 1   A bill to be entitled
 2   An act relating to the Florida Retirement
 3   System; amending s. 121.021, F.S.; redefining
 4   the terms "compensation" and "bonus" for
 5   purposes of the system; providing an effective
 6   date.
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 8   Be It Enacted by the Legislature of the State of Florida:
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10   Section 1. Paragraph (a) of subsection (22) and
11   paragraph (b) of subsection (47) of section 121.021, Florida
12   Statutes, are amended to read:
13   121.021 Definitions.--The following words and phrases
14   as used in this chapter have the respective meanings set forth
15   unless a different meaning is plainly required by the context:
16   (22) "Compensation" means the monthly salary paid a
17   member by his or her employer for work performed arising from
18   that employment.
19   (a) Compensation shall include:
20   1. Overtime payments paid from a salary fund.
21   2. Accumulated annual leave payments.
22   3. Payments in addition to the employee's base rate of
23   pay if all the following apply:
24   a. The payments are paid according to a formal written
25   policy that applies to all eligible employees equally;
26   b. The policy provides that payments shall commence no
27   later than the 11th year of employment;
28   c. The payments are paid for as long as the employee
29   continues his or her employment; and
30   d. The payments are paid at least annually.
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1   4.   Amounts withheld for tax sheltered annuities or
2 deferred compensation programs, or any other type of salary
3 reduction plan authorized under the Internal Revenue Code.
4   5.   Payments made in lieu of a permanent increase in
5 the base rate of pay, whether made annually or in 12 or 26
6 equal payments within a 12-month period, when the member's
7 base pay is at the maximum of his or her pay range. When a
8 portion of a member's annual increase raises his or her pay
9 range and the excess is paid as a lump sum payment, such lump
10 sum payment shall be compensation for retirement purposes.
11   6.   Payments made pursuant to ss. 231.700 and
12 236.08106, notwithstanding the provisions of subparagraph 3.
13   (47) "Bonus" means a payment made in addition to an
14 employee's regular or overtime salary. A bonus is usually
15 nonrecurring, does not increase the employee's base rate of
16 pay, and includes no commitment for payment in a subsequent
17 year. Such payments are not considered compensation. Effective
18 July 1, 1989, employers may not report such payments to the
19 division as salary, and may not make retirement contributions
20 on such payments.
21   (b) Bonuses shall include, but not be limited to, the
22 following:
23   1.   Exit bonus or severance pay.
24   2.   Longevity payments in conformance with the
25 provisions of paragraph (a).
26   3.   Salary increases granted pursuant to an employee's
27 agreement to retire, including increases paid over several
28 months or years prior to retirement.
29   4.   Payments for accumulated overtime or compensatory
30 time, reserve time, or holiday time worked, if not made within
31 11 months of the month in which the work was performed.

1   ~~5. Quality Instruction Incentives Program (QUIIP)~~

2 ~~Payments.~~

3   5.~~6.~~ Lump sum payments in recognition of employees'

4 accomplishments.

5   Section 2. This act shall take effect July 1, 2002.

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8   SENATE SUMMARY

9 Redefines the term "compensation," for purposes of the
   Florida Retirement System, to include payments under the
10 Florida Mentor Teacher School Pilot Program and the
   Excellent Teaching Program. Redefines the term "bonus" to
11 exclude Quality Instruction Incentives Program payments.

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