

Bill No. CS for SB 872

Amendment No. Barcode 565368

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Sanderson moved the following amendment:

Senate Amendment (with title amendment)

On page 15, line 31, through
page 16, line 3, delete those lines

and insert:

(4) PARTICIPATION; ENROLLMENT.--

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

1. If the employee chooses to move to the Public Employee Optional Retirement Program, the applicable

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1 provisions of this section shall govern the transfer.

2 2. If the employee chooses to move to the defined
3 benefit program, the employee must transfer from his or her
4 Public Employee Optional Retirement Program account and from
5 other employee moneys as necessary, a sum representing the
6 present value of that employee's accumulated benefit
7 obligation immediately following the time of such movement,
8 determined assuming that attained service equals the sum of
9 service in the defined benefit program and service in the
10 Public Employee Optional Retirement Program ~~all contributions~~
11 ~~that would have been made to the defined benefit plan for that~~
12 ~~employee and the actual return that would have been earned on~~
13 ~~those contributions had they been invested in the defined~~
14 ~~benefit program.~~ Benefit commencement occurs on the first date
15 the employee would become eligible for unreduced benefits,
16 using the discount rate and other relevant actuarial
17 assumptions that were used to value the Florida Retirement
18 System defined benefit plan liabilities in the most recent
19 actuarial valuation. For any employee who, at the time of the
20 second election, already maintains an accrued benefit amount
21 in the defined benefit plan, the then-present value of such
22 accrued benefit shall be deemed part of the required transfer
23 amount described in this subparagraph. The division shall
24 ensure that the transfer sum is prepared using a formula and
25 methodology certified by an enrolled actuary.

26 3. Notwithstanding subparagraph 2., an employee who
27 chooses to move to the defined benefit program and who became
28 eligible to participate in the Public Employee Optional
29 Retirement Program by reason of employment in a regularly
30 established position with a state employer after June 1, 2002;
31 a district school board employer after September 1, 2002; or a

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1 local employer after December 1, 2002, must transfer from his
2 or her Public Employee Optional Retirement Program account
3 and, from other employee moneys as necessary, a sum
4 representing that employee's actuarial accrued liability.

5 4. Employees' ability to transfer from the Florida
6 Retirement System defined benefit program to the Public
7 Employee Optional Retirement Program pursuant to paragraphs
8 (a) through (d), and the ability for current employees to have
9 an option to later transfer back into the defined benefit
10 program under subparagraph 2., shall be deemed a significant
11 system amendment. Pursuant to s. 121.031(4), any such
12 resulting unfunded liability arising from actual original
13 transfers from the defined benefit program to the optional
14 program shall be amortized within 30 plan years as a separate
15 unfunded actuarial base independent of the reserve
16 stabilization mechanism defined in s. 121.031(3)(f). For the
17 first 25 years, no direct amortization payment shall be
18 calculated for this base. During this 25-year period, such
19 separate base shall be used to offset the impact of employees
20 exercising their second program election under this paragraph.
21 It is the legislative intent that the actuarial funded status
22 of the Florida Retirement System defined benefit plan is
23 neither beneficially nor adversely impacted by such second
24 program elections in any significant manner, after due
25 recognition of the separate unfunded actuarial base. Following
26 this initial 25-year period, any remaining balance of the
27 original separate base shall be amortized over the remaining 5
28 years of the required 30-year amortization period.

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

2 And the title is amended as follows:

3 On page 1, line 18, after the semicolon,

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5 insert:

6 providing for amortization of any unfunded

7 liability;

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