer and the division
29 in writing of the date on which the DROP shall begin. Such
30 beginning date may be subsequent to the 12-month election
31 period, but must be within the 60-month limitation period as

1 provided in subparagraph (b)1. When establishing eligibility
2 of the member to participate in the DROP or the 60-month
3 maximum participation period, the member may elect to include
4 or exclude any optional service credit purchased by the member
5 from the total service used to establish the normal retirement
6 date. A member with dual normal retirement dates shall be
7 eligible to elect to participate in DROP within 12 months
8 after attaining normal retirement date in either class.

9 3. The employer of a member electing to participate in
10 the DROP, or employers if dually employed, shall acknowledge
11 in writing to the division the date the member's participation
12 in the DROP begins and the date the member's employment and
13 DROP participation will terminate.

14 4. Simultaneous employment of a participant by
15 additional Florida Retirement System employers subsequent to
16 the commencement of participation in the DROP shall be
17 permissible provided such employers acknowledge in writing a
18 DROP termination date no later than the participant's existing
19 termination date or the 60-month limitation period as provided
20 in subparagraph (b)1.

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

23 a. A change of employment must take place without a
24 break in service so that the member receives salary for each
25 month of continuous DROP participation. If a member receives
26 no salary during a month, DROP participation shall cease
27 unless the employer verifies a continuation of the employment
28 relationship for such participant pursuant to s.
29 121.021(39)(b).

30
31

1 b. Such participant and new employer shall notify the
2 division on forms required by the division as to the identity
3 of the new employer.

4 c. The new employer shall acknowledge, in writing, the
5 participant's DROP termination date, which may be extended but
6 not beyond the original 60-month period provided in
7 subparagraph (b)1., shall acknowledge liability for any
8 additional retirement contributions and interest required if
9 the participant fails to timely terminate employment, and
10 shall be subject to the adjustment required in
11 sub-subparagraph (c)5.d.

12 (b) Participation in the DROP.--

13 1. An eligible member may elect to participate in the
14 DROP for a period not to exceed a maximum of 60 calendar
15 months immediately following the date on which the member
16 first reaches his or her normal retirement date or the date to
17 which he or she is eligible to defer his or her election to
18 participate as provided in subparagraph (a)2. However, a
19 member who has reached normal retirement date prior to the
20 effective date of the DROP shall be eligible to participate in
21 the DROP for a period of time not to exceed 60 calendar months
22 immediately following the effective date of the DROP, except a
23 member of the Special Risk Class who has reached normal
24 retirement date prior to the effective date of the DROP and
25 whose total accrued value exceeds 75 percent of average final
26 compensation as of his or her effective date of retirement
27 shall be eligible to participate in the DROP for no more than
28 36 calendar months immediately following the effective date of
29 the DROP.

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

- 1 a. A written election to participate in the DROP;
- 2 b. Selection of the DROP participation and termination
3 dates, which satisfy the limitations stated in paragraph (a)
4 and subparagraph 1. Such termination date shall be in a
5 binding letter of resignation with the employer, establishing
6 a deferred termination date. The member may change the
7 termination date within the limitations of subparagraph 1.,
8 but only with the written approval of his or her employer;
- 9 c. A properly completed DROP application for service
10 retirement as provided in this section; and
- 11 d. Any other information required by the division.
- 12 3. The DROP participant shall be a retiree under the
13 Florida Retirement System for all purposes, except for
14 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,
15 121.053, and 121.122. However, participation in the DROP does
16 not alter the participant's employment status and such
17 employee shall not be deemed retired from employment until his
18 or her deferred resignation is effective and termination
19 occurs as provided in s. 121.021(39).
- 20 4. Elected officers shall be eligible to participate
21 in the DROP subject to the following:
- 22 a. An elected officer who reaches normal retirement
23 date during a term of office may defer the election to
24 participate in the DROP until the next succeeding term in that
25 office. Such elected officer who exercises this option may
26 participate in the DROP for up to 60 calendar months or a
27 period of no longer than such succeeding term of office,
28 whichever is less.
- 29 b. An elected or a nonelected participant may run for
30 a term of office while participating in DROP and, if elected,
31 extend the DROP termination date accordingly, except, however,

1 if such additional term of office exceeds the 60-month
2 limitation established in subparagraph 1., and the officer
3 does not resign from office within such 60-month limitation,
4 the retirement and the participant's DROP shall be null and
5 void as provided in sub-subparagraph (c)5.d.

6 c. An elected officer who is dually employed and
7 elects to participate in DROP shall be required to satisfy the
8 definition of termination within the 60-month limitation
9 period as provided in subparagraph 1. for the nonelected
10 position and may continue employment as an elected officer as
11 provided in s. 121.053. The elected officer will be enrolled
12 as a renewed member in the Elected Officers' Class or the
13 Regular Class, as provided in ss. 121.053 and 121.22, on the
14 first day of the month after termination of employment in the
15 nonelected position and termination of DROP. Distribution of
16 the DROP benefits shall be made as provided in paragraph (c).

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

18 1. Effective with the date of DROP participation, the
19 member's initial normal monthly benefit, including creditable
20 service, optional form of payment, and average final
21 compensation, and the effective date of retirement shall be
22 fixed. The beneficiary established under the Florida
23 Retirement System shall be the beneficiary eligible to receive
24 any DROP benefits payable if the DROP participant dies prior
25 to the completion of the period of DROP participation. In the
26 event a joint annuitant predeceases the member, the member may
27 name a beneficiary to receive accumulated DROP benefits
28 payable. Such retirement benefit, the annual cost of living
29 adjustments provided in s. 121.101, and interest shall accrue
30 monthly in the System Trust Fund. Such interest shall accrue
31 at an effective annual rate of 6.5 percent compounded monthly,

1 on the prior month's accumulated ending balance, up to the
2 month of termination or death.

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

24 3. The effective date of DROP participation and the
25 effective date of retirement of a DROP participant shall be
26 the first day of the month selected by the member to begin
27 participation in the DROP, provided such date is properly
28 established, with the written confirmation of the employer,
29 and the approval of the division, on forms required by the
30 division.

31

1 4. Normal retirement benefits and interest thereon
2 shall continue to accrue in the DROP until the established
3 termination date of the DROP, or until the participant
4 terminates employment or dies prior to such date. Although
5 individual DROP accounts shall not be established, a separate
6 accounting of each participant's accrued benefits under the
7 DROP shall be calculated and provided to participants.

8 5. At the conclusion of the participant's DROP, the
9 division shall distribute the participant's total accumulated
10 DROP benefits, subject to the following provisions:

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

14 b. The terminated DROP participant or, if deceased,
15 such participant's named beneficiary, shall elect on forms
16 provided by the division to receive payment of the DROP
17 benefits in accordance with one of the options listed below.
18 For a participant or beneficiary who fails to elect a method
19 of payment within 60 days of termination of the DROP, the
20 division will pay a lump sum as provided in
21 sub-sub-subparagraph (I).

22 (I) Lump sum.--All accrued DROP benefits, plus
23 interest, less withholding taxes remitted to the Internal
24 Revenue Service, shall be paid to the DROP participant or
25 surviving beneficiary.

26 (II) Direct rollover.--All accrued DROP benefits, plus
27 interest, shall be paid from the DROP directly to the
28 custodian of an eligible retirement plan as defined in s.
29 402(c)(8)(B) of the Internal Revenue Code. However, in the
30 case of an eligible rollover distribution to the surviving
31 spouse of a deceased participant, an eligible retirement plan

1 is an individual retirement account or an individual
2 retirement annuity as described in s. 402(c)(9) of the
3 Internal Revenue Code.

4 (III) Partial lump sum.--A portion of the accrued DROP
5 benefits shall be paid to the DROP participant or surviving
6 spouse, less withholding taxes remitted to the Internal
7 Revenue Service, and the remaining DROP benefits shall be
8 transferred directly to the custodian of an eligible
9 retirement plan as defined in s. 402(c)(8)(B) of the Internal
10 Revenue Code. However, in the case of an eligible rollover
11 distribution to the surviving spouse of a deceased
12 participant, an eligible retirement plan is an individual
13 retirement account or an individual retirement annuity as
14 described in s. 402(c)(9) of the Internal Revenue Code. The
15 proportions shall be specified by the DROP participant or
16 surviving beneficiary.

17 c. The form of payment selected by the DROP
18 participant or surviving beneficiary complies with the minimum
19 distribution requirements of the Internal Revenue Code.

20 d. A DROP participant who fails to terminate
21 employment as defined in s. 121.021(39)(b) shall be deemed not
22 to be retired, and the DROP election shall be null and void.
23 Florida Retirement System membership shall be reestablished
24 retroactively to the date of the commencement of the DROP, and
25 each employer with whom the participant continues employment
26 shall be required to pay to the System Trust Fund the
27 difference between the DROP contributions paid in paragraph
28 (i) and the contributions required for the applicable Florida
29 Retirement System class of membership during the period the
30 member participated in the DROP, plus 6.5 percent interest
31 compounded annually.

1 6. The accrued benefits of any DROP participant, and
2 any contributions accumulated under such program, shall not be
3 subject to assignment, execution, attachment, or to any legal
4 process whatsoever, except for qualified domestic relations
5 orders by a court of competent jurisdiction, income deduction
6 orders as provided in s. 61.1301, and federal income tax
7 levies.

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

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

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

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

18 3. Eligibility to participate in the DROP terminates
19 upon death of the participant. If the participant dies on or
20 after the effective date of enrollment in the DROP, but prior
21 to the first monthly benefit being credited to the DROP,
22 Florida Retirement System benefits shall be paid in accordance
23 with subparagraph (7)(c)1. or subparagraph 2.

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

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

30 (f) Retiree health insurance subsidy.--DROP
31 participants are not eligible to apply for the retiree health

1 insurance subsidy payments as provided in s. 112.363 until
2 such participants have terminated employment and participation
3 in the DROP.

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

8 (h) Employment limitation after DROP
9 participation.--Upon satisfying the definition of termination
10 of employment as provided in s. 121.021(39)(b), DROP
11 participants shall be subject to such reemployment limitations
12 as other retirees. Reemployment restrictions applicable to
13 retirees as provided in subsection (9) shall not apply to DROP
14 participants until their employment and participation in the
15 DROP are terminated.

16 (i) Contributions.--

17 1. All employers paying the salary of a DROP
18 participant filling a regularly established position shall
19 contribute 11.56 percent of such participant's gross
20 compensation, which shall constitute the entire employer DROP
21 contribution with respect to such participant. Such
22 contributions, payable to the System Trust Fund in the same
23 manner as required in s. 121.071, shall be made as appropriate
24 for each pay period and are in addition to contributions
25 required for social security and the Retiree Health Insurance
26 Subsidy Trust Fund. Such employer, social security, and
27 health insurance subsidy contributions are not included in the
28 DROP.

29 2. The employer shall, in addition to subparagraph 1.,
30 also withhold one-half of the entire social security
31 contribution required for the participant. Contributions for

1 social security by each participant and each employer, in the
2 amount required for social security coverage as now or
3 hereafter provided by the federal Social Security Act, shall
4 be in addition to contributions specified in subparagraph 1.

5 3. All employers paying the salary of a DROP
6 participant filling a regularly established position shall
7 contribute the percent of such participant's gross
8 compensation required in s. 121.071(4), which shall constitute
9 the employer's health insurance subsidy contribution with
10 respect to such participant. Such contributions shall be
11 deposited by the administrator in the Retiree Health Insurance
12 Subsidy Trust Fund.

13 (j) Forfeiture of retirement benefits.--Nothing in
14 this section shall be construed to remove DROP participants
15 from the scope of s. 8(d), Art. II of the State Constitution,
16 s. 112.3173, and paragraph (5)(f). DROP participants who
17 commit a specified felony offense while employed will be
18 subject to forfeiture of all retirement benefits, including
19 DROP benefits, pursuant to those provisions of law.

20 (k) Administration of program.--The division shall
21 make such rules as are necessary for the effective and
22 efficient administration of this subsection. The division
23 shall not be required to advise members of the federal tax
24 consequences of an election related to the DROP but may advise
25 members to seek independent advice.

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

29 (a) Federal income tax shall be withheld in accordance
30 with federal law, unless the payee elects otherwise on Form
31 W-4P. The division shall prepare and distribute to each

1 recipient of monthly retirement benefits an appropriate income
2 tax form that reflects the recipient's income and federal
3 income tax withheld for the calendar year just ended.

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

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

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

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

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

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

25 (c) A payee shall notify the division of any change in
26 his or her address. The division may suspend benefit payments
27 to a payee if correspondence sent to the payee's mailing
28 address is returned due to an incorrect address. Benefit
29 payments shall be resumed upon notification to the division of
30 the payee's new address.

31

1 (d) A payee whose retirement benefits are reduced by
2 the application of maximum benefit limits under s. 415(b) of
3 the Internal Revenue Code, as specified in s. 121.30(5), shall
4 have the portion of his or her calculated benefit in the
5 Florida Retirement System defined benefit plan which exceeds
6 such federal limitation paid through the Florida Retirement
7 System Preservation of Benefits Plan, as provided in s.
8 121.1001.

9 (e) No benefit may be reduced for the purpose of
10 preserving the member's eligibility for a federal program.

11 (f) The division shall adopt rules establishing
12 procedures for determining that the persons to whom benefits
13 are being paid are still living. The division shall suspend
14 the benefits being paid to any payee when it is unable to
15 contact such payee and to confirm that he or she is still
16 living.

17 Section 32. Paragraph (b) of subsection (7) of section
18 121.101, Florida Statutes, is amended to read:

19 121.101 Cost-of-living adjustment of benefits.--

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

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

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

7 Section 33. Paragraph (e) of subsection (2) of section
8 121.111, Florida Statutes, is amended to read:

9 121.111 Credit for military service.--

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

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

29 Section 34. Section 121.133, Florida Statutes, is
30 amended to read:

31

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 35. 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 36. 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 37. 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 38. 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 39. 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 40. 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 41. 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 42. 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 43. 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 44. 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 45. 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 46. 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 47. 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 48. Subsection (2), paragraphs (a), (b), and
5 (c) of subsection (4), paragraph (a) of subsection (5),
6 paragraphs (a), (b), (c), and (e) of subsection (8), paragraph
7 (c) of subsection (9), paragraphs (a), (c), and (f) of
8 subsection (10), subsection (11), paragraph (b) of subsection
9 (12), and subsection (16) of section 121.4501, Florida
10 Statutes, are amended to read:

11 121.4501 Public Employee Optional Retirement
12 Program.--

13 (2) DEFINITIONS.--As used in this section, the term:

14 (a) "Approved provider" or "provider" means a private
15 sector company that is selected and approved by the division
16 ~~state board~~ to offer one or more investment products or
17 services to the Public Employee Optional Retirement Program.
18 Private sector companies include investment management
19 companies, insurance companies, depositories, and mutual fund
20 companies.

21 ~~(b) "Department" means the Department of Management~~
22 ~~Services.~~

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

26 (c)(d) "Eligible employee" means an officer or
27 employee, as defined in s. 121.021(11), who:

28 1. Is a member of, or is eligible for membership in,
29 the Florida Retirement System;

30
31

1 2. Participates in, or is eligible to participate in,
2 the Senior Management Service Optional Annuity Program as
3 established under s. 121.055(6); or

4 3. Is eligible to participate in, but does not
5 participate in, the State University System Optional
6 Retirement Program established under s. 121.35 or the State
7 Community College System Optional Retirement Program
8 established under s. 121.051(2)(c).

9
10 The term does not include any renewed member of the Florida
11 Retirement System, any member participating in the Deferred
12 Retirement Option Program established under s. 121.091(13), or
13 any employee participating in an optional retirement program
14 established under s. 121.051(2)(c) or s. 121.35.

15 (d)~~(e)~~ "Employer" means an employer, as defined in s.
16 121.021(10), of an eligible employee.

17 (e)~~(f)~~ "Participant" means an eligible employee who
18 elects to participate in the Public Employee Optional
19 Retirement Program and enrolls in such optional program as
20 provided in subsection (4).

21 (f)~~(g)~~ "Public Employee Optional Retirement Program,"
22 "optional program," or "optional retirement program" means the
23 alternative defined contribution retirement program
24 established under this section.

25 (g)~~(h)~~ "State board" or "board" means the State Board
26 of Administration.

27 (h)~~(i)~~ "Trustees" means Trustees of the State Board of
28 Administration.

29 (i)~~(j)~~ "Vested" or "vesting" means the guarantee that
30 a participant is eligible to receive a retirement benefit upon
31

1 completion of the required years of service under the Public
2 Employee Optional Retirement Program.

3 (4) PARTICIPATION; ENROLLMENT.--

4 (a)1. With respect to an eligible employee who is
5 employed in a regularly established position on June 1, 2002,
6 by a state employer:

7 a. Any such employee may elect to participate in the
8 Public Employee Optional Retirement Program in lieu of
9 retaining his or her membership in the defined benefit program
10 of the Florida Retirement System. The election must be made in
11 writing or by electronic means and must be filed with the
12 division ~~department~~ and the personnel officer of the employer
13 within 90 days after June 1, 2002, or, in the case of an
14 active employee who is on a leave of absence on June 1, 2002,
15 within 90 days after the conclusion of the leave of absence.
16 This election is irrevocable, except as provided in paragraph
17 (e). Upon making such election, the employee shall be enrolled
18 as a participant of the Public Employee Optional Retirement
19 Program, the employee's membership in the Florida Retirement
20 System shall be governed by the provisions of this part, and
21 the employee's membership in the defined benefit program of
22 the Florida Retirement System shall terminate. The employee's
23 enrollment in the Public Employee Optional Retirement Program
24 shall be effective the first day of the month for which a full
25 month's employer contribution is made to the optional program.

26 b. Any such employee who fails to elect to participate
27 in the Public Employee Optional Retirement Program within the
28 prescribed 90 days is deemed to have elected to retain
29 membership in the defined benefit program of the Florida
30 Retirement System, and the employee's option to elect to
31 participate in the optional program is forfeited.

1 2. With respect to employees who become eligible to
2 participate in the Public Employee Optional Retirement Program
3 by reason of employment in a regularly established position
4 with a state employer commencing after June 1, 2002:

5 a. Any such employee shall, by default, be enrolled in
6 the defined benefit retirement program of the Florida
7 Retirement System at the commencement of employment, and may,
8 within 180 days after employment commences, elect to
9 participate in the Public Employee Optional Retirement
10 Program. The employee's election must be made in writing or by
11 electronic means and must be filed with the personnel officer
12 of the employer. The election to participate in the optional
13 program is irrevocable, except as provided in paragraph (e).

14 b. If the employee files such election before the
15 initial payroll is submitted for the employee, enrollment in
16 the Public Employee Optional Retirement Program shall be
17 effective on the first day of employment.

18 c. If the employee files such election within 180 days
19 after employment commences, but after the initial payroll is
20 submitted for the employee, enrollment in the optional program
21 shall be effective on the first day of the month for which a
22 full month's employer contribution is made to the optional
23 program.

24 d. Any such employee who fails to elect to participate
25 in the Public Employee Optional Retirement Program within the
26 prescribed 180 days is deemed to have elected to retain
27 membership in the defined benefit program of the Florida
28 Retirement System, and the employee's option to elect to
29 participate in the optional program is forfeited.

30 3. For purposes of this paragraph, "state employer"
31 means any agency, board, branch, commission, community

1 college, department, institution, institution of higher
2 education, or water management district of the state, which
3 participates in the Florida Retirement System for the benefit
4 of certain employees.

5 (b)1. With respect to an eligible employee who is
6 employed in a regularly established position on September 1,
7 2002, by a district school board employer:

8 a. Any such employee may elect to participate in the
9 Public Employee Optional Retirement Program in lieu of
10 retaining his or her membership in the defined benefit program
11 of the Florida Retirement System. The election must be made in
12 writing or by electronic means and must be filed with the
13 division ~~department~~ and the personnel officer of the employer
14 within 90 days after September 1, 2002, or, in the case of an
15 active employee who is on a leave of absence on September 1,
16 2002, within 90 days after the conclusion of the leave of
17 absence. This election is irrevocable, except as provided in
18 paragraph (e). Upon making such election, the employee shall
19 be enrolled as a participant of the Public Employee Optional
20 Retirement Program, the employee's membership in the Florida
21 Retirement System shall be governed by the provisions of this
22 part, and the employee's membership in the defined benefit
23 program of the Florida Retirement System shall terminate. The
24 employee's enrollment in the Public Employee Optional
25 Retirement Program shall be effective the first day of the
26 month for which a full month's employer contribution is made
27 to the optional program.

28 b. Any such employee who fails to elect to participate
29 in the Public Employee Optional Retirement Program within the
30 prescribed 90 days is deemed to have elected to retain
31 membership in the defined benefit program of the Florida

1 Retirement System, and the employee's option to elect to
2 participate in the optional program is forfeited.

3 2. With respect to employees who become eligible to
4 participate in the Public Employee Optional Retirement Program
5 by reason of employment in a regularly established position
6 with a district school board employer commencing after
7 September 1, 2002:

8 a. Any such employee shall, by default, be enrolled in
9 the defined benefit retirement program of the Florida
10 Retirement System at the commencement of employment, and may,
11 within 180 days after employment commences, elect to
12 participate in the Public Employee Optional Retirement
13 Program. The employee's election must be made in writing or by
14 electronic means and must be filed with the personnel officer
15 of the employer. The election to participate in the optional
16 program is irrevocable, except as provided in paragraph (e).

17 b. If the employee files such election before the
18 initial payroll is submitted for the employee, enrollment in
19 the Public Employee Optional Retirement Program shall be
20 effective on the first day of employment.

21 c. If the employee files such election within 180 days
22 after employment commences, but after the initial payroll is
23 submitted for the employee, enrollment in the optional program
24 shall be effective on the first day of the month for which a
25 full month's employer contribution is made to the optional
26 program.

27 d. Any such employee who fails to elect to participate
28 in the Public Employee Optional Retirement Program within the
29 prescribed 180 days is deemed to have elected to retain
30 membership in the defined benefit program of the Florida
31

1 Retirement System, and the employee's option to elect to
2 participate in the optional program is forfeited.

3 3. For purposes of this paragraph, "district school
4 board employer" means any district school board that
5 participates in the Florida Retirement System for the benefit
6 of certain employees, or a charter school or charter technical
7 career center that participates in the Florida Retirement
8 System as provided in s. 121.051(2)(d).

9 (c)1. With respect to an eligible employee who is
10 employed in a regularly established position on December 1,
11 2002, by a local employer:

12 a. Any such employee may elect to participate in the
13 Public Employee Optional Retirement Program in lieu of
14 retaining his or her membership in the defined benefit program
15 of the Florida Retirement System. The election must be made in
16 writing or by electronic means and must be filed with the
17 division ~~department~~ and the personnel officer of the employer
18 within 90 days after December 1, 2002, or, in the case of an
19 active employee who is on a leave of absence on December 1,
20 2002, within 90 days after the conclusion of the leave of
21 absence. This election is irrevocable. Upon making such
22 election, the employee shall be enrolled as a participant of
23 the Public Employee Optional Retirement Program, the
24 employee's membership in the Florida Retirement System shall
25 be governed by the provisions of this part, and the employee's
26 membership in the defined benefit program of the Florida
27 Retirement System shall terminate. The employee's enrollment
28 in the Public Employee Optional Retirement Program shall be
29 effective the first day of the month for which a full month's
30 employer contribution is made to the optional program.

31

1 b. Any such employee who fails to elect to participate
2 in the Public Employee Optional Retirement Program within the
3 prescribed 90 days is deemed to have elected to retain
4 membership in the defined benefit program of the Florida
5 Retirement System, and the employee's option to elect to
6 participate in the optional program is forfeited.

7 2. With respect to employees who become eligible to
8 participate in the Public Employee Optional Retirement Program
9 by reason of employment in a regularly established position
10 with a local employer commencing after December 1, 2002:

11 a. Any such employee shall, by default, be enrolled in
12 the defined benefit retirement program of the Florida
13 Retirement System at the commencement of employment, and may,
14 within 180 days after employment commences, elect to
15 participate in the Public Employee Optional Retirement
16 Program. The employee's election must be made in writing or by
17 electronic means and must be filed with the personnel officer
18 of the employer. The election to participate in the optional
19 program is irrevocable, except as provided in paragraph (e).

20 b. If the employee files such election before the
21 initial payroll is submitted for the employee, enrollment in
22 the Public Employee Optional Retirement Program shall be
23 effective on the first day of employment.

24 c. If the employee files such election within 180 days
25 after employment commences, but after the initial payroll is
26 submitted for the employee, enrollment in the optional program
27 shall be effective on the first day of the month for which a
28 full month's employer contribution is made to the optional
29 program.

30 d. Any such employee who fails to elect to participate
31 in the Public Employee Optional Retirement Program within the

1 prescribed 180 days is deemed to have elected to retain
2 membership in the defined benefit program of the Florida
3 Retirement System, and the employee's option to elect to
4 participate in the optional program is forfeited.

5 3. For purposes of this paragraph, "local employer"
6 means any employer not included in paragraph (a) or paragraph
7 (b).

8 (5) CONTRIBUTIONS.--

9 (a) Each employer shall contribute on behalf of each
10 participant in the Public Employee Optional Retirement Program
11 an amount based on a percentage of the employee's monthly
12 compensation as set forth in s. 121.571. The state board,
13 acting as plan fiduciary, shall ensure that all plan assets
14 are held in a trust, pursuant to s. 401 of the Internal
15 Revenue Code. The employer shall forward all contributions
16 under this program to the third-party administrator. The
17 fiduciary shall ensure that said contributions are allocated
18 as follows:

19 1. The portion earmarked for participant accounts
20 shall be used to purchase interests in the appropriate
21 investment vehicles for the accounts of each participant as
22 specified by the participant, or in accordance with paragraph
23 (4)(d).

24 2. The portion earmarked for administrative and
25 educational expenses shall be transferred to the board.

26 3. The portion earmarked for disability benefits shall
27 be transferred to the division ~~department~~.

28 (8) ADMINISTRATION OF PROGRAM.--

29 (a) The Public Employee Optional Retirement Program
30 shall be administered by the state board and affected
31 employers. The board shall adopt rules establishing the role

1 and responsibilities of affected state, local government, and
2 education-related employers, the state board, the division
3 ~~department~~, and third-party contractors in administering the
4 Public Employee Optional Retirement Program. The division
5 ~~department~~ shall adopt rules necessary to implement the
6 optional program in coordination with the defined benefit
7 retirement program and the disability benefits available under
8 the optional program.

9 (b)1. The state board shall select and contract with
10 one third-party administrator to provide administrative
11 services. With the approval of the state board, the
12 third-party administrator may subcontract with other
13 organizations or individuals to provide components of the
14 administrative services. As a cost of administration, the
15 board may compensate any such contractor for its services, in
16 accordance with the terms of the contract, as is deemed
17 necessary or proper by the board. The third-party
18 administrator may not be an approved provider or be affiliated
19 with an approved provider.

20 2. Administrative services include, but are not
21 limited to, services relating to consolidated billing;
22 individual and collective recordkeeping and accounting; asset
23 purchase, control, and safekeeping; and direct disbursement of
24 funds to and from the third-party administrator, the division,
25 the board, employers, participants, approved providers, and
26 beneficiaries.

27 3. The state board shall select and contract with one
28 or more organizations to provide educational services. With
29 approval of the board, the organizations may subcontract with
30 other organizations or individuals to provide components of
31 the educational services. As a cost of administration, the

1 board may compensate any such contractor for its services in
2 accordance with the terms of the contract, as is deemed
3 necessary or proper by the board. The education organization
4 may not be an approved provider or be affiliated with an
5 approved provider.

6 4. Educational services shall be designed by the board
7 and division ~~department~~ to assist employers, eligible
8 employees, participants, and beneficiaries in order to
9 maintain compliance with United States Department of Labor
10 regulations under s. 404(c) of the Employee Retirement Income
11 Security Act of 1974 and to assist employees in their choice
12 of defined benefit or defined contribution retirement
13 alternatives. Educational services include, but are not
14 limited to, disseminating educational materials; providing
15 retirement planning education; explaining the differences
16 between the defined benefit retirement plan and the defined
17 contribution retirement plan; and offering financial planning
18 guidance on matters such as investment diversification,
19 investment risks, investment costs, and asset allocation. An
20 approved provider may also provide educational information,
21 including retirement planning and investment allocation
22 information concerning its products and services.

23 (c)1. In evaluating and selecting a third-party
24 administrator, the board shall establish criteria under which
25 it shall consider the relative capabilities and qualifications
26 of each proposed administrator. In developing such criteria,
27 the board shall consider:

28 a. The administrator's demonstrated experience in
29 providing administrative services to public or private sector
30 retirement systems.

31

1 b. The administrator's demonstrated experience in
2 providing daily valued recordkeeping to defined contribution
3 plans.

4 c. The administrator's ability and willingness to
5 coordinate its activities with the Florida Retirement System
6 employers, the board, and the division, and to supply to such
7 employers, the board, and the division the information and
8 data they require, including, but not limited to, monthly
9 management reports, quarterly participant reports, and ad hoc
10 reports requested by the division ~~department~~ or board.

11 d. The cost-effectiveness and levels of the
12 administrative services provided.

13 e. The administrator's ability to interact with the
14 participants, the employers, the board, the division, and the
15 providers; the means by which participants may access account
16 information, direct investment of contributions, make changes
17 to their accounts, transfer moneys between available
18 investment vehicles, and transfer moneys between investment
19 products; and any fees that apply to such activities.

20 f. Any other factor deemed necessary by the Trustees
21 of the State Board of Administration.

22 g. The recommendations of the Public Employee Optional
23 Retirement Program Advisory Committee established in
24 subsection (12).

25 2. In evaluating and selecting an educational
26 provider, the board shall establish criteria under which it
27 shall consider the relative capabilities and qualifications of
28 each proposed educational provider. In developing such
29 criteria, the board shall consider:

30 a. Demonstrated experience in providing educational
31 services to public or private sector retirement systems.

1 b. Ability and willingness to coordinate its
2 activities with the Florida Retirement System employers, the
3 board, and the division, and to supply to such employers, the
4 board, and the division the information and data they require,
5 including, but not limited to, reports on educational
6 contacts.

7 c. The cost-effectiveness and levels of the
8 educational services provided.

9 d. Ability to provide educational services via
10 different media, including, but not limited to, the Internet,
11 personal contact, seminars, brochures, and newsletters.

12 e. Any other factor deemed necessary by the Trustees
13 of the State Board of Administration.

14 f. The recommendations of the Public Employee Optional
15 Retirement Program Advisory Committee established in
16 subsection (12).

17 3. The establishment of the criteria shall be solely
18 within the discretion of the board.

19 (e)1. The board may contract with any consultant for
20 professional services, including legal, consulting,
21 accounting, and actuarial services, deemed necessary to
22 implement and administer the optional program by the Trustees
23 of the State Board of Administration. The board may enter into
24 a contract with one or more vendors to provide low-cost
25 investment advice to participants, supplemental to education
26 provided by the third-party administrator. All fees under any
27 such contract shall be paid by those participants who choose
28 to use the services of the vendor.

29 2. The division ~~department~~ may contract with
30 consultants for professional services, including legal,
31 consulting, accounting, and actuarial services, deemed

1 necessary to implement and administer the optional program in
2 coordination with the defined benefit program of the Florida
3 Retirement System. The division ~~department~~, in coordination
4 with the board, may enter into a contract with the third-party
5 administrator in order to coordinate services common to the
6 various programs within the Florida Retirement System.

7 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE
8 REVIEW.--

9 (c) In evaluating and selecting approved providers and
10 products, the board shall establish criteria under which it
11 shall consider the relative capabilities and qualifications of
12 each proposed provider company and product. In developing such
13 criteria, the board shall consider the following to the extent
14 such factors may be applied in connection with investment
15 products, services, or providers:

16 1. Experience in the United States providing
17 retirement products and related financial services under
18 defined contribution retirement plans.

19 2. Financial strength and stability which shall be
20 evidenced by the highest ratings assigned by nationally
21 recognized rating services when comparing proposed providers
22 that are so rated.

23 3. Intrastate and interstate portability of the
24 product offered, including early withdrawal options.

25 4. Compliance with the Internal Revenue Code.

26 5. The cost-effectiveness of the product provided and
27 the levels of service supporting the product relative to its
28 benefits and its characteristics, including, without
29 limitation, the level of risk borne by the provider.

30 6. The provider company's ability and willingness to
31 coordinate its activities with Florida Retirement System

1 employers, the division ~~department~~, and the board, and to
2 supply to such employers, the division ~~department~~, and the
3 board the information and data they require.

4 7. The methods available to participants to interact
5 with the provider company; the means by which participants may
6 access account information, direct investment of
7 contributions, make changes to their accounts, transfer moneys
8 between available investment vehicles, and transfer moneys
9 between provider companies; and any fees that apply to such
10 activities.

11 8. The provider company's policies with respect to the
12 transfer of individual account balances, contributions, and
13 earnings thereon, both internally among investment products
14 offered by the provider company and externally between
15 approved providers, as well as any fees, charges, reductions,
16 or penalties that may be applied.

17 9. An evaluation of specific investment products,
18 taking into account each product's experience in meeting its
19 investment return objectives net of all related fees,
20 expenses, and charges, including, but not limited to,
21 investment management fees, loads, distribution and marketing
22 fees, custody fees, recordkeeping fees, education fees,
23 annuity expenses, and consulting fees.

24 10. Organizational factors, including, but not limited
25 to, financial solvency, organizational depth, and experience
26 in providing institutional and retail investment services.

27 (10) EDUCATION COMPONENT.--

28 (a) The board, in coordination with the division
29 ~~department~~, shall provide for an education component for
30 system members in a manner consistent with the provisions of
31 this section. The education component must be available to

1 eligible employees at least 90 days prior to the beginning
2 date of the election period for the employees of the
3 respective types of employers.

4 (c) The board, in coordination with the division
5 ~~department~~, shall provide for an initial and ongoing transfer
6 education component to provide system members with information
7 necessary to make informed plan choice decisions. The transfer
8 education component must include, but is not limited to,
9 information on:

10 1. The amount of money available to a member to
11 transfer to the defined contribution program.

12 2. The features of and differences between the defined
13 benefit program and the defined contribution program, both
14 generally and specifically, as those differences may affect
15 the member.

16 3. The expected benefit available if the member were
17 to retire under each of the retirement programs, based on
18 appropriate alternative sets of assumptions.

19 4. The rate of return from investments in the defined
20 contribution program and the period of time over which such
21 rate of return must be achieved to equal or exceed the
22 expected monthly benefit payable to the member under the
23 defined benefit program.

24 5. The historical rates of return for the investment
25 alternatives available in the defined contribution programs.

26 6. The benefits and historical rates of return on
27 investments available in a typical deferred compensation plan
28 or a typical plan under s. 403(b) of the Internal Revenue Code
29 for which the employee may be eligible.

30
31

1 7. The program choices available to employees of the
2 State University System and the comparative benefits of each
3 available program, if applicable.

4 8. Payout options available in each of the retirement
5 programs.

6 (f) The board and the division ~~department~~ shall also
7 establish a communication component to provide program
8 information to participating employers and the employers'
9 personnel and payroll officers and to explain their respective
10 responsibilities in conjunction with the retirement programs.

11 (11) PARTICIPANT INFORMATION REQUIREMENTS.--The board
12 shall ensure that each participant is provided a quarterly
13 statement that accounts for the contributions made on behalf
14 of such participant; the interest and investment earnings
15 thereon; and any fees, penalties, or other deductions that
16 apply thereto. At a minimum, such statements must:

17 (a) Indicate the participant's investment options.

18 (b) State the market value of the account at the close
19 of the current quarter and previous quarter.

20 (c) Show account gains and losses for the period and
21 changes in account accumulation unit values for the period.

22 (d) Itemize account contributions for the quarter.

23 (e) Indicate any account changes due to adjustment of
24 contribution levels, reallocation of contributions, balance
25 transfers, or withdrawals.

26 (f) Set forth any fees, charges, penalties, and
27 deductions that apply to the account.

28 (g) Indicate the amount of the account in which the
29 participant is fully vested and the amount of the account in
30 which the participant is not vested.

31

1 (h) Indicate each investment product's performance
2 relative to an appropriate market benchmark.

3
4 The third-party administrator shall provide quarterly and
5 annual summary reports to the board and any other reports
6 requested by the division ~~department~~ or the board. In any
7 solicitation or offer of coverage under an optional retirement
8 program, a provider company shall be governed by the contract
9 readability provisions of s. 627.4145, notwithstanding s.
10 627.4145(6)(c). In addition, all descriptive materials must be
11 prepared under the assumption that the participant is an
12 unsophisticated investor. Provider companies must maintain an
13 internal system of quality assurance, have proven functional
14 systems that are date-calculation compliant, and be subject to
15 a due-diligence inquiry that proves their capacity and fitness
16 to undertake service responsibilities.

17 (12) ADVISORY COMMITTEES TO PROVIDE ADVICE AND
18 ASSISTANCE.--The Investment Advisory Council and the Public
19 Employee Optional Retirement Program Advisory Committee shall
20 assist the board in implementing and administering the Public
21 Employee Optional Retirement Program.

22 (b)1. The Public Employee Optional Retirement Program
23 Advisory Committee shall be composed of seven members. The
24 President of the Senate shall appoint two members, the Speaker
25 of the House of Representatives shall appoint two members, the
26 Governor shall appoint one member, the Treasurer shall appoint
27 one member, and the Comptroller shall appoint one member. The
28 members of the advisory committee shall elect a member as
29 chair. The appointments shall be made by September 1, 2000,
30 and the committee shall meet to organize by October 1, 2000.
31 The initial appointments shall be for a term of 24 months.

1 Each appointing authority shall fill any vacancy occurring
2 among its appointees for the remainder of the original term.

3 2. The advisory committee shall make recommendations
4 on the selection of the third-party administrator, the
5 education providers, and the investment products and
6 providers. The committee's recommendations on the third-party
7 administrator must be forwarded to the Trustees of the State
8 Board of Administration by January 1, 2001. The
9 recommendations on the education providers must be forwarded
10 to the trustees by April 1, 2001.

11 3. The advisory committee's recommendations and
12 activities shall be guided by the best interests of the
13 employees, considering the interests of employers, and the
14 intent of the Legislature in establishing the Public Employee
15 Optional Retirement Program.

16 4. The staff of the state board and the division
17 ~~department~~ shall assist the advisory committee.

18 (16) DISABILITY BENEFITS.--For any participant of the
19 optional retirement program who becomes totally and
20 permanently disabled, as defined in s. 121.091(4)(b), the
21 participant shall be entitled to receive those moneys that
22 have accrued in his or her participant account. It is the
23 intent of the Legislature to design a disability benefit for
24 participants of the optional program similar to those
25 disability benefits afforded defined benefit program members.
26 The division ~~department~~ is directed to study the potential
27 options of such coverage, including self-insurance and
28 commercial coverage, the alternative methods of administering
29 such benefits, and the fiscal impacts on the employees and
30 employers, and to make recommendations to the Legislature by
31 January 15, 2001.

1 (17) SOCIAL SECURITY COVERAGE.--Social security
2 coverage shall be provided for all officers and employees who
3 become participants of the optional program. Any modification
4 of the present agreement with the Social Security
5 Administration, or referendum required under the Social
6 Security Act, for the purpose of providing social security
7 coverage for any member shall be requested by the state agency
8 in compliance with the applicable provisions of the Social
9 Security Act governing such coverage. However, retroactive
10 social security coverage for service prior to December 1,
11 1970, with the employer shall not be provided for any member
12 who was not covered under the agreement as of November 30,
13 1970.

14 Section 49. Subsections (1) and (6) of section 122.02,
15 Florida Statutes, are amended to read:

16 122.02 Definitions.--The following words and phrases
17 as used in this chapter shall have the following meaning
18 unless a different meaning is plainly required by the context:

19 (1) "State and county officers and employees" shall
20 include all full-time officers or employees who receive
21 compensation for services rendered from state or county funds,
22 or from funds of drainage districts or mosquito control
23 districts of a county or counties, or from funds of the State
24 Board of Administration or from funds of closed bank
25 receivership accounts or from funds of any state institution
26 or who receive compensation for employment or service from any
27 agency, branch, department, institution or board of the state,
28 or any county of the state, for service rendered the state or
29 county from funds from any source provided for their
30 employment or service regardless of whether the same is paid
31 by state or county warrant or not; provided that such

1 compensation in whatever form paid shall be specified in terms
2 of fixed monthly salaries by the employing state or county
3 agency or state or county official and shall not include
4 amounts allowed for professional employees for special or
5 particular service or for subsistence or travel expenses;
6 provided further the division ~~department~~ shall prescribe
7 appropriate procedure for contribution deduction out of such
8 compensation in accordance with the provisions of this
9 chapter, provided further that such officers and employees
10 defined herein shall not include those officers and employees
11 excepted from the provisions by s. 122.18 of this law.

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

15 Section 50. Paragraph (d) of subsection (6) and
16 subsection (9) of section 122.03, Florida Statutes, are
17 amended to read:

18 122.03 Contributions; participants; prior service
19 credit.--

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

31

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

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

15 Section 51. Subsection (2) of section 122.05, Florida
16 Statutes, is amended to read:

17 122.05 Legislator services included.--

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

24 Section 52. Subsection (2) of section 122.06, Florida
25 Statutes, is amended to read:

26 122.06 Legislative employee services included.--

27 (2) The division ~~department~~ and other state officials
28 administering the ~~said~~ retirement system shall make the
29 contribution deductions required by law from the compensation
30 hereafter received by any of the said participating attaches
31

1 for service rendered the State Legislature in the same manner
2 as in the case of other state employment.

3 Section 53. Subsection (2) of section 122.07, Florida
4 Statutes, is amended to read:

5 122.07 Seasonal state employment included; time limit
6 and procedure for claiming.--

7 (2) Any state employee as described in subsection (1)
8 in the classification set forth in s. 122.01 may elect to
9 receive credit as a state employee under the State and County
10 Officers and Employees' Retirement System by providing to the
11 division ~~department~~ a statement from the state in which he or
12 she was employed, listing days employed and monthly earnings
13 and such other information as may, in the opinion of the
14 division ~~department~~, be necessary or appropriate in the
15 carrying out of this section. Credit shall be granted upon
16 payment to the division ~~department~~ by such employee of an
17 amount equal to the total retirement contribution that would
18 have been required had the member worked in this state during
19 the period based on the salary drawn by such employee during
20 his or her last full month of employment by the state or any
21 department thereof for each month during such ~~said~~ fiscal year
22 for which such employee was not employed by the state or any
23 department thereof, but was employed by some other state, plus
24 interest compounded annually each June 30 from the date of the
25 service in another state to the date of payment at the rate of
26 4 percent until July 1, 1975, and 6.5 percent thereafter. The
27 member shall have until his or her date of retirement to claim
28 and purchase credit for such employment in another state.

29 Section 54. Paragraph (a) of subsection (1), Paragraph
30 (b) of subsection (4), and subsections (5) and (9) of section
31 122.08, Florida Statutes, are amended to read:

1 122.08 Requirements for retirement;
2 classifications.--There shall be two retirement
3 classifications for all state and county officers and
4 employees participating herein as hereafter provided in this
5 section:

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

21 (4)

22 (b) A member who elects an option in paragraph (a)
23 shall on a form provided for that purpose designate his or her
24 spouse as beneficiary to receive the benefits which continue
25 to be payable upon the death of the member. After such
26 benefits have commenced under an option in paragraph (a), the
27 retired member may change the designation of his or her spouse
28 as beneficiary only twice. If such a retired member remarries
29 and wishes to make such a change, he or she may do so by
30 filing with the division ~~department~~ a notarized change of
31 spouse designation form and shall notify the former spouse in

1 writing of such change. Upon receipt of a completed change of
2 spouse designation form, the division ~~department~~ shall adjust
3 the member's monthly benefit by the application of actuarial
4 tables and calculations developed to ensure that the benefit
5 paid is the actuarial equivalent of the present value of the
6 member's current benefit. The consent of a retired member's
7 formerly designated spouse as beneficiary to any such change
8 shall not be required.

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

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

15 (a) If the deceased member's surviving spouse has
16 previously received a refund of the member's contributions
17 made to the retirement trust fund, such spouse may pay to the
18 division ~~department~~ an amount equal to the sum of the amount
19 of the deceased member's contributions previously refunded and
20 interest at 3 percent compounded annually on the amount of
21 such refunded contributions from the date of refund until July
22 1, 1975, and thereafter at the rate of 6.5 percent interest
23 compounded annually to the date of payment to the division
24 ~~department~~, and by so doing be entitled to receive the monthly
25 retirement benefit provided in paragraph (c).

26 (b) If the deceased member's surviving spouse has not
27 received a refund of the deceased member's contributions, such
28 spouse shall, upon application to the division ~~department~~,
29 receive the monthly retirement benefit provided in paragraph
30 (c).

31

1 (c) The monthly benefit payable to the spouse
2 described in paragraph (a) or paragraph (b) shall be the
3 amount which would have been payable to the deceased member's
4 spouse, assuming that the member retired on the date of death
5 and had selected the option in subsection (4) which would
6 afford the surviving spouse the greatest amount of benefits,
7 such benefit to be based on the ages of the spouse and member
8 as of the date of death of the member. Such benefit shall
9 commence on the first day of the month following the payment
10 of the aforesaid amount to the division ~~department~~, if
11 paragraph (a) is applicable, or on the first day of the month
12 following the receipt of the spouse's application by the
13 division ~~department~~, if paragraph (b) is applicable.

14 Section 55. Section 122.09, Florida Statutes, is
15 amended to read:

16 122.09 Disability retirement; medical
17 examinations.--Whenever any officer or employee of the state
18 or county of the state has service credit as such officer or
19 employee for 10 years within the contemplation of this law,
20 the last 5 years of which, except for a single break not to
21 exceed 1 year, must be continuous, unbroken service and who is
22 regularly contributing to the State and County Officers and
23 Employees' Retirement Trust Fund and shall while holding such
24 office or employment become permanently and totally disabled,
25 physically or mentally, or both, from rendering useful and
26 efficient service as such officer or employee, such officer or
27 employee may retire from his or her office or employment, and
28 upon such retirement the officer or employee shall be paid, so
29 long as the permanent and total disability continues, on his
30 or her own monthly requisition, from the State and County
31 Officers and Employees' Retirement Trust Fund hereinafter

1 established, retirement compensation as provided in s. 122.08;
2 provided that no officer or employee retiring under this
3 section shall receive less than 50 percent of his or her
4 average final compensation not to exceed \$75. No officer or
5 employee of the state and county of the state shall be
6 permitted to retire under the provisions of this section until
7 examined by a duly qualified physician or surgeon or board of
8 physicians and surgeons, to be selected by the Governor for
9 that purpose, and found to be disabled in the degree and in
10 the manner specified in this section. Any officer or employee
11 retiring under this section shall be examined periodically by
12 a duly qualified physician or surgeon or board of physicians
13 and surgeons to be selected by the Governor for that purpose
14 and paid from the retirement trust fund herein provided for,
15 at such time as the division directs ~~Department of Management~~
16 ~~Services shall direct~~ to determine if such total disability
17 has continued and in the event it be disclosed by said
18 examination that said total disability has ceased to exist,
19 then such officer or employee shall forthwith cease to be paid
20 benefits under this section. Reference to s. 122.08 is for
21 the purpose of computing benefits only. Any person heretofore
22 retired under this section shall be eligible to qualify for
23 the minimum benefits provided herein; however, minimum
24 benefits shall not be paid retroactively.

25 Section 56. Subsection (4) of section 122.10, Florida
26 Statutes, is amended to read:

27 122.10 Separation from service; refund of
28 contributions.--

29 (4) If ~~Should~~ any officer or employee elects ~~elect~~ to
30 receive a refund as provided in this section, his or her
31 application for refund shall be submitted in the manner

1 prescribed by the rules ~~regulations~~ adopted by the division
2 ~~department~~ and shall accompany the payroll certification,
3 submitted to the division ~~department~~, on which he or she was
4 last paid prior to termination. The division ~~department~~ shall
5 pay the entire refund due within 45 days after the first day
6 of the month subsequent to receipt of such application for
7 refund and ~~said~~ payroll certification.

8 Section 57. Subsection (1) of section 122.12, Florida
9 Statutes, is amended to read:

10 122.12 Designation of beneficiary; death of
11 participant; forfeiture of contributions after benefits paid;
12 survivor benefits.--

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

26 Section 58. Section 122.13, Florida Statutes, is
27 amended to read:

28 122.13 Administration of law; appropriation.--The
29 division ~~department~~ shall make such rules as are necessary for
30 the effective administration of this chapter, and the cost is
31 hereby annually appropriated and shall be paid into the State

1 and County Officers and Employees' Retirement Trust Fund out
2 of the Intangible Tax Fund in the State Treasury in the amount
3 necessary to administer efficiently the state and county
4 retirement law. At the end of each fiscal year, beginning
5 with fiscal year 1959-1960, the administrative cost of the
6 state and county retirement system for the fiscal year just
7 ended shall be refunded to the General Revenue Fund from
8 interest earned on investments made subsequent to June 30,
9 1959.

10 Section 59. Subsection (2) of section 122.15, Florida
11 Statutes, is amended to read:

12 122.15 Benefits exempt from taxes and execution.--

13 (2) This subsection shall have no effect upon this
14 section except that the division ~~department~~ may, upon written
15 request from the retired member, deduct premiums for group
16 hospitalization insurance from the retirement benefit paid
17 such retired member.

18 Section 60. Paragraph (b) of subsection (2) of section
19 122.16, Florida Statutes, is amended to read:

20 122.16 Employment after retirement.--

21 (2)

22 (b) Any person to whom the limitation in paragraph (a)
23 applies who violates such reemployment limitation and is
24 reemployed with any agency participating in the Florida
25 Retirement System prior to completion of the 12-month
26 limitation period shall give timely notice of this fact in
27 writing to his or her employer and to the division ~~department~~;
28 and his or her retirement benefits shall be suspended for the
29 balance of the 12-month limitation period. Any person
30 employed in violation of this subsection and any employing
31 agency which knowingly employs or appoints such person without

1 notifying the division ~~department~~ 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 such person while he or she is reemployed
9 during this reemployment limitation period shall be repaid to
10 the retirement trust fund, and his or her retirement benefits
11 shall remain suspended until such repayment has been made. Any
12 benefits suspended beyond the reemployment limitation period
13 shall apply toward the repayment of benefits received in
14 violation of the reemployment limitation.

15 Section 61. Subsections (3) and (5) of section 122.23,
16 Florida Statutes, are amended to read:

17 122.23 Definitions.--In addition to those definitions
18 set forth in s. 122.02 the following words and phrases used in
19 ss. 122.21-122.24, 122.26 to 122.321, inclusive, have the
20 respective meanings set forth:

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

24 (5) "State agency" means the division ~~Department of~~
25 ~~Management Services~~ within the provisions and contemplation of
26 chapter 650.

27 Section 62. Subsections (1) and (5) of section 122.30,
28 Florida Statutes, are amended to read:

29 122.30 Appropriations.--

30 (1) There is ~~hereby~~ annually appropriated from the
31 intangible tax fund of the state to the division ~~department~~ as

1 the state agency designated in chapter 650, a sum not to
2 exceed \$10,000 to defray the expenses of such agency in
3 connection with its continuing duties in relation to the
4 social security coverage provided by this law.

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

12 Section 63. Paragraphs (b) and (c) of subsection (1)
13 and subsection (11) of section 122.34, Florida Statutes, are
14 amended to read:

15 122.34 Special provisions for certain sheriffs and
16 full-time deputy sheriffs.--

17 (1)

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

25 (c) The division ~~department~~ shall make such rules as
26 are necessary for the effective administration of the intent
27 of this section.

28 (11) No high hazard member shall be permitted to
29 receive benefits under this section until examined by a duly
30 qualified physician or surgeon, or board of physicians and
31 surgeons, to be selected by the Governor for that purpose, and

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

17 Section 64. Section 122.351, Florida Statutes, is
18 amended to read:

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

1 Section 65. Subsection (6) of section 175.032, Florida
2 Statutes, is amended to read:

3 175.032 Definitions.--For any municipality, special
4 fire control district, chapter plan, local law municipality,
5 local law special fire control district, or local law plan
6 under this chapter, the following words and phrases have the
7 following meanings:

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

11 Section 66. Section 175.1215, Florida Statutes, is
12 amended to read:

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

20 Section 67. Subsection (7) of section 185.02, Florida
21 Statutes, is amended to read:

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

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

30 Section 68. Section 185.105, Florida Statutes, is
31 amended to read:

1 185.105 Police and Firefighters' Premium Tax Trust
2 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
3 created, to be administered by the Division of Retirement of
4 ~~the Department of Management Services~~. Funds credited to the
5 trust fund, as provided in chapter 95-250, Laws of Florida, or
6 similar legislation, shall be expended for the purposes set
7 forth in that legislation.

8 Section 69. Paragraph (ii) of subsection (4) of
9 section 215.20, Florida Statutes, is amended to read:

10 215.20 Certain income and certain trust funds to
11 contribute to the General Revenue Fund.--

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

16 (ii) The Police and Firefighters' Premium Tax Trust
17 Fund established within the Division of Retirement of the
18 State Board of Administration ~~Department of Management~~
19 ~~Services~~.

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

29 Section 70. Subsection (3) of section 215.28, Florida
30 Statutes, is amended to read:

31

1 215.28 United States securities, purchase by state and
2 county officers and employees; deductions from salary.--

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

24 Section 71. Subsection (3) of section 215.50, Florida
25 Statutes, is amended to read:

26 215.50 Custody of securities purchased; income.--

27 (3) The Treasurer, as custodian of securities owned by
28 the Florida Retirement System Trust Fund and the Florida
29 Survivor Benefit Trust Fund, shall collect the interest,
30 dividends, prepayments, maturities, proceeds from sales, and
31 other income accruing from such assets. As such income is

1 collected by the Treasurer, it shall be deposited directly
2 into a commercial bank to the credit of the State Board of
3 Administration. Such bank accounts as may be required for
4 this purpose shall offer satisfactory collateral security as
5 provided by chapter 280. In the event funds so deposited
6 according to the provisions of this section are required for
7 the purpose of paying benefits or other operational needs, the
8 State Board of Administration shall remit to the Florida
9 Retirement System Trust Fund in the State Treasury such
10 amounts as may be requested by the director of the Division of
11 Retirement of the State Board of Administration ~~Department of~~
12 ~~Management Services~~.

13 Section 72. Subsections (2), (3), (11), and (13) of
14 section 238.01, Florida Statutes, are amended to read:

15 238.01 Definitions.--The following words and phrases
16 as used in this chapter shall have the following meanings
17 unless a different meaning is plainly required by the context:

18 (2) "Division" ~~"Department"~~ means the Division of
19 Retirement of the State Board of Administration ~~Department of~~
20 ~~Management Services~~.

21 (3) "Teacher" means any member of the teaching or
22 professional staff and any certificated employee of any public
23 free school, of any district school system and vocational
24 school, any member of the teaching or professional staff of
25 the Florida School for the Deaf and Blind, child training
26 schools of the Department of Juvenile Justice, the Department
27 of Corrections, and any tax-supported institution of higher
28 learning of the state, and any member and any certified
29 employee of the Department of Education, any certified
30 employee of the retirement system, any full-time employee of
31 any nonprofit professional association or corporation of

1 teachers functioning in Florida on a statewide basis, which
2 seeks to protect and improve public school opportunities for
3 children and advance the professional and welfare status of
4 its members, any person now serving as superintendent, or who
5 was serving as county superintendent of public instruction on
6 July 1, 1939, and any hereafter duly elected or appointed
7 superintendent, who holds a valid Florida teachers'
8 certificate. In all cases of doubt the division ~~Department of~~
9 ~~Management Services~~ shall determine whether any person is a
10 teacher as defined herein.

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

14 (13) "Earnable compensation" means the full
15 compensation payable to a teacher working the full working
16 time for his or her position. In respect to plans A, B, C, and
17 D only, in cases where compensation includes maintenance, the
18 division ~~Department of Management Services~~ shall fix the value
19 of that part of the compensation not paid in money; provided
20 that all members shall from July 1, 1955, make contributions
21 to the retirement system on the basis of "earnable
22 compensation" as defined herein and all persons who are
23 members on July 1, 1955, may, upon application, have their
24 "earnable compensation" for the time during which they have
25 been members prior to that date determined on the basis of
26 "earnable compensation" as defined in this law, upon paying to
27 the retirement system, on or before the date of retirement, a
28 sum equal to the additional contribution with accumulated
29 regular interest thereon they would have made if "earnable
30 compensation" had been defined, at the time they became
31 members, as it is now defined. However, earnable compensation

1 for all plan years beginning on or after July 1, 1990, shall
2 not include any amounts in excess of the compensation
3 limitation (originally \$200,000) established by s. 401(a)(17)
4 of the Internal Revenue Code prior to the Omnibus Budget
5 Reconciliation Act of 1993, which limitation shall be adjusted
6 for changes in the cost of living since 1989, in the manner
7 provided by s. 401(a)(17) of the Internal Revenue Code of
8 1991. This limitation, which has been part of the Teachers'
9 Retirement System since plan years beginning on or after July
10 1, 1990, shall be adjusted as required by federal law for
11 qualified government plans.

12 Section 73. Section 238.02, Florida Statutes, is
13 amended to read:

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

26 Section 74. Section 238.03, Florida Statutes, is
27 amended to read:

28 238.03 Administration.--

29 (1) The general administration and the responsibility
30 for the proper operation of the retirement system and for
31 making effective the provisions of this chapter are vested in

1 the division ~~Department of Management Services~~. Subject to
2 the limitation of this chapter, the department shall, from
3 time to time, establish rules and regulations for the
4 administration and transaction of the business of the
5 retirement system and shall perform such other functions as
6 are required for the execution of this chapter.

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

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

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

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

1 (6) The actuary shall make an annual valuation of the
2 assets and liabilities of the funds of the retirement system
3 on the basis of the tables adopted by the division ~~department~~
4 in accordance with the requirements of this section, and shall
5 prepare an annual statement of the amounts to be contributed
6 by the state in accordance with s. 238.09.

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

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

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

22 Section 75. Paragraph (b) of subsection (1),
23 paragraphs (a) and (b) of subsection (3), and subsection (4)
24 of section 238.05, Florida Statutes, are amended to read:

25 238.05 Membership.--

26 (1) The membership of the retirement system shall
27 consist of the following:

28 (b) All persons who became or who become teachers on
29 or after July 1, 1939, except as provided in paragraph (a) and
30 subsection (5) hereof, shall become members of the retirement
31 system by virtue of their appointment as teachers. However,

1 employees who are not members of the teaching or professional
2 staff shall only become members of the retirement system by
3 filing a notice with the division ~~department~~ of their election
4 to become members.

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

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

1 or her last previous annual salary as a teacher, and shall,
2 prior to retirement, pay in full to the system such
3 contributions with accumulated regular interest. Such
4 contributions with interest may be paid at one time or in
5 monthly, quarterly, semiannual, or annual payments in the
6 person's discretion.

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

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

29 Section 76. Subsections (3) and (10), paragraphs (a)
30 and (b) of subsection (12), subsection (13), paragraphs (a),
31 (b), and (d) of subsection (15A), and paragraphs (a) and (d)

1 of subsection (16) of section 238.07, Florida Statutes, are
2 amended to read:

3 238.07 Regular benefits; survivor benefits.--
4 (3) Any member who, prior to July 1, 1955, elected to
5 retire under one of plans A, B, C, or D may elect, prior to
6 retirement, to retire under plan E in accordance with the
7 terms hereof. Any person who became a member on or after July
8 1, 1955, shall retire under plan E, except as provided for
9 under s. 238.31. With respect to plans A, B, C, or D, any
10 member shall have the right at any time to change to a plan of
11 retirement requiring a lower rate of contribution. The
12 division ~~Department of Management Services~~ shall also notify
13 the member of the rate of contribution such member must make
14 from and after selecting such plan of retirement. Any member
15 in service may retire upon reaching the age of retirement
16 formerly selected by him or her, upon the member's written
17 application to the division ~~department~~ setting forth at which
18 time, not more than 90 days subsequent to the execution and
19 filing of such application, it is his or her desire to retire
20 notwithstanding that during such period of notification he or
21 she may have separated from service. Upon receipt of such
22 application for retirement, the division ~~department~~ shall
23 retire such member not more than 90 days thereafter. Before
24 such member may retire he or she must file with the division
25 ~~department~~ his or her written selection of one of the optional
26 benefits provided in s. 238.08.

27 (10) Any member in service, who has 10 or more years
28 of creditable service, may upon the application of his or her
29 employer or upon his or her own application, be retired by the
30 division ~~department~~ not less than 30 nor more than 90 days
31 next following the date of filing such application, on a

1 disability retirement allowance; provided that a physician
2 licensed by this state examines and certifies that such member
3 is mentally or physically incapacitated for the further
4 performance of duty, that such incapacity is likely to be
5 permanent, and that such member should be retired, and the
6 division ~~department~~ concurs. In making the determination, the
7 division ~~department~~ may require other evidence of disability
8 as deemed appropriate.

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

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

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

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

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

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

1 disability. The determination as to such physical or mental
2 incapability shall be vested in the division ~~department~~.

3

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

8 3. A parent is a natural parent of a member and
9 includes a lawful spouse of a natural parent.

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

14 (d) Limitations on rights of beneficiary are:

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

20

21	Minimum number of years	Period after serving in
22	of service in Florida	Florida in which
23		death of member
24		occurs

25

26 3 to 5.....2 years

27 6 to 9.....5 years

28 10 or more.....10 years

29

30 2. Upon the death of a member, the division ~~department~~
31 shall make a determination of the beneficiary or beneficiaries

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

11 3. The beneficiaries of a member to receive survivor
12 benefits are fixed by this subsection, and a member may not
13 buy or otherwise change such benefits. He or she may,
14 however, designate the beneficiary to receive the \$500 death
15 benefits. If a member fails to make this designation, the
16 \$500 death benefits shall be paid to his or her executor or
17 administrator.

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

28 Section 77. Subsection (2), paragraph (b) of
29 subsection (5), and subsections (6) and (7) of section 238.08,
30 Florida Statutes, are amended to read:

31

1 238.08 Optional benefits.--A member may elect to
2 receive his or her benefits under the terms of this chapter
3 according to the provisions of any one of the following
4 options:

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

16 (5)

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

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

4 (6) Notwithstanding any provision in this chapter to
5 the contrary, the following provisions shall apply to any
6 member of the retirement system who has accumulated at least
7 10 years of service and dies prior to retirement:

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

18 (b) If the deceased member's surviving spouse has not
19 received a refund of the deceased member's accumulated
20 contributions, such spouse shall, upon application to the
21 division ~~department~~ within 30 days of the death of the member,
22 receive the monthly retirement benefit provided in paragraph
23 (c).

24 (c) The monthly benefit payable to the spouse
25 described in paragraph (a) or paragraph (b) shall be the
26 amount which would have been payable to the deceased member's
27 spouse, assuming that the member retired on the date of his or
28 her death and had selected the option in subsection (3), such
29 benefit to be based on the ages of the spouse and member as of
30 the date of death of the member. The benefit shall commence on
31 the first day of the month following the payment of the

1 aforesaid amount to the division ~~department~~, if paragraph (a)
2 is applicable, or on the first day of the month following the
3 receipt of the spouse's application by the division
4 ~~department~~, if paragraph (b) is applicable.

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

14 Section 78. Paragraphs (a), (c), and (d) of subsection
15 (1), paragraphs (b), (c), and (e) of subsection (3), and
16 paragraph (b) of subsection (5) of section 238.09, Florida
17 Statutes, are amended to read:

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

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

29 (a) With respect to plan A, B, C, or D, upon the basis
30 of such tables as the division adopts ~~Department of Management~~
31 ~~Services shall adopt~~, and regular interest, the actuary of the

1 retirement system shall determine for each member the
2 proportion of earnable compensation which, when deducted from
3 each payment of his or her prospective earnable annual
4 compensation prior to his or her minimum service retirement
5 age, and accumulated at regular interest until such age, shall
6 be computed to provide at such age:

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

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

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

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

26 (c) The division ~~department~~ shall certify to each
27 employer the proportion of the earnable compensation of each
28 member who is compensated by the employer, and the employer
29 shall cause to be deducted from the salary of each member on
30 each and every payroll for each and every payroll period an
31 amount equal to the proportion of the member's earnable

1 compensation so computed. With respect to plan A, B, C, or D,
2 the employer shall not make any deduction for annuity purposes
3 from the compensation of a member who has attained the age of
4 60 years, if such member elects not to contribute.

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

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

25 (b) On the basis of regular interest and of such
26 mortality and other tables as are ~~shall be~~ adopted by the
27 division ~~department~~, the actuary engaged by the division
28 ~~department~~ to make each valuation required by this chapter
29 shall, during the period over which the accrued liability
30 contribution is payable, determine, immediately after making
31 such valuation, the uniform and constant percentage of the

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

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

31 |

1 (e) The accrued liability contribution shall be
2 discontinued as soon as the accumulated reserve in the Pension
3 Accumulation Trust Fund shall equal the present value, as
4 actuarially computed and approved by the division ~~department~~,
5 of the total liability of such fund less the present value,
6 computed on the basis of the normal contribution rate, then in
7 force of the prospective normal contributions to be received
8 on account of persons who are at that time members.

9 (5)

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

25 Section 79. Section 238.10, Florida Statutes, is
26 amended to read:

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

1 expense fund, from the interest and dividends earned from
2 investments.

3 Section 80. Paragraph (b) of subsection (1) and
4 subsections (2) and (3) of section 238.11, Florida Statutes,
5 are amended to read:

6 238.11 Collection of contributions.--

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

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

18 (2) The collection of the state contribution shall be
19 made as follows:

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

29 (b) The division ~~Department of Management Services~~
30 shall certify one-fourth of the amount so ascertained for each
31 year to the Comptroller on or before the last day of July,

1 | October, January, and April of each year. The Comptroller
2 | shall, on or before the first day of August, November,
3 | February, and May of each year, draw his or her warrant or
4 | warrants on the Treasurer for the respective amounts due the
5 | several funds of the retirement system. On the receipt of the
6 | warrant or warrants of the Comptroller, the Treasurer shall
7 | immediately transfer to the several funds of the retirement
8 | system the amounts due.

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

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

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

1 any such association or corporation for creditable service
2 accruing to any such member before July 1, 1947, shall be paid
3 prior to the retirement of any such member.

4 Section 81. Section 238.12, Florida Statutes, is
5 amended to read:

6 238.12 Duties of employers.--

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

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

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

29 Section 82. Section 238.14, Florida Statutes, is
30 amended to read:

31

1 238.14 Protection against fraud.--Any person who shall
2 knowingly make any false statement, or shall falsify or permit
3 to be falsified any record or records of this retirement
4 system in any attempt to defraud such system as a result of
5 such act, shall be guilty of a misdemeanor of the second
6 degree, punishable as provided in s. 775.082 or s. 775.083.
7 Should any change or error in records result in any member or
8 beneficiary receiving from the retirement system more or less
9 than he or she would have been entitled to receive had the
10 records been correct, then on discovery of any such error the
11 division ~~department~~ shall correct such error, and, as far as
12 practicable, shall adjust the payments in such a manner that
13 the actuarial equivalent of the benefit, to which such member
14 or beneficiary was correctly entitled, shall be paid.

15 Section 83. Section 238.15, Florida Statutes, is
16 amended to read:

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

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

1 state, and upon receipt of such request the division
2 ~~department~~ shall make the monthly payments as directed; and

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

5 Section 84. Paragraph (b) of subsection (3) of section
6 238.171, Florida Statutes, is amended to read:

7 238.171 Monthly allowance; when made.--

8 (3)

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

17 Section 85. Paragraphs (b), (c), (d), (e), and (f) of
18 subsection (2) of section 238.181, Florida Statutes, are
19 amended to read:

20 238.181 Reemployment after retirement; conditions and
21 limitations.--

22 (2)

23 (b) Any person to whom the limitation in paragraph (a)
24 applies who violates such reemployment limitation and who is
25 reemployed with any agency participating in the Florida
26 Retirement System before completion of the 12-month limitation
27 period shall give timely notice of this fact in writing to his
28 or her employer and to the division ~~Department of Management~~
29 ~~Services~~ and shall have his or her retirement benefits
30 suspended for the balance of the 12-month limitation period.
31 Any person employed in violation of this paragraph and any

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

15 (c) A district school board may reemploy a retired
16 member as a substitute or hourly teacher on a noncontractual
17 basis after he or she has been retired for 1 calendar month,
18 in accordance with s. 121.021(39). Any retired member who is
19 reemployed within 1 calendar month after retirement shall void
20 his or her application for retirement benefits. District
21 school boards reemploying such teachers are subject to the
22 retirement contribution required by paragraph (g).
23 Reemployment of a retired member as a substitute or hourly
24 teacher is limited to 780 hours during the first 12 months of
25 his or her retirement. Any retired member reemployed for more
26 than 780 hours during his or her first 12 months of retirement
27 shall give timely notice in writing to his or her employer and
28 to the division ~~department~~ of the date he or she will exceed
29 the limitation. The division ~~department~~ shall suspend his or
30 her retirement benefits for the remainder of his or her first
31 12 months of retirement. Any person employed in violation of

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

17 (d) A community college board of trustees may reemploy
18 a retired member as an adjunct instructor, that is, an
19 instructor who is noncontractual and part time, or as a
20 participant in a phased retirement program within a community
21 college, after he or she has been retired for 1 calendar
22 month, in accordance with s. 121.021(39). Any retired member
23 who is reemployed within 1 calendar month after retirement
24 shall void his or her application for retirement benefits.
25 Boards of trustees reemploying such instructors are subject to
26 the retirement contribution required in paragraph (g). A
27 retired member may be reemployed as an adjunct instructor for
28 no more than 780 hours during the first 12 months of his or
29 her retirement. Any retired member reemployed for more than
30 780 hours during his or her first 12 months of retirement
31 shall give timely notice in writing to his or her employer and

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

21 (e) The Board of Trustees of the Florida School for
22 the Deaf and the Blind may reemploy a retired member as a
23 substitute teacher, substitute residential instructor, or
24 substitute nurse on a noncontractual basis after he or she has
25 been retired for 1 calendar month, in accordance with s.
26 121.021(39). Any retired member who is reemployed within 1
27 calendar month after retirement shall void his or her
28 application for retirement benefits. The Board of Trustees of
29 the Florida School for the Deaf and the Blind reemploying such
30 teachers, residential instructors, or nurses is subject to the
31 retirement contribution required by paragraph (g).

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

27 (f) The State University System may reemploy a retired
28 member as an adjunct faculty member or as a participant in a
29 phased retirement program within the State University System
30 after the retired member has been retired for 1 calendar
31 month, in accordance with s. 121.021(39). Any retired member

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

31 |

