

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

Representative(s) Murman offered the following:

**Amendment (with title amendment)**

On page 15, line 1 through page 15, line 24  
remove from the bill: all of said lines

and insert in lieu thereof:

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

(4) CONTRIBUTIONS.--

(a) Through June 30, 2001, each employer shall  
contribute on behalf of each participant in the optional  
retirement program an amount equal to the normal cost portion  
of the employer retirement contribution which would be  
required if the participant were a regular member of the  
Florida Retirement System defined benefit program, plus the  
portion of the contribution rate required in s. 112.363(8)  
that would otherwise be assigned to the Retiree Health  
Insurance Subsidy Trust Fund. Effective July 1, 2001, each  
employer shall contribute on behalf of each participant in the  
optional program an amount equal to 10.43 percent of the

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1 participant's gross monthly compensation. The department  
2 shall deduct, less an amount approved by the Legislature ~~which~~  
3 ~~shall be deducted by the department~~ to provide for the  
4 administration of this program. The payment of the  
5 contributions to the optional program which is required by  
6 this paragraph for each participant shall be made by the  
7 employer to the department, which shall forward the  
8 contributions to the designated company or companies  
9 contracting for payment of benefits for the participant under  
10 the program. However, such contributions paid on behalf of an  
11 employee described in paragraph (3)(c) shall not be forwarded  
12 to a company and shall not begin to accrue interest until the  
13 employee has executed an annuity contract and notified the  
14 department.

15 Section 6. Paragraph (c) of subsection (2) of section  
16 121.051, Florida Statutes, is amended to read:

17 121.051 Participation in the system.--

18 (2) OPTIONAL PARTICIPATION.--

19 (c) Employees of members of the Florida Community  
20 College System or charter technical career centers sponsored  
21 by members of the Florida Community College System, as  
22 designated in s. 240.3031, who are members of the Regular  
23 Class of the Florida Retirement System and who comply with the  
24 criteria set forth in this paragraph and in s. 240.3195 may  
25 elect, in lieu of participating in the Florida Retirement  
26 System, to withdraw from the Florida Retirement System  
27 altogether and participate in a lifetime monthly annuity  
28 program, to be known as the State Community College System  
29 Optional Retirement Program, which may be provided by the  
30 employing agency under s. 240.3195. Pursuant thereto:

31 1. Through June 30, 2001, the cost to the employer for

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1 such annuity shall equal the normal cost portion of the  
2 employer retirement contribution which would be required if  
3 the employee were a member of the Regular Class defined  
4 benefit program, plus the portion of the contribution rate  
5 required by s. 112.363(8) that would otherwise be assigned to  
6 the Retiree Health Insurance Subsidy Trust Fund. Effective  
7 July 1, 2001, each employer shall contribute on behalf of each  
8 participant in the optional program an amount equal to 10.43  
9 percent of the participant's gross monthly compensation. The  
10 employer shall deduct, and less an amount ~~approved by the~~  
11 ~~employer~~ to provide for the administration of the optional  
12 retirement program. The employer providing such annuity shall  
13 contribute an additional amount to the Florida Retirement  
14 System Trust Fund equal to the unfunded actuarial accrued  
15 liability portion of the Regular Class contribution rate.

16 2. The decision to participate in such an optional  
17 retirement program shall be irrevocable for as long as the  
18 employee holds a position eligible for participation. Any  
19 service creditable under the Florida Retirement System shall  
20 be retained after the member withdraws from the Florida  
21 Retirement System; however, additional service credit in the  
22 Florida Retirement System shall not be earned while a member  
23 of the optional retirement program.

24 3. Participation in an optional annuity program shall  
25 be limited to those employees who satisfy the following  
26 eligibility criteria:

27 a. The employee must be otherwise eligible for  
28 membership in the Regular Class of the Florida Retirement  
29 System, as provided in s. 121.021(11) and (12).

30 b. The employee must be employed in a full-time  
31 position classified in the Accounting Manual for Florida's

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1 Public Community Colleges as:  
2 (I) Instructional; or  
3 (II) Executive Management, Instructional Management,  
4 or Institutional Management, if a community college determines  
5 that recruiting to fill a vacancy in the position is to be  
6 conducted in the national or regional market, and:  
7 (A) The duties and responsibilities of the position  
8 include either the formulation, interpretation, or  
9 implementation of policies; or  
10 (B) The duties and responsibilities of the position  
11 include the performance of functions that are unique or  
12 specialized within higher education and that frequently  
13 involve the support of the mission of the community college.  
14 c. The employee must be employed in a position not  
15 included in the Senior Management Service Class of the Florida  
16 Retirement System, as described in s. 121.055.  
17 4. Participants in the program are subject to the same  
18 reemployment limitations, renewed membership provisions, and  
19 forfeiture provisions as are applicable to regular members of  
20 the Florida Retirement System under ss. 121.091(9), 121.122,  
21 and 121.091(5), respectively.  
22 5. Eligible community college employees shall be  
23 compulsory members of the Florida Retirement System until,  
24 pursuant to the procedures set forth in s. 240.3195, the first  
25 day of the next full calendar month following the filing of  
26 both a written election to withdraw and a completed  
27 application for an individual contract or certificate with the  
28 program administrator and receipt of such election by the  
29 division.  
30 Section 7. Paragraph (d) of subsection (6) of section  
31 121.055, Florida Statutes, is amended to read:

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

6           (6)

7           (d) Contributions.--

8           1. Through June 30, 2001, each employer shall  
9 contribute on behalf of each participant in the Senior  
10 Management Service Optional Annuity Program an amount equal to  
11 the normal cost portion of the employer retirement  
12 contribution which would be required if the participant were a  
13 Senior Management Service Class member of the Florida  
14 Retirement System defined benefit program, plus the portion of  
15 the contribution rate required in s. 112.363(8) that would  
16 otherwise be assigned to the Retiree Health Insurance Subsidy  
17 Trust Fund. Effective July 1, 2001, each employer shall  
18 contribute on behalf of each participant in the optional  
19 program an amount equal to 12.49 percent of the participant's  
20 gross monthly compensation. The department shall deduct, less  
21 an amount approved by the Legislature which shall be deducted  
22 by the department to provide for the administration of this  
23 program. The payment of the contributions to the optional  
24 program which is required by this subparagraph for each  
25 participant shall be made by the employer to the department,  
26 which shall forward the contributions to the designated  
27 company or companies contracting for payment of benefits for  
28 the participant under the program.

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

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

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

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

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

30           Section 8. Paragraph (a) of subsection (4) of section  
31 240.3195, Florida Statutes, is amended to read:

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1           240.3195 State Community College System Optional  
2 Retirement Program.--Each community college may implement an  
3 optional retirement program, if such program is established  
4 therefor pursuant to s. 240.319(4)(r), under which annuity  
5 contracts providing retirement and death benefits may be  
6 purchased by, and on behalf of, eligible employees who  
7 participate in the program. Except as otherwise provided  
8 herein, this retirement program, which shall be known as the  
9 State Community College System Optional Retirement Program,  
10 may be implemented and administered only by an individual  
11 community college or by a consortium of community colleges.

12           (4)(a) Through June 30, 2001,each college must  
13 contribute on behalf of each program participant an amount  
14 equal to the normal cost portion of the employer retirement  
15 contribution which would be required if the program  
16 participant were a member of the Regular Class of the Florida  
17 Retirement System as provided in s. 121.071, plus the portion  
18 of the contribution rate required in s. 112.363(8) that would  
19 otherwise be assigned to the Retiree Health Insurance Subsidy  
20 Trust Fund Effective July 1, 2001, each college must  
21 contribute on behalf of each program participant an amount  
22 equal to 10.43 percent of the participant's gross monthly  
23 compensation. The college shall deduct, ~~and less~~ an amount  
24 approved by the community college to provide for the  
25 administration of the optional retirement program. Payment of  
26 this contribution must be made either directly by the  
27 community college or through the program administrator to the  
28 designated company contracting for payment of benefits to the  
29 program participant.

30           (b) Each community college must contribute on behalf  
31 of each program participant an amount equal to the unfunded

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1 actuarial accrued liability portion of the employer  
2 contribution which would be required if the program  
3 participant were a member of the Regular Class of the Florida  
4 Retirement System. Payment of this contribution must be made  
5 directly by the college to the department for deposit in the  
6 Florida Retirement System Trust Fund.

7 (c) Each program participant who has executed an  
8 annuity contract may contribute by way of salary reduction or  
9 deduction a percentage of the program participant's gross  
10 compensation, but this percentage may not exceed the  
11 corresponding percentage contributed by the community college  
12 to the optional retirement program. Payment of this  
13 contribution may be made either directly by the college or  
14 through the program administrator to the designated company  
15 contracting for payment of benefits to the program  
16 participant.

17 (d) Contributions to an optional retirement program by  
18 a college or a program participant are in addition to, and  
19 have no effect upon, contributions required now or in future  
20 by the federal Social Security Act.

21  
22

23 ===== T I T L E A M E N D M E N T =====

24 And the title is amended as follows:

25 On page 1, lines 6 through 9,  
26 remove from the title of the bill: all of said lines

27

28 and insert in lieu thereof:

29 subclasses; amending ss. 121.35, 121.051,  
30 121.055, and 240.3195, F.S.; changing employer  
31 contribution rates for participants in the



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1 State University System optional retirement  
2 program, the Community College optional  
3 retirement program, and the Senior Management  
4 Service optional annuity program; providing  
5 legislative intent  
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