

Bill No. CS for SB 2, 2nd Eng.

Amendment No. Barcode 772078

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senators Pruitt and Garcia moved the following amendment to amendment (511277):

Senate Amendment (with title amendment)

On page 1, line 17, through page 8, line 22, delete those lines

and insert:

Section 1. Effective October 1, 2001, subsection (2) of section 121.0515, Florida Statutes, is amended to read:

121.0515 Special risk membership.--

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

(a) The member must be employed as a law enforcement officer and be certified, or required to be certified, in compliance with s. 943.1395; however, sheriffs and elected police chiefs shall be excluded from meeting the certification requirements of this paragraph. In addition, the member's duties and responsibilities must include the pursuit, apprehension, and arrest of law violators or suspected law violators; or the member must be an active member of a bomb

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1 disposal unit whose primary responsibility is the location,
2 handling, and disposal of explosive devices; or the member
3 must be the supervisor or command officer of a member or
4 members who have such responsibilities; provided, however,
5 administrative support personnel, including, but not limited
6 to, those whose primary duties and responsibilities are in
7 accounting, purchasing, legal, and personnel, shall not be
8 included;

9 (b) The member must be employed as a firefighter and
10 be certified, or required to be certified, in compliance with
11 s. 633.35 and be employed solely within the fire department of
12 a local government ~~the~~ employer or an agency of state
13 government with firefighting responsibilities. In addition,
14 the member's duties and responsibilities must include
15 on-the-scene fighting of fires, fire prevention, or
16 firefighter training; ~~or~~ direct supervision of firefighting
17 units, fire prevention, or firefighter training; or aerial
18 firefighting surveillance performed by fixed-wing pilots
19 employed by the Division of Forestry of the Department of
20 Agriculture and Consumer Services; or the member must be the
21 supervisor or command officer of a member or members who have
22 such responsibilities; provided, however, administrative
23 support personnel, including, but not limited to, those whose
24 primary duties and responsibilities are in accounting,
25 purchasing, legal, and personnel, shall not be included;

26 (c) The member must be employed as a correctional
27 officer and be certified, or required to be certified, in
28 compliance with s. 943.1395. In addition, the member's
29 primary duties and responsibilities must be the custody, and
30 physical restraint when necessary, of prisoners or inmates
31 within a prison, jail, or other criminal detention facility,

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1 or while on work detail outside the facility, or while being
2 transported; or the member must be the supervisor or command
3 officer of a member or members who have such responsibilities;
4 provided, however, administrative support personnel,
5 including, but not limited to, those whose primary duties and
6 responsibilities are in accounting, purchasing, legal, and
7 personnel, shall not be included; however, wardens and
8 assistant wardens, as defined by rule, shall participate in
9 the Special Risk Class;

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

22 (e) The member must be employed as a community-based
23 correctional probation officer and be certified, or required
24 to be certified, in compliance with s. 943.1395. In addition,
25 the member's primary duties and responsibilities must be the
26 supervised custody, surveillance, control, investigation, and
27 counseling of assigned inmates, probationers, parolees, or
28 community controllees within the community; or the member must
29 be the supervisor of a member or members who have such
30 responsibilities. Administrative support personnel, including,
31 but not limited to, those whose primary duties and

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1 responsibilities are in accounting, purchasing, legal
2 services, and personnel management, shall not be included;
3 however, probation and parole circuit and deputy circuit
4 administrators shall participate in the Special Risk Class; or

5 (f) The member must be employed in one of the
6 following classes and must spend at least 75 percent of his or
7 her time performing duties which involve contact with patients
8 or inmates in a correctional or forensic facility or
9 institution:

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

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1 codes 5297 and 5300).

2 17. Advanced registered nurse practitioner specialist
3 (class codes 5304 and 5305).

4 18. Registered nurse supervisor (class codes 5306 and
5 5307).

6 19. Senior registered nurse supervisor (class codes
7 5308 and 5309).

8 20. Registered nursing consultant (class codes 5312
9 and 5313).

10 21. Quality management program supervisor (class code
11 5314).

12 22. Executive nursing director (class codes 5320 and
13 5321).

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

15 24. Pharmacy manager (class code 5251).

16 Section 2. Effective October 1, 2001, subsection (1)
17 of section 121.055, Florida Statutes, is amended to read:

18 121.055 Senior Management Service Class.--There is
19 hereby established a separate class of membership within the
20 Florida Retirement System to be known as the "Senior
21 Management Service Class," which shall become effective
22 February 1, 1987.

23 (1)(a) Participation in the Senior Management Service
24 Class shall be limited to and compulsory for any member of the
25 Florida Retirement System who holds a position in the Senior
26 Management Service of the State of Florida, established by
27 part III of chapter 110, unless such member elects, within the
28 time specified herein, to participate in the Senior Management
29 Service Optional Annuity Program as established in subsection
30 (6).

31 (b)1. Except as provided in subparagraph 2., effective

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1 January 1, 1990, participation in the Senior Management
2 Service Class shall be compulsory for the president of each
3 community college, the manager of each participating city or
4 county, and all appointed district school superintendents.
5 Effective January 1, 1994, additional positions may be
6 designated for inclusion in the Senior Management Service
7 Class of the Florida Retirement System, provided that:

8 a. Positions to be included in the class shall be
9 designated by the local agency employer. Notice of intent to
10 designate positions for inclusion in the class shall be
11 published once a week for 2 consecutive weeks in a newspaper
12 of general circulation published in the county or counties
13 affected, as provided in chapter 50.

14 b. Up to 10 nonelective full-time positions may be
15 designated for each local agency employer reporting to the
16 Department of Management Services; for local agencies with 100
17 or more regularly established positions, additional
18 nonelective full-time positions may be designated, not to
19 exceed 1 percent of the regularly established positions within
20 the agency.

21 c. Each position added to the class must be a
22 managerial or policymaking position filled by an employee who
23 is not subject to continuing contract and serves at the
24 pleasure of the local agency employer without civil service
25 protection, and who:

26 (I) Heads an organizational unit; or
27 (II) Has responsibility to effect or recommend
28 personnel, budget, expenditure, or policy decisions in his or
29 her areas of responsibility.

30 2. In lieu of participation in the Senior Management
31 Service Class, members of the Senior Management Service Class

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1 pursuant to the provisions of subparagraph 1. may withdraw
2 from the Florida Retirement System altogether. The decision to
3 withdraw from the Florida Retirement System shall be
4 irrevocable for as long as the employee holds such a position.
5 Any service creditable under the Senior Management Service
6 Class shall be retained after the member withdraws from the
7 Florida Retirement System; however, additional service credit
8 in the Senior Management Service Class shall not be earned
9 after such withdrawal. Such members shall not be eligible to
10 participate in the Senior Management Service Optional Annuity
11 Program.

12 (c)1. Effective January 1, 1990, participation in the
13 Senior Management Service Class shall be compulsory for up to
14 75 nonelective positions at the level of committee staff
15 director or higher or equivalent managerial or policymaking
16 positions within the House of Representatives, as selected by
17 the Speaker of the House of Representatives, up to 50
18 nonelective positions at the level of committee staff director
19 or higher or equivalent managerial or policymaking positions
20 within the Senate, as selected by the President of the Senate,
21 all staff directors of joint committees and service offices of
22 the Legislature, the Auditor General and up to 9 managerial or
23 policymaking positions within his or her office as selected by
24 the Auditor General, and the executive director of the
25 Commission on Ethics.

26 2. Participation in this class shall be compulsory,
27 except as provided in subparagraph 3., for any legislative
28 employee who holds a position designated for coverage in the
29 Senior Management Service Class, and such participation shall
30 continue until the employee terminates employment in a covered
31 position.

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1 3. In lieu of participation in the Senior Management
2 Service Class, at the discretion of the President of the
3 Senate and the Speaker of the House of Representatives, such
4 members may participate in the Senior Management Service
5 Optional Annuity Program as established in subsection (6).

6 (d) Effective January 1, 1991, participation in the
7 Senior Management Service Class shall be compulsory for any
8 member of the Florida Retirement System in a position that has
9 been designated eligible for inclusion in the Executive
10 Service of the State University System or who holds a position
11 as president of a state university, unless such member elects,
12 pursuant to s. 121.35, to participate in the optional
13 retirement program.

14 (e) Effective January 1, 1991, participation in the
15 Senior Management Service Class shall be compulsory for the
16 number of senior managers who have policymaking authority with
17 the State Board of Administration, as determined by the
18 Governor, Treasurer, and Comptroller acting as the State Board
19 of Administration, unless such member elects to participate in
20 the Senior Management Service Optional Annuity Program as
21 established in subsection (6) in lieu of participation in the
22 Senior Management Service Class. Such election shall be made
23 in writing and filed with the division and the personnel
24 officer of the State Board of Administration within 90 days
25 after becoming eligible for membership in the Senior
26 Management Service Class.

27 (f) Effective July 1, 1997:

28 1. Any elected state officer eligible for membership
29 in the Elected Officers' Class under s. 121.052(2)(a), (b), or
30 (c) who elects membership in the Senior Management Service
31 Class under s. 121.052(3)(c) may, within 6 months after

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1 assuming office or within 6 months after this act becomes a
2 law for serving elected state officers, elect to participate
3 in the Senior Management Service Optional Annuity Program, as
4 provided in subsection (6), in lieu of membership in the
5 Senior Management Service Class.

6 2. Any elected county officer eligible for membership
7 in the Elected Officers' Class under s. 121.052(2)(d) who
8 elects membership in the Senior Management Service Class under
9 s. 121.052(3)(c) may, within 6 months after assuming office,
10 or within 6 months after this act becomes a law for serving
11 elected county officers, elect to participate in a lifetime
12 monthly annuity program, as provided in subparagraph (b)2., in
13 lieu of membership in the Senior Management Service Class.

14 (g) Effective July 1, 1996, participation in the
15 Senior Management Service Class shall be compulsory for any
16 member of the Florida Retirement System employed with the
17 Department of Military Affairs in the positions of the
18 Adjutant General, Assistant Adjutant General-Army, Assistant
19 Adjutant General-Air, State Quartermaster, Director of
20 Military Personnel, Director of Administration, and additional
21 directors as designated by the agency head, not to exceed a
22 total of 10 positions. In lieu of participation in the Senior
23 Management Service Class, such members may participate in the
24 Senior Management Service Optional Annuity Program as
25 established in subsection (6).

26 (h)1. Except as provided in subparagraph 3., effective
27 January 1, 1994, participation in the Senior Management
28 Service Class shall be compulsory for the State Courts
29 Administrator and the Deputy State Courts Administrators, the
30 Clerk of the Supreme Court, the Marshal of the Supreme Court,
31 the Executive Director of the Justice Administrative

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1 Commission, the Capital Collateral Regional Counsels, the
2 clerks of the district courts of appeals, the marshals of the
3 district courts of appeals, and the trial court administrator
4 in each judicial circuit. Effective January 1, 1994,
5 additional positions in the offices of the state attorney and
6 public defender in each judicial circuit may be designated for
7 inclusion in the Senior Management Service Class of the
8 Florida Retirement System, provided that:

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

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

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

28 (I) Heads an organizational unit; or

29 (II) Has responsibility to effect or recommend
30 personnel, budget, expenditure, or policy decisions in his or
31 her areas of responsibility.

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1 2. Participation in this class shall be compulsory,
2 except as provided in subparagraph 3., for any judicial
3 employee who holds a position designated for coverage in the
4 Senior Management Service Class, and such participation shall
5 continue until the employee terminates employment in a covered
6 position. Effective January 1, 2001, participation in this
7 class is compulsory for assistant state attorneys, assistant
8 statewide prosecutors, assistant public defenders, and
9 assistant capital collateral regional counsels. Effective
10 January 1, 2002, participation in this class is compulsory for
11 assistant attorneys general.

12 3. In lieu of participation in the Senior Management
13 Service Class, such members, excluding assistant state
14 attorneys, assistant public defenders, assistant statewide
15 prosecutors, assistant attorneys general, and assistant
16 capital collateral regional counsels, may participate in the
17 Senior Management Service Optional Annuity Program as
18 established in subsection (6).

19 (i)1. Except as provided in subparagraph 2., effective
20 July 1, 1999, participation in the Senior Management Service
21 Class is compulsory for any member of the Florida Retirement
22 System who is employed as a judge of compensation claims with
23 the Office of the Judges of Compensation Claims within the
24 Department of Labor and Employment Security.

25 2. In lieu of participating in the Senior Management
26 Service Class, a judge of compensation claims may participate
27 in the Senior Management Service Optional Annuity Program
28 established under subsection (6).

29 (j) Except as may otherwise be provided, any member of
30 the Senior Management Service Class may purchase additional
31 retirement credit in such class for creditable service within

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1 the purview of the Senior Management Service Class retroactive
2 to February 1, 1987, and may upgrade retirement credit for
3 such service, to the extent of 2 percent of the member's
4 average monthly compensation as specified in paragraph (4)(d)
5 for such service. Contributions for upgrading the additional
6 Senior Management Service credit pursuant to this paragraph
7 shall be equal to the difference in the contributions paid and
8 the Senior Management Service Class contribution rate as a
9 percentage of gross salary in effect for the period being
10 claimed, plus interest thereon at the rate of 6.5 percent a
11 year, compounded annually until the date of payment. This
12 service credit may be purchased by the employer on behalf of
13 the member.

14 Section 3. Subsection (1), paragraph (a) of subsection
15 (2), paragraph (e) of subsection (4), paragraph (b) of
16 subsection (8), and paragraphs (a) and (b) of subsection (9)
17 of section 121.4501, Florida Statutes, are amended, and
18 paragraph (f) is added to subsection (9) of that section, to
19 read:

20 121.4501 Public Employee Optional Retirement
21 Program.--

22 (1) The Trustees of the State Board of Administration
23 shall establish an optional defined contribution retirement
24 program for members of the Florida Retirement System under
25 which retirement benefits will be provided for eligible
26 employees who elect to participate in the program. The
27 benefits to be provided for or on behalf of participants in
28 such optional retirement program shall be provided through
29 employee-directed investments, in accordance with s. 401(a) of
30 the Internal Revenue Code and its related regulations. The
31 employers shall contribute, as provided in this section and s.

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1 121.571, to the Public Employee Optional Retirement Program
2 Trust Fund toward the funding of such optional benefits.
3 (2) DEFINITIONS.--As used in this section, the term:
4 (a) "Approved provider" or "provider" means a private
5 sector company that is selected and approved by the state
6 board to offer one or more investment products or services to
7 the Public Employee Optional Retirement Program. The term
8 includes a bundled provider that offers participants a range
9 of individually allocated or unallocated investment products
10 and may offer a range of administrative and customer services,
11 which may include accounting and administration of individual
12 participant benefits and contributions; individual participant
13 recordkeeping; asset purchase, control, and safekeeping;
14 direct execution of the participant's instructions as to asset
15 and contribution allocation; calculation of daily net asset
16 values; direct access to participant account information;
17 periodic reporting to participants, at least quarterly, on
18 account balances and transactions; guidance, advice, and
19 allocation services directly relating to its own investment
20 options or products, but only if the bundled provider complies
21 with the standard of care of s. 404(a)(1)(A-B) of the Employee
22 Retirement Income Security Act of 1974 (ERISA) and if
23 providing such guidance, advice, or allocation services does
24 not constitute a prohibited transaction under s. 4975(c)(1) of
25 the Internal Revenue Code or s. 406 of ERISA, notwithstanding
26 that such prohibited transaction provisions do not apply to
27 the optional retirement program; a broad array of distribution
28 options; asset allocation; and retirement counseling and
29 education. Private sector companies include investment
30 management companies, insurance companies, depositories, and
31 mutual fund companies.

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1 (4) PARTICIPATION; ENROLLMENT.--

2 (e) After the period during which an eligible employee
3 had the choice to elect the defined benefit program or the
4 Public Employee Optional Retirement Program, the employee
5 shall have one opportunity, at the employee's discretion, to
6 choose to move from the defined benefit program to the Public
7 Employee Optional Retirement Program or from the Public
8 Employee Optional Retirement Program to the defined benefit
9 program. This paragraph shall be contingent upon approval from
10 the Internal Revenue Service for including the choice
11 described herein within the programs offered by the Florida
12 Retirement System.

13 1. If the employee chooses to move to the Public
14 Employee Optional Retirement Program, the applicable
15 provisions of this section shall govern the transfer.

16 2. If the employee chooses to move to the defined
17 benefit program, the employee must transfer from his or her
18 Public Employee Optional Retirement Program account and from
19 other employee moneys as necessary, a sum representing the
20 present value of that employee's accumulated benefit
21 obligation immediately following the time of such movement,
22 determined assuming that attained service equals the sum of
23 service in the defined benefit program and service in the
24 Public Employee Optional Retirement Program ~~all contributions~~
25 ~~that would have been made to the defined benefit plan for that~~
26 ~~employee and the actual return that would have been earned on~~
27 ~~those contributions had they been invested in the defined~~
28 ~~benefit program.~~ Benefit commencement occurs on the first date
29 the employee would become eligible for unreduced benefits,
30 using the discount rate and other relevant actuarial
31 assumptions that were used to value the Florida Retirement

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1 System defined benefit plan liabilities in the most recent
2 actuarial valuation. For any employee who, at the time of the
3 second election, already maintains an accrued benefit amount
4 in the defined benefit plan, the then-present value of such
5 accrued benefit shall be deemed part of the required transfer
6 amount described in this subparagraph. The division shall
7 ensure that the transfer sum is prepared using a formula and
8 methodology certified by an enrolled actuary.

9 3. Notwithstanding subparagraph 2., an employee who
10 chooses to move to the defined benefit program and who became
11 eligible to participate in the Public Employee Optional
12 Retirement Program by reason of employment in a regularly
13 established position with a state employer after June 1, 2002;
14 a district school board employer after September 1, 2002; or a
15 local employer after December 1, 2002, must transfer from his
16 or her Public Employee Optional Retirement Program account
17 and, from other employee moneys as necessary, a sum
18 representing that employee's actuarial accrued liability.

19 4. Employees' ability to transfer from the Florida
20 Retirement System defined benefit program to the Public
21 Employee Optional Retirement Program pursuant to paragraphs
22 (a) through (d), and the ability for current employees to have
23 an option to later transfer back into the defined benefit
24 program under subparagraph 2., shall be deemed a significant
25 system amendment. Pursuant to s. 121.031(4), any such
26 resulting unfunded liability arising from actual original
27 transfers from the defined benefit program to the optional
28 program shall be amortized within 30 plan years as a separate
29 unfunded actuarial base independent of the reserve
30 stabilization mechanism defined in s. 121.031(3)(f). For the
31 first 25 years, no direct amortization payment shall be

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1 calculated for this base. During this 25-year period, such
2 separate base shall be used to offset the impact of employees
3 exercising their second program election under this paragraph.
4 It is the legislative intent that the actuarial funded status
5 of the Florida Retirement System defined benefit plan is
6 neither beneficially nor adversely impacted by such second
7 program elections in any significant manner, after due
8 recognition of the separate unfunded actuarial base. Following
9 this initial 25-year period, any remaining balance of the
10 original separate base shall be amortized over the remaining 5
11 years of the required 30-year amortization period.

12 (8) ADMINISTRATION OF PROGRAM.--

13 (b)1. The state board shall select and contract with
14 one third-party administrator to provide administrative
15 services if those services cannot be competitively and
16 contractually provided by the Division of Retirement within
17 the Department of Management Services. With the approval of
18 the state board, the third-party administrator may subcontract
19 with other organizations or individuals to provide components
20 of the administrative services. As a cost of administration,
21 the board may compensate any such contractor for its services,
22 in accordance with the terms of the contract, as is deemed
23 necessary or proper by the board. The third-party
24 administrator may not be an approved provider or be affiliated
25 with an approved provider.

26 2. These administrative services may include, but are
27 not limited to, enrollment of eligible employees, collection
28 of employer contributions, disbursement of such contributions
29 to approved providers in accordance with the allocation
30 directions of participants; services relating to consolidated
31 billing; individual and collective recordkeeping and

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1 accounting; asset purchase, control, and safekeeping; and
2 direct disbursement of funds to and from the third-party
3 administrator, the division, the board, employers,
4 participants, approved providers, and beneficiaries. This
5 section does not prevent or prohibit a bundled provider from
6 providing any administrative or customer service, including
7 accounting and administration of individual participant
8 benefits and contributions; individual participant
9 recordkeeping; asset purchase, control, and safekeeping;
10 direct execution of the participant's instructions as to asset
11 and contribution allocation; calculation of daily net asset
12 values; direct access to participant account information; or
13 periodic reporting to participants, at least quarterly, on
14 account balances and transactions, if these services are
15 authorized by the board as part of the contract.

16 3. The state board shall select and contract with one
17 or more organizations to provide educational services. With
18 approval of the board, the organizations may subcontract with
19 other organizations or individuals to provide components of
20 the educational services. As a cost of administration, the
21 board may compensate any such contractor for its services in
22 accordance with the terms of the contract, as is deemed
23 necessary or proper by the board. The education organization
24 may not be an approved provider or be affiliated with an
25 approved provider.

26 4. Educational services shall be designed by the board
27 and department to assist employers, eligible employees,
28 participants, and beneficiaries in order to maintain
29 compliance with United States Department of Labor regulations
30 under s. 404(c) of the Employee Retirement Income Security Act
31 of 1974 and to assist employees in their choice of defined

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1 benefit or defined contribution retirement alternatives.
2 Educational services include, but are not limited to,
3 disseminating educational materials; providing retirement
4 planning education; explaining the differences between the
5 defined benefit retirement plan and the defined contribution
6 retirement plan; and offering financial planning guidance on
7 matters such as investment diversification, investment risks,
8 investment costs, and asset allocation. An approved provider
9 may also provide educational information, including retirement
10 planning and investment allocation information concerning its
11 products and services.

12 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE
13 REVIEW.--

14 (a) The board shall develop policy and procedures for
15 selecting, evaluating, and monitoring the performance of
16 approved providers and investment products to which employees
17 may direct retirement contributions under the program. In
18 accordance with such policy and procedures, the board shall
19 designate and contract for a number of investment products as
20 determined by the board. The board shall also select one or
21 more bundled providers each of whom may offer multiple ~~who~~
22 ~~offer multiple~~ investment options and related services
23 ~~products~~ when such an approach is determined by the board to
24 afford value to the participants otherwise not available
25 through individual investment products. Each approved bundled
26 provider may offer investment options that provide
27 participants with the opportunity to invest in each of the
28 following asset classes, to be composed of individual options
29 that represent either a single asset class or a combination
30 thereof: money markets, United States fixed income, United
31 States equities, and foreign stock.The board shall review and

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1 manage all educational materials, contract terms, fee
2 schedules, and other aspects of the approved provider
3 relationships to ensure that no provider is unduly favored or
4 penalized by virtue of its status within the plan.

5 (b) The board shall consider investment options or
6 products it considers appropriate to give participants the
7 opportunity to accumulate retirement benefits, subject to the
8 following:

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

20 2. Investment options or products offered by the group
21 of approved providers may include mutual funds, group annuity
22 contracts, individual retirement annuities, interests in
23 trusts, collective trusts, separate accounts, and other such
24 financial instruments, and may include products that give
25 participants the option of committing their contributions for
26 an extended time period in an effort to obtain returns higher
27 than those that could be obtained from investment products
28 offering full liquidity.

29 3. The board shall not contract with any provider that
30 imposes a front-end, back-end, contingent, or deferred sales
31 charge, or any other fee that limits or restricts the ability

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1 of participants to select any investment product available in
2 the optional program. This prohibition does not apply to fees
3 or charges that are imposed on withdrawals from products that
4 give participants the option of committing their contributions
5 for an extended time period in an effort to obtain returns
6 higher than those that could be obtained from investment
7 products offering full liquidity, provided that the product in
8 question, net of all fees and charges, produces material
9 benefits relative to other comparable products in the program
10 offering full liquidity.

11 4. Fees or charges for insurance features, such as
12 mortality and expense-risk charges, must be reasonable
13 relative to the benefits provided.

14 (f)1. An approved provider shall comply with all
15 federal and state securities and insurance laws and
16 regulations applicable to the provider, as well as the
17 applicable rules and guidelines of the National Association of
18 Securities Dealers which govern the ethical marketing of
19 investment products. In furtherance of this mandate, an
20 approved provider must agree in its contract with the board to
21 establish and maintain a compliance education and monitoring
22 system to supervise the activities of all personnel who
23 directly communicate with individual participants and
24 recommend investment products, which system is consistent with
25 rules of the National Association of Securities Dealers.

26 2. Approved provider personnel who directly
27 communicate with individual participants and who recommend
28 investment products shall make an independent and unbiased
29 determination as to whether an investment product is suitable
30 for a particular participant.

31 3. The board shall develop procedures to receive and

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1 resolve participant complaints against a provider or approved
2 provider personnel, and, when appropriate, refer such
3 complaints to the appropriate agency.

4 4. Approved providers may not sell or in any way
5 distribute any customer list or participant identification
6 information generated through their offering of products or
7 services through the optional retirement program.

8 Section 4. Subsection (9) is added to section
9 121.0515, Florida Statutes, to read:

10 121.0515 Special risk membership.--

11 (9) CREDIT FOR UPGRADED SERVICE.--Any member of the
12 Special Risk Class who has earned creditable service in
13 another membership class of the Florida Retirement System as
14 an emergency medical technician or paramedic, which service is
15 within the purview of the Special Risk Class, may purchase
16 additional retirement credit to upgrade such service to
17 Special Risk Class service, to the extent of the percentages
18 of the member's average final compensation provided in s.
19 121.091(1)(a)2. Contributions for upgrading such service to
20 Special Risk Class credit under this subsection shall be equal
21 to the difference in the contributions paid and the Special
22 Risk Class contribution rate as a percentage of gross salary
23 in effect for the period being claimed, plus interest thereon
24 at the rate of 6.5 percent a year, compounded annually until
25 the date of payment. This service credit may be purchased by
26 the employer on behalf of the member.

27 Section 5. It is the intent of the Legislature that
28 any additional cost attributable to the upgrade in the
29 retirement benefits for emergency medical technicians and
30 paramedics above the contributions paid in accordance with
31 section 4 of this act shall be funded by recognition of the

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1 necessary amount from the excess actuarial assets of the
2 Florida Retirement System Trust Fund.

3 Section 6. Paragraph (e) of subsection (3) of section
4 121.052, Florida Statutes, is amended to read:

5 121.052 Membership class of elected officers.--

6 (3) PARTICIPATION AND WITHDRAWAL,
7 GENERALLY.--Effective July 1, 1990, participation in the
8 Elected Officers' Class shall be compulsory for elected
9 officers listed in paragraphs (2)(a)-(d) and (f) assuming
10 office on or after said date, unless the elected officer
11 elects membership in another class or withdraws from the
12 Florida Retirement System as provided in paragraphs
13 (3)(a)-(d):

14 (e) Effective July 1, 2001 ~~1997~~, the governing body of
15 a municipality or special district may, by majority vote,
16 elect to designate all its elected positions for inclusion in
17 the Elected Officers' Class. Such election shall be made
18 between July 1, 2001 ~~1997~~, and December 31, 2001 ~~1997~~, and
19 shall be irrevocable. The designation of such positions shall
20 be effective the first day of the month following receipt by
21 the department of the ordinance or resolution passed by the
22 governing body.

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

26 And the title is amended as follows:

27 On page 9, lines 6 through 12, delete those lines

28

29 and insert:

30 amending s. 122.0515, F.S., relating to special
31 risk membership; revising criteria for members

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1 employed as firefighters, emergency medical
2 technicians, or paramedics; amending s.
3 121.055, F.S., relating to the Senior
4 Management Service Class; requiring
5 participation in the class by assistant
6 attorneys general; amending s. 121.4501, F.S.;
7 redefining the term "approved provider" for
8 purposes of the Public Employee Optional
9 Retirement Program; revising requirements for
10 transferring a member's optional program
11 account to the defined benefit plan; providing
12 for amortization of any unfunded liability;
13 providing requirements for the State Board of
14 Administration in administering the program;
15 revising requirements for the board in
16 selecting providers of investment products;
17 requiring that providers comply with federal
18 and state securities and insurance laws and
19 rules governing the ethical marketing of
20 investment products; requiring that the board
21 develop procedures for resolving complaints of
22 participants; prohibiting providers from
23 selling or distributing customer lists
24 generated through the optional retirement
25 program; amending s. 121.0515, F.S.; allowing
26 certain Special Risk Class members of the
27 Florida Retirement System to purchase
28 additional retirement credit; providing for
29 funding; amending s. 121.052, F.S.; providing a
30 period in which municipalities and special
31 districts may designate elected positions for

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1 inclusion in the Elected Officers' Class;
2 providing
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