

By the Committee on Governmental Oversight and Productivity;  
and Senator Garcia

302-1890-01

1                                   A bill to be entitled  
2           An act relating to trust funds; creating s.  
3           121.4502, F.S.; creating the Public Employee  
4           Optional Retirement Program Trust Fund, to be  
5           administered by the State Board of  
6           Administration as a retirement trust fund not  
7           subject to termination under s. 19(f), Art. III  
8           of the State Constitution; providing for  
9           sources of moneys and purposes; providing for  
10          exemption from the general revenue service  
11          charges; amending s. 121.4501, F.S.;  
12          authorizing the board to adopt rules to  
13          maintain the qualified status of the Optional  
14          Retirement Program in compliance with the  
15          Internal Revenue Code; providing an effective  
16          date.

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18 Be It Enacted by the Legislature of the State of Florida:  
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20           Section 1. Section 121.4502, Florida Statutes, is  
21 created to read:

22           121.4502 Public Employee Optional Retirement Program  
23 Trust Fund.--

24           (1) The Public Employee Optional Retirement Program  
25 Trust Fund is created to hold the assets of the Public  
26 Employee Optional Retirement Program in trust for the  
27 exclusive benefit of such programs participants and  
28 beneficiaries, and for the payment of reasonable  
29 administrative expenses of the program, in accordance with s.  
30 401 of the Internal Revenue Code and s. 121.4501 and shall be  
31 administered by the State Board of Administration as trustee.

1 Funds shall be credited to the trust fund as provided in this  
2 part, to be used for the purposes of this part. The trust fund  
3 is exempt from the service charges imposed by s. 215.20.

4 (2) The Public Employee Optional Retirement Program  
5 Trust Fund is a retirement trust fund of the Florida  
6 Retirement System which accounts for retirement plan assets  
7 held by the state in a trustee capacity as a fiduciary for  
8 individual participants in the Public Employee Optional  
9 Retirement Program and is not subject to termination under s.  
10 19(f), Art. III of the State Constitution.

11 Section 2. Paragraph (a) of subsection (13) of section  
12 121.4501, Florida Statutes, is amended to read:

13 121.4501 Public Employee Optional Retirement  
14 Program.--

15 (13) FEDERAL REQUIREMENTS.--

16 (a) Provisions of this section shall be construed, and  
17 the Public Employee Optional Retirement Program shall be  
18 administered, so as to comply with the Internal Revenue Code,  
19 26 U.S.C., and specifically with plan qualification  
20 requirements imposed on governmental plans under s. 401(a) of  
21 the Internal Revenue Code. The board shall have the power and  
22 authority to adopt rules reasonably necessary to establish or  
23 maintain the qualified status of the Optional Retirement  
24 Program under the Internal Revenue Code and to implement and  
25 administer the Optional Retirement Program in compliance with  
26 the Internal Revenue Code and this part; however, the board  
27 shall not have the authority to adopt any rule that makes a  
28 substantive change to the Optional Retirement Program as  
29 designed by this part.

30 Section 3. This act shall take effect July 1, 2001.  
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
SB 436

The Committee Substitute provides that the purpose of the trust fund is for the sole and exclusive benefit of participants and beneficiaries and for the payment of program expenses. The bill also amends s. 121.4501, F.S., to give limited rule-making authority to the State Board of Administration.