

1                                   A bill to be entitled  
2           An act relating to the Florida Retirement  
3           System; amending s. 121.0515, F.S.; including  
4           fire prevention training or firefighting duties  
5           among eligibility requirements for special risk  
6           classification; revising criteria for  
7           membership in the special risk class to include  
8           emergency medical technicians and paramedics  
9           having supervisory or command authority over  
10          other emergency medical technicians and  
11          paramedics or having supervisory or command  
12          authority over such supervisory or command  
13          personnel; amending s. 121.053, F.S.;  
14          authorizing elected officers participating in  
15          DROP to terminate participation in DROP and  
16          enroll in a subclass of the Elected Officers'  
17          Class; amending s. 121.4501, F.S.; redefining  
18          the term "approved provider"; providing  
19          requirements for the State Board of  
20          Administration in carrying out its duties under  
21          the program; providing requirements for  
22          approved providers regarding federal and state  
23          laws and regulations, and for communications  
24          with participants; providing requirements for  
25          the appointment of the executive director of  
26          the State Board of Administration; amending s.  
27          121.4501, F.S.; providing additional  
28          definitions; providing for payment of benefits  
29          pursuant to s. 121.591, F.S.; amending s.  
30          121.571, F.S.; revising employer contribution  
31          rates to disability accounts; creating s.

1 121.591, F.S.; providing for payment of normal  
2 benefits, disability retirement benefits, and  
3 death benefits under the Public Employee  
4 Optional Retirement Program; providing  
5 requirements, criteria, procedures, and  
6 limitations; providing for disability benefits  
7 for certain justices and judges; limiting  
8 application of legal process to such benefits;  
9 providing a declaration of important state  
10 interest; providing an effective date.

11  
12 Be It Enacted by the Legislature of the State of Florida:

13  
14 Section 1. Subsection (2) of section 121.0515, Florida  
15 Statutes, is amended to read:

16 121.0515 Special risk membership.--

17 (2) CRITERIA.--A member, to be designated as a special  
18 risk member, must meet the following criteria:

19 (a) The member must be employed as a law enforcement  
20 officer and be certified, or required to be certified, in  
21 compliance with s. 943.1395; however, sheriffs and elected  
22 police chiefs shall be excluded from meeting the certification  
23 requirements of this paragraph. In addition, the member's  
24 duties and responsibilities must include the pursuit,  
25 apprehension, and arrest of law violators or suspected law  
26 violators; or the member must be an active member of a bomb  
27 disposal unit whose primary responsibility is the location,  
28 handling, and disposal of explosive devices; or the member  
29 must be the supervisor or command officer of a member or  
30 members who have such responsibilities; provided, however,  
31 administrative support personnel, including, but not limited

1 to, those whose primary duties and responsibilities are in  
 2 accounting, purchasing, legal, and personnel, shall not be  
 3 included;

4 (b) The member must be employed as a firefighter and  
 5 be certified, or required to be certified, in compliance with  
 6 s. 633.35 and be employed solely within the fire department of  
 7 the employer or agency of state government. In addition, the  
 8 member's duties and responsibilities must include on-the-scene  
 9 fighting of fires, fire prevention or firefighter training, or  
 10 direct supervision of firefighting units, fire prevention or  
 11 firefighter training, or the member must be the supervisor or  
 12 command officer of a member or members who have such  
 13 responsibilities; provided, however, administrative support  
 14 personnel, including, but not limited to, those whose primary  
 15 duties and responsibilities are in accounting, purchasing,  
 16 legal, and personnel, shall not be included;

17 (c) The member must be employed as a correctional  
 18 officer and be certified, or required to be certified, in  
 19 compliance with s. 943.1395. In addition, the member's  
 20 primary duties and responsibilities must be the custody, and  
 21 physical restraint when necessary, of prisoners or inmates  
 22 within a prison, jail, or other criminal detention facility,  
 23 or while on work detail outside the facility, or while being  
 24 transported; or the member must be the supervisor or command  
 25 officer of a member or members who have such responsibilities;  
 26 provided, however, administrative support personnel,  
 27 including, but not limited to, those whose primary duties and  
 28 responsibilities are in accounting, purchasing, legal, and  
 29 personnel, shall not be included; however, wardens and  
 30 assistant wardens, as defined by rule, shall participate in  
 31 the Special Risk Class;

1           (d) The member must be employed by a licensed Advance  
2 Life Support (ALS) or Basic Life Support (BLS) employer as an  
3 emergency medical technician or a paramedic and be certified  
4 in compliance with s. 401.27. In addition, the member's  
5 primary duties and responsibilities must include on-the-scene  
6 emergency medical care or direct supervision of emergency  
7 medical technicians or paramedics, or the member must be the  
8 supervisor or command officer of one or more members who have  
9 such responsibility. However, administrative support  
10 personnel, including, but not limited to, those whose primary  
11 responsibilities are in accounting, purchasing, legal, and  
12 personnel, shall not be included;

13           (e) The member must be employed as a community-based  
14 correctional probation officer and be certified, or required  
15 to be certified, in compliance with s. 943.1395. In addition,  
16 the member's primary duties and responsibilities must be the  
17 supervised custody, surveillance, control, investigation, and  
18 counseling of assigned inmates, probationers, parolees, or  
19 community controllees within the community; or the member must  
20 be the supervisor of a member or members who have such  
21 responsibilities. Administrative support personnel, including,  
22 but not limited to, those whose primary duties and  
23 responsibilities are in accounting, purchasing, legal  
24 services, and personnel management, shall not be included;  
25 however, probation and parole circuit and deputy circuit  
26 administrators shall participate in the Special Risk Class; or

27           (f) The member must be employed in one of the  
28 following classes and must spend at least 75 percent of his or  
29 her time performing duties which involve contact with patients  
30 or inmates in a correctional or forensic facility or  
31 institution:

- 1 1. Dietitian (class codes 5203 and 5204).
- 2 2. Public health nutrition consultant (class code
- 3 5224).
- 4 3. Psychological specialist (class codes 5230 and
- 5 5231).
- 6 4. Psychologist (class code 5234).
- 7 5. Senior psychologist (class codes 5237 and 5238).
- 8 6. Regional mental health consultant (class code
- 9 5240).
- 10 7. Psychological Services Director--DCF (class code
- 11 5242).
- 12 8. Pharmacist (class codes 5245 and 5246).
- 13 9. Senior pharmacist (class codes 5248 and 5249).
- 14 10. Dentist (class code 5266).
- 15 11. Senior dentist (class code 5269).
- 16 12. Registered nurse (class codes 5290 and 5291).
- 17 13. Senior registered nurse (class codes 5292 and
- 18 5293).
- 19 14. Registered nurse specialist (class codes 5294 and
- 20 5295).
- 21 15. Clinical associate (class codes 5298 and 5299).
- 22 16. Advanced registered nurse practitioner (class
- 23 codes 5297 and 5300).
- 24 17. Advanced registered nurse practitioner specialist
- 25 (class codes 5304 and 5305).
- 26 18. Registered nurse supervisor (class codes 5306 and
- 27 5307).
- 28 19. Senior registered nurse supervisor (class codes
- 29 5308 and 5309).
- 30 20. Registered nursing consultant (class codes 5312
- 31 and 5313).

1           21. Quality management program supervisor (class code  
2 5314).

3           22. Executive nursing director (class codes 5320 and  
4 5321).

5           23. Speech and hearing therapist (class code 5406); or

6           24. Pharmacy manager (class code 5251).

7           Section 2. Paragraph (b) of subsection (1) of section  
8 121.053, Florida Statutes, is amended to read:

9           121.053 Participation in the Elected Officers' Class  
10 for retired members.--

11           (1)

12           (b) Any retired member of the Florida Retirement  
13 System, or any existing system as defined in s. 121.021(2),  
14 who, on or after July 1, 1990, is serving in, or is elected or  
15 appointed to, an elective office covered by the Elected  
16 Officers' Class shall be enrolled in the appropriate subclass  
17 of the Elected Officers' Class of the Florida Retirement  
18 System, and applicable contributions shall be paid into the  
19 Florida Retirement System Trust Fund as provided in s.  
20 121.052(7). Pursuant thereto:

21           1. Any such retired member shall be eligible to  
22 continue to receive retirement benefits as well as  
23 compensation for the elected officer service for as long as he  
24 or she remains in an elective office covered by the Elected  
25 Officers' Class.

26           2. If any such member serves in an elective office  
27 covered by the Elected Officers' Class and becomes vested  
28 under that class, he or she shall be entitled to receive an  
29 additional retirement benefit for such elected officer  
30 service.

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1           3. Such member shall be entitled to purchase  
 2 additional retirement credit in the Elected Officers' Class  
 3 for any postretirement service performed in an elected  
 4 position eligible for the Elected Officers' Class prior to  
 5 July 1, 1990, or in the Regular Class for any postretirement  
 6 service performed in any other regularly established position  
 7 prior to July 1, 1991, by paying the applicable Elected  
 8 Officers' Class or Regular Class employee and employer  
 9 contributions for the period being claimed, plus 4 percent  
 10 interest compounded annually from the first year of service  
 11 claimed until July 1, 1975, and 6.5 percent interest  
 12 compounded thereafter, until full payment is made to the  
 13 Florida Retirement System Trust Fund. The contribution for  
 14 postretirement Regular Class service between July 1, 1985, and  
 15 July 1, 1991, for which the reemployed retiree contribution  
 16 was paid, shall be the difference between such contribution  
 17 and the total applicable contribution for the period being  
 18 claimed, plus interest. The employer of such member may pay  
 19 the applicable employer contribution in lieu of the member. If  
 20 a member does not wish to claim credit for all of the  
 21 postretirement service for which he or she is eligible, the  
 22 service the member claims must be the most recent service.

23           4. Creditable service for which credit was received,  
 24 or which remained unclaimed, at retirement may not be claimed  
 25 or applied toward service credit earned following renewed  
 26 membership. However, service earned in accordance with the  
 27 renewed membership provisions in s. 121.122 may be used in  
 28 conjunction with creditable service earned under this  
 29 paragraph, provided applicable vesting requirements and other  
 30 existing statutory conditions required by this chapter are  
 31 met.

1           5. Any elected officer who is a participating member  
2 of DROP may terminate participation at any time during the  
3 60-month DROP participation period and elect to enroll in the  
4 appropriate subclass of the Elected Officers' Class, including  
5 participating in the Senior Management Service Class,  
6 effective the first day of the following month.

7           Section 3. Subsection (1), paragraph (a) of subsection  
8 (2), paragraph (e) of subsection (4), paragraph (b) of  
9 subsection (8), and paragraphs (a) and (b) of subsection (9)  
10 of section 121.4501, Florida Statutes, are amended, and  
11 paragraph (f) is added to subsection (9) of said section, to  
12 read:

13           121.4501 Public Employee Optional Retirement  
14 Program.--

15           (1) The Trustees of the State Board of Administration  
16 shall establish an optional defined contribution retirement  
17 program for members of the Florida Retirement System under  
18 which retirement benefits will be provided for eligible  
19 employees who elect to participate in the program. The  
20 benefits to be provided for or on behalf of participants in  
21 such optional retirement program shall be provided through  
22 employee-directed investments, in accordance with s. 401(a) of  
23 the Internal Revenue Code and its related regulations. The  
24 employers shall contribute, as provided in this section and s.  
25 121.571, to the Public Employee Optional Retirement Program  
26 Trust Fund toward the funding of such optional benefits.

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

28           (a) "Approved provider" or "provider" means a private  
29 sector company that is selected and approved by the state  
30 board to offer one or more investment products or services to  
31 the Public Employee Optional Retirement Program, including a



1 "bundled provider" that offers participants a range of  
 2 individually allocated or unallocated investment products and  
 3 may offer a range of administrative and customer services,  
 4 which may include accounting and administration of individual  
 5 participant benefits and contributions; individual participant  
 6 recordkeeping; asset purchase, control, and safekeeping;  
 7 direct execution of the participant's instructions as to asset  
 8 and contribution allocation; calculation of daily net asset  
 9 values; direct access to participant account information;  
 10 periodic reporting to participants, at least quarterly, on  
 11 account balances and transactions; direct advice and guidance  
 12 on its investments options; a broad array of distribution  
 13 options; and asset allocation and retirement counseling and  
 14 education. Private sector companies include investment  
 15 management companies, insurance companies, depositories, and  
 16 mutual fund companies.

17 (4) PARTICIPATION; ENROLLMENT.--

18 (e) After the period during which an eligible employee  
 19 had the choice to elect the defined benefit program or the  
 20 Public Employee Optional Retirement Program, the employee  
 21 shall have one opportunity, that is, a second election,~~at the~~  
 22 ~~employee's discretion,~~to choose to move from the defined  
 23 benefit program to the Public Employee Optional Retirement  
 24 Program or from the Public Employee Optional Retirement  
 25 Program to the defined benefit program. This paragraph shall  
 26 be contingent upon approval from the Internal Revenue Service  
 27 for including the choice described herein within the programs  
 28 offered by the Florida Retirement System.

29 1. If the employee chooses to move to the Public  
 30 Employee Optional Retirement Program, the applicable  
 31 provisions of this section shall govern the transfer.

1           2. If the employee chooses to move from the Public  
 2 Employee Optional Retirement Program to the defined benefit  
 3 program, the employee must transfer from his or her optional  
 4 program ~~Public Employee Optional Retirement Program~~ account  
 5 and from other employee moneys as necessary, a sum  
 6 representing all contributions that would have been made to  
 7 the defined benefit plan for that employee and the actual  
 8 return that would have been earned on those contributions had  
 9 they been invested in the defined benefit program.

10  
 11 If, at the time of a member's election to transfer to the  
 12 defined benefit program, the member's optional program account  
 13 does not contain the total amount required to be transferred  
 14 to the defined benefit program, the member must pay the  
 15 remaining balance. If the member's optional program account  
 16 contains more than the amount required to be transferred to  
 17 the defined benefit program, such additional amount shall  
 18 remain in the member's optional program account.

19           (8) ADMINISTRATION OF PROGRAM.--

20           (b)1. The state board shall select and contract with  
 21 one third-party administrator to provide administrative  
 22 services, where those services do not duplicate services  
 23 provided by the Division of Retirement within the Department  
 24 of Management Services. With the approval of the state board,  
 25 the third-party administrator may subcontract with other  
 26 organizations or individuals to provide components of the  
 27 administrative services. As a cost of administration, the  
 28 board may compensate any such contractor for its services, in  
 29 accordance with the terms of the contract, as is deemed  
 30 necessary or proper by the board. The third-party

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1 administrator may not be an approved provider or be affiliated  
 2 with an approved provider.

3         2. These administrative services may include, but are  
 4 not limited to, enrollment of eligible employees, collection  
 5 of employer contributions, disbursement of such contributions  
 6 to approved providers in accordance with the allocation  
 7 directions of participants; services relating to consolidated  
 8 billing; individual and collective recordkeeping and  
 9 accounting; asset purchase, control, and safekeeping; and  
 10 direct disbursement of funds to and from the third-party  
 11 administrator, the division, the board, employers,  
 12 participants, approved providers, and beneficiaries. Nothing  
 13 in this section shall prevent or prohibit a bundled provider  
 14 from providing any administrative or customer service,  
 15 including accounting and administration of individual  
 16 participant benefits and contributions; individual participant  
 17 recordkeeping; asset purchase, control, and safekeeping;  
 18 direct execution of the participant's instructions as to asset  
 19 and contribution allocation; calculation of daily net asset  
 20 values; direct access to participant account information;  
 21 periodic reporting to participants, at least quarterly, on  
 22 account balances and transactions.

23         3. The state board shall select and contract with one  
 24 or more organizations to provide educational services. With  
 25 approval of the board, the organizations may subcontract with  
 26 other organizations or individuals to provide components of  
 27 the educational services. As a cost of administration, the  
 28 board may compensate any such contractor for its services in  
 29 accordance with the terms of the contract, as is deemed  
 30 necessary or proper by the board. The education organization  
 31

1 may not be an approved provider or be affiliated with an  
2 approved provider.

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

20           (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE  
21 REVIEW.--

22           (a) The board shall develop policy and procedures for  
23 selecting, evaluating, and monitoring the performance of  
24 approved providers and investment products to which employees  
25 may direct retirement contributions under the program. In  
26 accordance with such policy and procedures, the board shall  
27 designate and contract for a number of investment products as  
28 determined by the board. The board shall also select one or  
29 more bundled providers, each of whom ~~who~~ offer nine multiple  
30 investment options and related services ~~products~~ when such an  
31 approach is determined by the board to afford value to the

1 participants otherwise not available through individual  
2 investment products. Each approved bundled provider may offer  
3 investment options that provide participants with the  
4 opportunity to invest in each of the following asset classes,  
5 to be composed of individual options that represent either a  
6 single asset class or a combination thereof: money markets,  
7 U.S. fixed income, U.S. equities, and foreign stock.The board  
8 shall review and manage all educational materials, contract  
9 terms, fee schedules, and other aspects of the approved  
10 provider relationships to ensure that no provider is unduly  
11 favored or penalized by virtue of its status within the plan.

12 (b) The board shall consider investment options or  
13 products it considers appropriate to give participants the  
14 opportunity to accumulate retirement benefits, subject to the  
15 following:

16 1. The Public Employee Optional Retirement Program  
17 must offer a diversified mix of low-cost investment products  
18 that span the risk-return spectrum, and may include a  
19 guaranteed account as well as investment products such as  
20 individually allocated guaranteed and variable annuities, that  
21 meet the requirements of this subsection and that combine the  
22 ability to accumulate investment returns with the option of  
23 receiving lifetime income consistent with the long-term  
24 retirement security of a pension plan and similar to the  
25 lifetime income benefit provided by the Florida Retirement  
26 System.

27 2. Investment options or products offered by the group  
28 of approved providers may include mutual funds, group annuity  
29 contracts, individual retirement annuities, interests in  
30 trusts, collective trusts, separate accounts, and other such  
31 financial instruments, and shall include products that give

1 participants the option of committing their contributions for  
2 an extended time period in an effort to obtain higher returns  
3 than could be obtained from investment products offering full  
4 liquidity.

5 3. The board shall not contract with any provider that  
6 imposes a front-end, back-end, contingent, or deferred sales  
7 charge, or any other fee that limits or restricts the ability  
8 of participants to select any investment product available in  
9 the optional program. This prohibition shall not apply to fees  
10 or charges that are imposed on withdrawals from products that  
11 give participants the option of committing their contributions  
12 for an extended time period in an effort to obtain higher  
13 returns than could be obtained from investment products  
14 offering full liquidity, provided that the product in  
15 question, net of all fees and charges, produces material  
16 benefits relative to other comparable products in the program  
17 offering full liquidity.

18 4. Fees or charges for insurance features, such as  
19 mortality and expense risk charges, shall be reasonable  
20 relative to the benefits provided.

21 (f)1. An approved provider shall comply with all  
22 applicable federal and state securities and insurance laws and  
23 regulations, as well as the applicable rules and guidelines of  
24 the National Association of Securities Dealers (NASD)  
25 governing the ethical marketing of investment products. In  
26 furtherance of this mandate, an approved provider must agree  
27 in its contract with the board to establish and maintain a  
28 compliance education and monitoring system to supervise the  
29 activities of all personnel who directly communicate with  
30 individual participants and recommend investment products,

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1 which system is consistent with National Association of  
2 Security Dealers rules.

3 2. Approved provider personnel who directly  
4 communicate with individual participants and who recommend  
5 investment products shall make an independent and unbiased  
6 determination as to whether an investment product is suitable  
7 for a particular participant.

8 3. The board shall develop procedures to receive and  
9 resolve participant complaints against a provider or approved  
10 provider personnel, and, when appropriate, refer such  
11 complaints to the appropriate regulatory agency.

12 4. Approved providers are prohibited from selling or  
13 in any way distributing any customer list or participant  
14 identification information generated through their offering of  
15 products or services through the optional retirement program.

16 Section 4. The appointment of the executive director  
17 of the State Board of Administration shall be subject to the  
18 approval by a majority vote of the Board of Trustees of the  
19 State Board of Administration and the Governor must vote on  
20 the prevailing side. Such appointment must be reaffirmed in  
21 the same manner by the Board of Trustees on an annual basis.

22 Section 5. Paragraphs (b) through (j) of subsection  
23 (2) of section 121.4501, Florida Statutes, are redesignated as  
24 paragraphs (d) through (l), respectively, new paragraphs (b)  
25 and (c) are added to said subsection, and subsections (7) and  
26 (16) of said section are amended, to read:

27 121.4501 Public Employee Optional Retirement  
28 Program.--

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

30 (b) "Average monthly compensation" means one-twelfth  
31 of average final compensation as defined in s. 121.021(24).

1           (c) "Covered employment" means employment in a  
2 regularly established position as defined in s. 121.021(52).

3           (7) BENEFITS.--Under the Public Employee Optional  
4 Retirement Program:

5           (a) Benefits shall be provided in accordance with s.  
6 401(a) of the Internal Revenue Code.

7           (b) Benefits shall accrue in individual accounts that  
8 are participant-directed, portable, and funded by employer  
9 contributions and earnings thereon.

10           (c) Benefits shall be payable in accordance with s.  
11 121.591.the following terms and conditions:

12           1. ~~To the extent vested, benefits shall be payable~~  
13 ~~only to a participant, or to his or her beneficiaries as~~  
14 ~~designated by the participant.~~

15           2. ~~Benefits shall be paid by the third-party~~  
16 ~~administrator or designated approved providers in accordance~~  
17 ~~with the law, the contracts, and any applicable board rule or~~  
18 ~~policy.~~

19           3. ~~To begin receiving the benefits, the participant~~  
20 ~~must be terminated from all employment with all Florida~~  
21 ~~Retirement System employers, as provided in s. 121.021(39), or~~  
22 ~~the participant must be deceased. If a participant elects to~~  
23 ~~receive his or her benefits upon termination of employment,~~  
24 ~~the participant must submit a written application to the~~  
25 ~~third-party administrator indicating his or her preferred~~  
26 ~~distribution date and selecting an authorized method of~~  
27 ~~distribution as provided in paragraph (d). The participant may~~  
28 ~~defer receipt of benefits until he or she chooses to make such~~  
29 ~~application, subject to federal requirements.~~

30           4. ~~In the event of a participant's death, moneys~~  
31 ~~accumulated by, or on behalf of, the participant, less~~



1 ~~withholding taxes remitted to the Internal Revenue Service,~~  
2 ~~shall be distributed to the participant's designated~~  
3 ~~beneficiary or beneficiaries, or to the participant's estate,~~  
4 ~~as if the participant retired on the date of death, as~~  
5 ~~provided in paragraph (e). No other death benefits shall be~~  
6 ~~available for survivors of participants under the Public~~  
7 ~~Employee Optional Retirement Program, except for such~~  
8 ~~benefits, or coverage for such benefits, as are separately~~  
9 ~~afforded by the employer, at the employer's discretion.~~

10 ~~(d) Upon receipt by the third-party administrator of a~~  
11 ~~properly executed application for distribution of benefits,~~  
12 ~~the total accumulated benefit shall be payable to the~~  
13 ~~participant, as:~~

14 ~~1. A lump-sum distribution to the participant;~~

15 ~~2. A lump-sum direct rollover distribution whereby all~~  
16 ~~accrued benefits, plus interest and investment earnings, are~~  
17 ~~paid from the participant's account directly to the custodian~~  
18 ~~of an eligible retirement plan, as defined in s. 402(c)(8)(B)~~  
19 ~~of the Internal Revenue Code, on behalf of the participant; or~~

20 ~~3. Periodic distributions, as authorized by the state~~  
21 ~~board.~~

22 ~~(e) Survivor benefits shall be payable as:~~

23 ~~1. A lump-sum distribution payable to the~~  
24 ~~beneficiaries, or to the deceased participant's estate;~~

25 ~~2. An eligible rollover distribution on behalf of the~~  
26 ~~surviving spouse of a deceased participant, whereby all~~  
27 ~~accrued benefits, plus interest and investment earnings, are~~  
28 ~~paid from the deceased participant's account directly to the~~  
29 ~~custodian of an individual retirement account or an individual~~  
30 ~~retirement annuity, as described in s. 402(c)(9) of the~~  
31 ~~Internal Revenue Code, on behalf of the surviving spouse; or~~

1           ~~3. A partial lump-sum payment whereby a portion of the~~  
2 ~~accrued benefit is paid to the deceased participant's~~  
3 ~~surviving spouse or other designated beneficiaries, less~~  
4 ~~withholding taxes remitted to the Internal Revenue Service,~~  
5 ~~and the remaining amount is transferred directly to the~~  
6 ~~custodian of an individual retirement account or an individual~~  
7 ~~retirement annuity, as described in s. 402(c)(9) of the~~  
8 ~~Internal Revenue Code, on behalf of the surviving spouse. The~~  
9 ~~proportions must be specified by the participant or the~~  
10 ~~surviving beneficiary.~~

11  
12 ~~This paragraph does not abrogate other applicable provisions~~  
13 ~~of state or federal law providing for payment of death~~  
14 ~~benefits.~~

15           ~~(f) The benefits payable to any person under the~~  
16 ~~Public Employee Optional Retirement Program, and any~~  
17 ~~contributions accumulated under such program, are not subject~~  
18 ~~to assignment, execution, attachment, or any legal process,~~  
19 ~~except for qualified domestic relations orders by a court of~~  
20 ~~competent jurisdiction, income deduction orders as provided in~~  
21 ~~s. 61.1301, and federal income tax levies.~~

22           (16) DISABILITY BENEFITS.--For any participant of the  
23 optional retirement program who becomes totally and  
24 permanently disabled, benefits shall be paid in accordance  
25 with s. 121.591 as defined in s. 121.091(4)(b), the  
26 participant shall be entitled to receive those moneys that  
27 have accrued in his or her participant account. It is the  
28 intent of the Legislature to design a disability benefit for  
29 participants of the optional program similar to those  
30 disability benefits afforded defined benefit program members.  
31 The department is directed to study the potential options of

1 ~~such coverage, including self-insurance and commercial~~  
2 ~~coverage, the alternative methods of administering such~~  
3 ~~benefits, and the fiscal impacts on the employees and~~  
4 ~~employers, and to make recommendations to the Legislature by~~  
5 ~~January 15, 2001.~~

6 Section 6. Subsection (3) of section 121.571, Florida  
7 Statutes, is amended to read:

8 121.571 Contributions.--Contributions to the Public  
9 Employee Optional Retirement Program shall be made as follows:

10 (3) CONTRIBUTIONS TO DISABILITY ACCOUNT.--

11 (a) All contributions made on behalf of a participant  
12 pursuant to this subsection shall be transferred by the  
13 employer to the third-party administrator for deposit in the  
14 Public Employee Disability Trust Fund administered by the  
15 Division of Retirement. Such contributions, less any fees or  
16 charges authorized by the Legislature to offset the costs of  
17 administering the disability component of the optional  
18 retirement program, shall be used to provide disability  
19 coverage for participants in the optional retirement program.

20 (b) Disability contributions for Regular Class members  
21 of the optional retirement plan are as follows:

22		
23	Dates of Contribution	Employers
24	Rate Changes	
25	Effective July 1, 2002:	<u>0.25%</u> <del>0.39%</del>

26  
27 (c) Disability contributions for Special Risk Class  
28 members of the optional retirement plan are as follows:

29		
30	Dates of Contribution	Employers
31	Rate Changes	

1 Effective July 1, 2002: 1.33%~~1.25%~~  
 2  
 3 (d) Disability contributions for Special Risk  
 4 Administrative Support Class members of the optional  
 5 retirement plan are as follows:  
 6  
 7 Dates of Contribution Employers  
 8 Rate Changes  
 9 Effective July 1, 2002: 0.45%~~0.73%~~  
 10  
 11 (e) Disability contributions for Elected Officers'  
 12 Class members of the optional retirement plan are as follows:  
 13  
 14 Dates of Contribution Employers  
 15 Rate Changes  
 16 Effective July 1, 2002:  
 17 Legislators 0.41%~~0.61%~~  
 18 Governor, Lt. Governor, 0.41%~~0.61%~~  
 19 Cabinet Officers  
 20 State Attorneys, Public 0.41%~~0.61%~~  
 21 Defenders  
 22 Justices, Judges 0.73%~~1.45%~~  
 23 County Elected Officers 0.41%~~0.86%~~  
 24  
 25 (f) Disability contributions for Senior Management  
 26 Service Class members of the optional retirement plan are as  
 27 follows:  
 28  
 29 Dates of Contribution Employers  
 30 Rate Changes  
 31

1 Effective July 1, 2002: 0.26%~~0.50%~~  
2  
3 Section 7. Section 121.591, Florida Statutes, is  
4 created to read:  
5 121.591 Benefits payable under the Public Employee  
6 Optional Retirement Program of the Florida Retirement  
7 System.--Benefits may not be paid under this section unless  
8 the member has terminated employment as provided in s.  
9 121.021(39)(a) or is deceased and a proper application has  
10 been filed in the manner prescribed by the state board or the  
11 department. The state board or the department, as appropriate,  
12 may cancel an application for retirement benefits when the  
13 member or beneficiary fails to timely provide the information  
14 and documents required by this chapter and the rules of the  
15 state board and the department. In accordance with their  
16 respective responsibilities as provided in this section, the  
17 state board and the department shall adopt rules establishing  
18 procedures for application for retirement benefits and for the  
19 cancellation of such application when the required information  
20 or documents are not received.  
21 (1) NORMAL BENEFIT.--Under the optional program:  
22 (a) Benefits, in the form of vested accumulations as  
23 described in s. 121.4501(6), shall be payable under this  
24 subsection as follows:  
25 1. To the extent vested, benefits shall be payable  
26 only to a participant.  
27 2. Benefits shall be paid by the third-party  
28 administrator or designated approved providers in accordance  
29 with the law, the contracts, and any applicable board rule or  
30 policy.  
31

1           3. To receive benefits under this subsection, the  
2 participant must be terminated from all employment with all  
3 Florida Retirement System employers, as provided in s.  
4 121.021(39).

5           (b) If a participant elects to receive his or her  
6 benefits upon termination of employment, the participant must  
7 submit a written application to the third-party administrator  
8 indicating his or her preferred distribution date and  
9 selecting an authorized method of distribution as provided in  
10 paragraph (c). The participant may defer receipt of benefits  
11 until he or she chooses to make such application, subject to  
12 federal requirements.

13           (c) Upon receipt by the third-party administrator of a  
14 properly executed application for distribution of benefits,  
15 the total accumulated benefit shall be payable to the  
16 participant as:

17           1. A lump-sum distribution to the participant;  
18           2. A lump-sum direct rollover distribution whereby all  
19 accrued benefits, plus interest and investment earnings, are  
20 paid from the participant's account directly to the custodian  
21 of an eligible retirement plan, as defined in s. 402(c)(8)(B)  
22 of the Internal Revenue Code, as amended, on behalf of the  
23 participant; or

24           3. Periodic distributions, as authorized by the state  
25 board.

26           (2) DISABILITY RETIREMENT BENEFIT.--Benefits provided  
27 under this subsection are payable in lieu of the benefits  
28 which would otherwise be payable under the provisions of  
29 subsection (1).

30           (a)1. If the participant has no credit under the  
31 defined benefit program of the Florida Retirement System or

1 such credit has been nullified as provided under s.  
2 121.4501(3)(c), all moneys accumulated in the participant's  
3 optional program account, including vested and nonvested  
4 accumulations as described in s. 121.4501(6), shall be  
5 transferred from such individual account to the Division of  
6 Retirement for deposit into the Public Employee Disability  
7 Trust Fund; or

8 2. If the participant is a former member of the  
9 defined benefit program of the Florida Retirement System who  
10 elected to retain the retirement credit he or she had earned  
11 under that program as provided in s. 121.4501(3)(b), a sum  
12 representing the actuarial present value of such credit shall  
13 be transferred by the Division of Retirement from the Florida  
14 Retirement System Trust Fund to the Public Employee Disability  
15 Trust Fund. In addition, all moneys accumulated in the  
16 participant's optional program account, including vested and  
17 nonvested accumulations as described in s. 121.4501(6), shall  
18 be transferred from such individual account to the Division of  
19 Retirement for deposit into the Public Employee Disability  
20 Trust Fund.

21 (b)1. A participant of the optional program who  
22 becomes totally and permanently disabled, as defined in  
23 paragraph (d), after completing 8 years of creditable service,  
24 or a participant who becomes totally and permanently disabled  
25 in the line of duty regardless of his or her length of  
26 service, shall be entitled to a monthly disability benefit as  
27 provided in this subsection.

28 2. For purposes of this subsection, the 8 years of  
29 creditable service required to vest for regular disability  
30 benefits must be creditable service under the defined benefit

31

1 program of the Florida Retirement System or service under the  
2 optional program, subject to the following conditions:

3 a. In the case of present value transfers to a  
4 participant's account under s. 121.4501(3)(c), the period of  
5 service under the defined benefit program represented in the  
6 present value amounts transferred shall only be considered  
7 creditable service for purposes of vesting for disability  
8 benefits as long as such funds remain in the participant's  
9 accounts under the optional program.

10 b. In the case of contributions made to a  
11 participant's accounts under s. 121.4501(5), the period of  
12 service under the optional program shall only be considered  
13 creditable service for purposes of vesting for disability  
14 benefits as long as such funds remain in the participant's  
15 accounts under the optional program.

16  
17 If a participant terminates employment and takes distribution  
18 of such funds as provided in subsection (1), all credit for  
19 the service represented by such distributed funds is forfeited  
20 for purposes of qualifying for disability benefits under this  
21 subsection.

22 (c)1. If the division has received from the employer  
23 the required documentation of the participant's termination of  
24 employment, the effective retirement date for a participant  
25 who applies and is approved for disability retirement shall be  
26 established by rule of the division.

27 2. For a participant who is receiving workers'  
28 compensation payments, the effective disability retirement  
29 date may not precede the date the participant reaches maximum  
30 medical improvement, unless the participant terminates  
31 employment prior to reaching maximum medical improvement.



1           (d) A participant shall be considered totally and  
2 permanently disabled if, in the opinion of the division, he or  
3 she is prevented by reason of a medically determinable  
4 physical or mental impairment from rendering useful and  
5 efficient service as an officer or employee.

6           (e) The division, before approving payment of any  
7 disability retirement benefit, shall require proof that the  
8 participant is totally and permanently disabled as follows:

9           1. Such proof shall include the certification of the  
10 participant's total and permanent disability by two licensed  
11 physicians in this state and such other evidence of disability  
12 as the division may require, including reports from vocational  
13 rehabilitation, evaluation, or testing specialists who have  
14 evaluated the applicant for employment.

15           2. It shall be documented that:

16           a. The participant's medical condition occurred or  
17 became symptomatic during the time the participant was  
18 employed in an employee/employer relationship with his or her  
19 employer.

20           b. The participant was totally and permanently  
21 disabled at the time he or she terminated covered employment.

22           c. The participant has not been employed with any  
23 other employer after such termination.

24           3. If the application is for in-line-of-duty  
25 disability, in addition to the requirements of subparagraph  
26 2., it must be documented by competent medical evidence that  
27 the disability was caused by a job-related illness or accident  
28 which occurred while the participant was in an  
29 employee/employer relationship with his or her employer.

30           4. The unavailability of an employment position that  
31 the participant is physically and mentally capable of

1 performing shall not be considered as proof of total and  
2 permanent disability.

3 (f) A participant whose application for regular  
4 disability has been denied and who has filed an appeal to the  
5 State Retirement Commission under s. 121.23 may elect, if  
6 eligible, to receive disability benefits as provided under  
7 paragraphs (g) and (h) while her or she is awaiting the  
8 decision on appeal, to the extent such benefit payments are  
9 covered by funds deposited in the Public Employee Disability  
10 Trust Fund pursuant to subparagraph 1. or 2. of paragraph  
11 (2)(a). In that event:

12 1. If the regular disability benefits are subsequently  
13 approved, disability benefits will continue to be paid to the  
14 terminated participant as provided under this subsection.

15 2. If disability benefits are later denied as a result  
16 of the appeal:

17 a. The remainder of any vested accumulations on  
18 deposit in the Public Employee Disability Trust Fund, less the  
19 sum of the total amount paid in monthly disability benefits  
20 while the appeal was pending and any withholding taxes  
21 remitted to the Internal Revenue Service, shall be transferred  
22 to the third party administrator for distribution to the  
23 terminated participant as provided under subsection (1).

24 b. The remainder of any nonvested accumulations on  
25 deposit in the Public Employee Disability Trust Fund, less the  
26 sum of the total amount paid in monthly disability benefits  
27 while the appeal was pending and any withholding taxes  
28 remitted to the Internal Revenue Service, shall be transferred  
29 to the State Board Of Administration and shall be held in the  
30 suspense account of the Public Employee Optional Retirement  
31

1 Program Trust Fund, in accordance with s. 121.4501(6)(a)2. or  
2 (b)2., as appropriate.

3 (g) Upon the disability retirement of a participant  
4 under this subsection, the participant shall receive a monthly  
5 benefit that shall begin to accrue on the first day of the  
6 month of disability retirement, as approved by the division,  
7 and shall be payable on the last day of that month and each  
8 month thereafter during his or her lifetime and continued  
9 disability.

10 (h) The amount of each monthly payment shall be  
11 computed in the same manner as that computed for a normal  
12 retirement benefit but shall be based on disability option  
13 actuarial equivalency tables and the average monthly  
14 compensation and creditable service of the participant as of  
15 his or her disability retirement date, subject to the  
16 following:

17 1. If the participant's disability occurred in the  
18 line of duty, the monthly Option 1 benefit shall be a minimum  
19 of:

20 a. Forty-two percent of the participant's average  
21 monthly compensation as of the disability retirement date; or

22 b. Sixty-five percent of the participant's average  
23 monthly compensation as of the disability retirement date for  
24 a participant of the special risk class who retires on or  
25 after July 1, 2002.

26 2. If the participant's disability occurred other than  
27 in the line of duty, the monthly Option 1 benefit shall be a  
28 minimum of 25 percent of the participant's average monthly  
29 compensation as of the disability retirement date.

30 (i) A participant whose initial application for  
31 disability retirement has been denied may reapply for

1 disability benefits. However, such participant's reapplication  
2 may be considered only if the participant presents new medical  
3 evidence of a medical condition that existed prior to the  
4 participant's termination of employment. The division may  
5 prescribe by rule procedures for reapplication and for review  
6 and approval or disapproval of reapplication.

7 (j) Nothing in this subsection shall be construed to  
8 prevent a participant who has been approved for a disability  
9 retirement benefit payable under this subsection from electing  
10 to receive, in lieu of the benefit payable under this  
11 subsection, the benefit payable to him or her under the  
12 provisions of subsection (1), provided such election is made  
13 prior to the deposit or cashing of a disability retirement  
14 warrant or receipt of such warrant by electronic funds  
15 transfer in accordance with the participant's authorization of  
16 direct deposit of such funds.

17 (k) The division may require periodic reexaminations  
18 at the expense of the Public Employee Disability Trust Fund.  
19 The division may adopt rules establishing procedures for  
20 conducting and review of such reexaminations. If the division  
21 finds that a participant who is receiving disability benefits  
22 is no longer disabled, the division shall direct that the  
23 disability benefits be discontinued and no further benefits  
24 shall be payable under this subsection. The decision of the  
25 division on this question shall be final and binding. Upon  
26 termination of the monthly disability benefit:

27 1. If such participant does not reenter covered  
28 employment following recovery from disability and had not  
29 satisfied the vesting requirement as of the disability  
30 retirement date for any or all of the moneys which had  
31 accumulated in his or her participant accounts, the remainder

1 of the nonvested accumulation as described under subparagraph  
2 5., if any, shall be held in a suspense account in the Public  
3 Employee Disability Trust Fund.

4 a. If the participant returns to covered employment as  
5 an eligible employee as defined in s. 121.4501(2) within 5  
6 years after the date of recovery, the division shall transfer  
7 any such moneys held in the suspense account, plus interest  
8 calculated at an effective annual rate of 6 percent, to the  
9 State Board of Administration for deposit in the participant's  
10 individual account under the optional program, as directed by  
11 the participant.

12 b. If the participant fails to return to covered  
13 employment within 5 years after recovery, any such moneys held  
14 in the suspense account in the Public Employee Disability  
15 Trust Fund shall be forfeited.

16 2. If such participant does not reenter covered  
17 employment following recovery from disability but had  
18 satisfied vesting requirements as of the disability retirement  
19 date for any or all of the moneys which had accumulated in his  
20 or her accounts under the optional program, the amount  
21 representing the remainder of his or her vested accumulation  
22 as described under subparagraph 5., if any, shall be  
23 transferred from the Public Employee Disability Trust Fund to  
24 the Public Employee Optional Retirement Program Trust Fund and  
25 shall be payable as provided in subsection (1).

26 3. If such participant returns to covered employment  
27 following recovery from disability as a participant in the  
28 optional program, the amount representing the remainder of his  
29 or her nonvested accumulation or the remainder of his or her  
30 vested accumulation as described under subparagraph 5., if  
31 any, shall be transferred from the Public Employee Disability

1 Trust Fund to the third-party administrator for deposit in the  
2 participant's individual investment accounts as directed by  
3 the participant. Vested accumulations shall be accounted for  
4 separately from nonvested accumulations.

5 4. If such participant reenters covered employment as  
6 a member of the defined benefit program of the Florida  
7 Retirement System, and is continuously employed for a minimum  
8 of 1 year of creditable service, he or she may claim as  
9 creditable service the months during which he or she was  
10 receiving a disability benefit, upon payment of the required  
11 contributions as provided in s. 121.091(4)(h)1.d.

12 5. As used in reference to funds deposited in the  
13 Public Employee Disability Trust Fund under paragraph (a):

14 a. The term "remainder of the nonvested accumulation"  
15 means all employer contributions deposited on behalf of a  
16 participant who had not met the vesting requirement set forth  
17 in s. 121.4501(6)(a)1. as of his or her disability retirement  
18 date and any transferred present value amount deposited on  
19 behalf of a participant who had not met the vesting  
20 requirement set forth in s. 121.4501(6)(b)1. as of his or her  
21 disability retirement date, plus interest and earnings  
22 thereon, less the total amount of disability benefits received  
23 by that participant.

24 b. The term "remainder of the vested accumulation"  
25 means all employer contributions deposited on behalf of any  
26 participant who had met the vesting requirement set forth in  
27 s. 121.4501(6)(a)1. as of his or her disability retirement  
28 date and any transferred present value amount deposited on  
29 behalf of any participant who had met the vesting requirement  
30 set forth in s. 121.4501(6)(b)1. as of his or her disability  
31 retirement date, plus interest and earnings thereon, less the

1 total amount of disability benefits received by that  
2 participant.

3 (1) Both the participant receiving disability benefits  
4 who reenters employment and the employer employing such  
5 disability retiree shall notify the division immediately upon  
6 reemployment and the division shall terminate such  
7 participant's disability benefits, effective upon the first  
8 day of the month following the month in which notification of  
9 recovery is received. If the participant is reemployed with a  
10 Florida Retirement System employer at the time of benefit  
11 termination and he or she has received disability retirement  
12 benefit and salary payments concurrently prior to notifying  
13 the division, he or she may elect within 30 days to:

14 1. Retain the retirement benefits received prior to  
15 termination of disability benefits and begin receiving  
16 retirement service credit effective upon the date of  
17 termination of benefits; or

18 2. Repay, within 12 months after his or her decision  
19 to receive service credit, the retirement benefits received  
20 for each month of reemployment prior to termination of  
21 disability benefits and begin receiving retirement service  
22 credit effective upon the date of reemployment. Any such  
23 unpaid benefits shall have compound interest of 6.5 percent  
24 added each June 30.

25  
26 A participant may not receive both retirement service credit  
27 for employment and retirement benefits for the same month.

28 (m) If, after recovery from disability and reentry  
29 into covered employment, the participant again becomes  
30 disabled and is again approved for disability retirement, the  
31 Option 1 monthly retirement benefit shall not be less than the

1 Option 1 monthly benefit calculated at the time of the  
2 previous disability, plus any cost-of-living increases payable  
3 up to the time the disability benefit was terminated upon his  
4 or her reentry into covered employment.

5 (n) A participant shall not be entitled to receive any  
6 disability retirement benefit if the disability is a result  
7 of:

8 1. Injury or disease sustained by the participant  
9 while willfully participating in a riot, civil insurrection,  
10 or other act of violence or while committing a felony;

11 2. Injury or disease sustained by the participant  
12 after his or her employment has terminated; or

13 3. Intentional, self-inflicted injury.

14 (o)1. If a participant is a justice of the Supreme  
15 Court, judge of a district court of appeal, circuit judge, or  
16 judge of a county court who has served for 6 years or more as  
17 an elected constitutional judicial officer, including service  
18 as a judicial officer in any court abolished pursuant to Art.  
19 V of the State Constitution, and who is retired for disability  
20 by order of the Supreme Court upon recommendation of the  
21 Judicial Qualifications Commission pursuant to the provisions  
22 of Art. V of the State Constitution, the participant's Option  
23 1 monthly disability benefit amount as provided in s.

24 121.091(6)(a)1. shall be two-thirds of his or her monthly  
25 compensation as of the participant's disability retirement  
26 date. Such a participant may alternatively elect to receive an  
27 actuarially adjusted disability retirement benefit under any  
28 other option as provided in s. 121.091(6)(a), or to receive  
29 the normal benefit payable under the optional program as set  
30 forth under subsection (1).

31



1           2. If any justice or judge who is a participant of the  
2 optional program is retired for disability by order of the  
3 Supreme Court upon recommendation of the Judicial  
4 Qualifications Commission pursuant to the provisions of Art. V  
5 of the State Constitution and elects to receive a monthly  
6 disability benefit under the provisions of this paragraph:

7           a. Any present value amount which was transferred to  
8 his or her program account and all employer contributions made  
9 to such account on his or her behalf, plus interest and  
10 earnings thereon, shall be transferred to and deposited in the  
11 Public Employee Disability Trust Fund.

12           b. The monthly benefits payable under this paragraph  
13 for any affected justice or judge retired from the Florida  
14 Retirement System pursuant to Art. V of the State Constitution  
15 shall be paid from the Public Employee Disability Trust Fund.

16           (3) DEATH BENEFITS.--Under the optional program:

17           (a) Survivor benefits shall be payable in accordance  
18 with the following terms and conditions:

19           1. To the extent vested, benefits shall be payable  
20 only to a participant's beneficiary or beneficiaries as  
21 designated by the participant.

22           2. Benefits shall be paid by the third-party  
23 administrator or designated approved providers in accordance  
24 with the law, the contracts, and any applicable board rule or  
25 policy.

26           3. To receive benefits under this subsection, the  
27 participant must be deceased.

28           (b) In the event of a participant's death, all vested  
29 accumulations as described in s. 121.4501(6), less withholding  
30 taxes remitted to the Internal Revenue Service, shall be  
31 distributed, as provided in paragraph (c), to the

1 participant's designated beneficiary or beneficiaries, or to  
2 the participant's estate, as if the participant retired on the  
3 date of death. No other death benefits shall be available for  
4 survivors of participants under the optional program, except  
5 for such benefits, or coverage for such benefits, as are  
6 otherwise provided by law or are separately afforded by the  
7 employer, at the employer's discretion.

8 (c) Upon receipt by the third-party administrator of a  
9 properly executed application for distribution of benefits,  
10 the total accumulated benefit shall be payable by the  
11 third-party administrator to the participant's surviving  
12 beneficiary or beneficiaries as:

13 1. A lump-sum distribution payable to the beneficiary  
14 or beneficiaries or to the deceased participant's estate;

15 2. An eligible rollover distribution on behalf of the  
16 surviving spouse of a deceased participant, whereby all  
17 accrued benefits, plus interest and investment earnings, are  
18 paid from the deceased participant's account directly to the  
19 custodian of an individual retirement account or an individual  
20 retirement annuity, as described in s. 402(c)(9) of the  
21 Internal Revenue Code, on behalf of the surviving spouse; or

22 3. A partial lump-sum payment whereby a portion of the  
23 accrued benefit is paid to the deceased participant's  
24 surviving spouse or other designated beneficiaries, less  
25 withholding taxes remitted to the Internal Revenue Service,  
26 and the remaining amount is transferred directly to the  
27 custodian of an individual retirement account or an individual  
28 retirement annuity, as described in s. 402(c)(9) of the  
29 Internal Revenue Code, on behalf of the surviving spouse. The  
30 proportions must be specified by the participant or the  
31 surviving beneficiary.

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This paragraph does not abrogate other applicable provisions of state or federal law providing for payment of death benefits.

(4) LIMITATION ON LEGAL PROCESS.--The benefits payable to any person under the optional program and any contributions accumulated under such program are not subject to assignment, execution, attachment, or any legal process, except for qualified domestic relations orders by a court of competent jurisdiction, income deduction orders as provided in s. 61.1301, and federal income tax levies.

Section 8. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and of its political subdivisions, and the dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by governmental retirement systems that provide fair and adequate benefits that are managed, administered, and funded in an actuarially sound manner, as required by section 14, Article X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares that this act fulfills an important state interest.

Section 9. This act shall take effect July 1, 2001.