

Bill No. CS/HB 807, 1st Eng.

Amendment No.      Barcode 790490

	CHAMBER ACTION	
<u>Senate</u>		<u>House</u>

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Senator Sanderson moved the following amendment:

**Senate Amendment (with title amendment)**  
Delete everything after the enacting clause

and insert:

Section 1. Paragraph (d) of subsection (2), paragraph (c) of subsection (3), paragraphs (a), (b), and (c) of subsection (4), subsection (6), paragraphs (c) and (e) of subsection (7), and paragraph (a) of subsection (8) of section 121.4501, Florida Statutes, are amended, and paragraph (c) is added to subsection (5) of said section, to read:

- 121.4501 Public Employee Optional Retirement Program.--
- (2) DEFINITIONS.--As used in this section, the term:
- (d) "Eligible employee" means an officer or employee, as defined in s. 121.021(11), who:
1. Is a member of, or is eligible for membership in, the Florida Retirement System, including any renewed member of the Florida Retirement System;
  2. Participates in, or is eligible to participate in,

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1 the Senior Management Service Optional Annuity Program as  
2 established under s. 121.055(6); or

3 3. Is eligible to participate in, but does not  
4 participate in, the State University System Optional  
5 Retirement Program established under s. 121.35 or the State  
6 Community College System Optional Retirement Program  
7 established under s. 121.051(2)(c).

8  
9 The term does not include ~~any renewed member of the Florida~~  
10 ~~Retirement System~~, any member participating in the Deferred  
11 Retirement Option Program established under s. 121.091(13), or  
12 any employee participating in an optional retirement program  
13 established under s. 121.051(2)(c) or s. 121.35.

14 (3) ELIGIBILITY; RETIREMENT SERVICE CREDIT.--

15 (c)1. Notwithstanding paragraph (b), each eligible  
16 employee who elects to participate in the Public Employee  
17 Optional Retirement Program and establishes one or more  
18 individual participant accounts under the optional program may  
19 elect to transfer to the optional program a sum representing  
20 the present value of the employee's accumulated benefit  
21 obligation under the defined benefit retirement program of the  
22 Florida Retirement System. Upon such transfer, all service  
23 credit previously earned under the defined benefit program of  
24 the Florida Retirement System shall be nullified for purposes  
25 of entitlement to a future benefit under the defined benefit  
26 program of the Florida Retirement System. A participant is  
27 precluded from transferring the accumulated benefit obligation  
28 balance from the defined benefit program upon the expiration  
29 of the period afforded to enroll in the optional program.

30 2. For purposes of this subsection, the present value  
31 of the member's accumulated benefit obligation is based upon

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1 the member's estimated creditable service and estimated  
2 average final compensation as of midnight of the day prior to  
3 the opening of the election window for the employee. The  
4 actuarial present value of the employee's accumulated benefit  
5 obligation shall be based on the following:

6 a. The discount rate and other relevant actuarial  
7 assumptions used to value the Florida Retirement System Trust  
8 Fund at the time the amount to be transferred is determined,  
9 consistent with the factors provided in sub-subparagraphs b.  
10 and c.

11 b. A benefit commencement age, based on the member's  
12 estimated creditable service as of midnight on May 31, 2002.  
13 The benefit commencement age shall be the younger of the  
14 following, but shall not be younger than the member's age as  
15 of midnight on May 31, 2002:

- 16 (I) Age 62; or
- 17 (II) The age the member would attain if the member  
18 completed 30 years of service with an employer, assuming the  
19 member worked continuously from May 31, 2002, and disregarding  
20 any vesting requirement that would otherwise apply under the  
21 defined benefit program of the Florida Retirement System.

22 c. For members of the Special Risk Class and for  
23 members of the Special Risk Administrative Support Class  
24 entitled to retain special risk normal retirement date, the  
25 benefit commencement age shall be the younger of the  
26 following, but shall not be younger than the member's age as  
27 of midnight on May 31, 2002:

- 28 (I) Age 55; or
- 29 (II) The age the member would attain if the member  
30 completed 25 years of service with an employer, assuming the  
31 member worked continuously from May 31, 2002, and disregarding

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1 any vesting requirement that would otherwise apply under the  
2 defined benefit program of the Florida Retirement System.

3 d. The calculation shall disregard vesting  
4 requirements and early retirement reduction factors that would  
5 otherwise apply under the defined benefit retirement program.

6 3. For each participant who elects to transfer moneys  
7 from the defined benefit program to his or her account in the  
8 optional program, the division shall recompute the amount  
9 transferred under subparagraph 2. not later than 60 days after  
10 the actual transfer of funds based upon the participant's  
11 actual creditable service and actual final average  
12 compensation as of the initial date of participation in the  
13 optional program. If the recomputed amount differs from the  
14 amount transferred under subparagraph 2. by \$10 or more, the  
15 division shall:

16 a. Transfer, or cause to be transferred, from the  
17 Florida Retirement System Trust Fund to the participant's  
18 account in the optional program the excess, if any, of the  
19 recomputed amount over the previously transferred amount  
20 together with interest from the initial date of transfer to  
21 the date of transfer under this subparagraph, based upon 8  
22 percent effective annual interest, compounded annually.

23 b. Transfer, or cause to be transferred, from the  
24 participant's account to the Florida Retirement System Trust  
25 Fund the excess, if any, of the previously transferred amount  
26 over the recomputed amount, together with interest from the  
27 initial date of transfer to the date of transfer under this  
28 subparagraph, based upon 6 percent effective annual interest,  
29 compounded annually, pro rata based on the participant's  
30 allocation plan.

31 4. As directed by the participant, the board shall

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1 transfer or cause to be transferred the appropriate amounts to  
2 the designated accounts. The board shall establish transfer  
3 procedures by rule, but the actual transfer shall not be later  
4 than 30 days after the effective date of the member's  
5 participation in the optional program unless the major  
6 financial markets for securities available for a transfer are  
7 seriously disrupted by an unforeseen event which also causes  
8 the suspension of trading on any national securities exchange  
9 in the country where the securities were issued. In that  
10 event, such 30-day period of time may be extended by a  
11 resolution of the trustees. Transfers are not commissionable  
12 or subject to other fees and may be in the form of securities  
13 or cash as determined by the state board. Such securities  
14 shall be valued as of the date of receipt in the participant's  
15 account.

16           5. If the board or the division receives notification  
17 from the United States Internal Revenue Service that this  
18 paragraph or any portion of this paragraph will cause the  
19 retirement system, or a portion thereof, to be disqualified  
20 for tax purposes under the Internal Revenue Code, then the  
21 portion that will cause the disqualification does not apply.  
22 Upon such notice, the state board and the division shall  
23 notify the presiding officers of the Legislature.

24           (4) PARTICIPATION; ENROLLMENT.--

25           (a)1. With respect to an eligible employee who is  
26 employed in a regularly established position on June 1, 2002,  
27 by a state employer:

28           a. Any such employee may elect to participate in the  
29 Public Employee Optional Retirement Program in lieu of  
30 retaining his or her membership in the defined benefit program  
31 of the Florida Retirement System. The election must be made in

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1 writing or by electronic means and must be filed with the  
2 third-party administrator by August 31 ~~department and the~~  
3 ~~personnel officer of the employer within 90 days after June 1,~~  
4 2002, or, in the case of an active employee who is on a leave  
5 of absence on April June 1, 2002, by August 31, 2002, or  
6 within 90 days after the conclusion of the leave of absence,  
7 whichever is later. This election is irrevocable, except as  
8 provided in paragraph (e). Upon making such election, the  
9 employee shall be enrolled as a participant of the Public  
10 Employee Optional Retirement Program, the employee's  
11 membership in the Florida Retirement System shall be governed  
12 by the provisions of this part, and the employee's membership  
13 in the defined benefit program of the Florida Retirement  
14 System shall terminate. The employee's enrollment in the  
15 Public Employee Optional Retirement Program shall be effective  
16 the first day of the month for which a full month's employer  
17 contribution is made to the optional program.

18 b. Any such employee who fails to elect to participate  
19 in the Public Employee Optional Retirement Program within the  
20 prescribed time period ~~90 days~~ is deemed to have elected to  
21 retain membership in the defined benefit program of the  
22 Florida Retirement System, and the employee's option to elect  
23 to participate in the optional program is forfeited.

24 2. With respect to employees who become eligible to  
25 participate in the Public Employee Optional Retirement Program  
26 by reason of employment in a regularly established position  
27 with a state employer commencing after April June 1, 2002:

28 a. Any such employee shall, by default, be enrolled in  
29 the defined benefit retirement program of the Florida  
30 Retirement System at the commencement of employment, and may,  
31 by the end of the fifth month following the employee's month

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1 ~~of hire within 180 days after employment commences~~, elect to  
2 participate in the Public Employee Optional Retirement  
3 Program. The employee's election must be made in writing or by  
4 electronic means and must be filed with the third-party  
5 administrator ~~personnel officer of the employer~~. The election  
6 to participate in the optional program is irrevocable, except  
7 as provided in paragraph (e).

8           b. If the employee files such election before the  
9 initial payroll is submitted for the employee, enrollment in  
10 the Public Employee Optional Retirement Program shall be  
11 effective on the first day of employment.

12           c. If the employee files such election within the  
13 prescribed time period ~~180 days after employment commences~~,  
14 but after the initial payroll is submitted for the employee,  
15 enrollment in the optional program shall be effective on the  
16 first day of the month for which a full month's employer  
17 contribution is made to the optional program.

18           d. Any such employee who fails to elect to participate  
19 in the Public Employee Optional Retirement Program within the  
20 prescribed time period ~~180 days~~ is deemed to have elected to  
21 retain membership in the defined benefit program of the  
22 Florida Retirement System, and the employee's option to elect  
23 to participate in the optional program is forfeited.

24           3. For purposes of this paragraph, "state employer"  
25 means any agency, board, branch, commission, community  
26 college, department, institution, institution of higher  
27 education, or water management district of the state, which  
28 participates in the Florida Retirement System for the benefit  
29 of certain employees.

30           (b)1. With respect to an eligible employee who is  
31 employed in a regularly established position on September 1,

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1 2002, by a district school board employer:

2 a. Any such employee may elect to participate in the  
3 Public Employee Optional Retirement Program in lieu of  
4 retaining his or her membership in the defined benefit program  
5 of the Florida Retirement System. The election must be made in  
6 writing or by electronic means and must be filed with the  
7 third-party administrator by November 30 ~~department and the~~  
8 ~~personnel officer of the employer within 90 days after~~  
9 ~~September 1, 2002, or, in the case of an active employee who~~  
10 ~~is on a leave of absence on July~~ September 1, 2002, by  
11 November 30, 2002, or within 90 days after the conclusion of  
12 the leave of absence, whichever is later. This election is  
13 irrevocable, except as provided in paragraph (e). Upon making  
14 such election, the employee shall be enrolled as a participant  
15 of the Public Employee Optional Retirement Program, the  
16 employee's membership in the Florida Retirement System shall  
17 be governed by the provisions of this part, and the employee's  
18 membership in the defined benefit program of the Florida  
19 Retirement System shall terminate. The employee's enrollment  
20 in the Public Employee Optional Retirement Program shall be  
21 effective the first day of the month for which a full month's  
22 employer contribution is made to the optional program.

23 b. Any such employee who fails to elect to participate  
24 in the Public Employee Optional Retirement Program within the  
25 prescribed time period ~~90 days~~ is deemed to have elected to  
26 retain membership in the defined benefit program of the  
27 Florida Retirement System, and the employee's option to elect  
28 to participate in the optional program is forfeited.

29 2. With respect to employees who become eligible to  
30 participate in the Public Employee Optional Retirement Program  
31 by reason of employment in a regularly established position



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1 with a district school board employer commencing after July  
2 ~~September~~ 1, 2002:

3 a. Any such employee shall, by default, be enrolled in  
4 the defined benefit retirement program of the Florida  
5 Retirement System at the commencement of employment, and may,  
6 by the end of the fifth month following the employee's month  
7 of hire within 180 days after employment commences, elect to  
8 participate in the Public Employee Optional Retirement  
9 Program. The employee's election must be made in writing or by  
10 electronic means and must be filed with the third-party  
11 administrator ~~personnel officer of the employer~~. The election  
12 to participate in the optional program is irrevocable, except  
13 as provided in paragraph (e).

14 b. If the employee files such election before the  
15 initial payroll is submitted for the employee, enrollment in  
16 the Public Employee Optional Retirement Program shall be  
17 effective on the first day of employment.

18 c. If the employee files such election within the  
19 prescribed time period ~~180 days after employment commences~~,  
20 but after the initial payroll is submitted for the employee,  
21 enrollment in the optional program shall be effective on the  
22 first day of the month for which a full month's employer  
23 contribution is made to the optional program.

24 d. Any such employee who fails to elect to participate  
25 in the Public Employee Optional Retirement Program within the  
26 prescribed time period ~~180 days~~ is deemed to have elected to  
27 retain membership in the defined benefit program of the  
28 Florida Retirement System, and the employee's option to elect  
29 to participate in the optional program is forfeited.

30 3. For purposes of this paragraph, "district school  
31 board employer" means any district school board that

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1 participates in the Florida Retirement System for the benefit  
2 of certain employees, or a charter school or charter technical  
3 career center that participates in the Florida Retirement  
4 System as provided in s. 121.051(2)(d).

5 (c)1. With respect to an eligible employee who is  
6 employed in a regularly established position on December 1,  
7 2002, by a local employer:

8 a. Any such employee may elect to participate in the  
9 Public Employee Optional Retirement Program in lieu of  
10 retaining his or her membership in the defined benefit program  
11 of the Florida Retirement System. The election must be made in  
12 writing or by electronic means and must be filed with the  
13 third-party administrator by February 28, 2003 ~~department and~~  
14 ~~the personnel officer of the employer within 90 days after~~  
15 ~~December 1, 2002~~, or, in the case of an active employee who is  
16 on a leave of absence on October ~~December~~ 1, 2002, by February  
17 28, 2003, or within 90 days after the conclusion of the leave  
18 of absence, whichever is later. This election is irrevocable.  
19 Upon making such election, the employee shall be enrolled as a  
20 participant of the Public Employee Optional Retirement  
21 Program, the employee's membership in the Florida Retirement  
22 System shall be governed by the provisions of this part, and  
23 the employee's membership in the defined benefit program of  
24 the Florida Retirement System shall terminate. The employee's  
25 enrollment in the Public Employee Optional Retirement Program  
26 shall be effective the first day of the month for which a full  
27 month's employer contribution is made to the optional program.

28 b. Any such employee who fails to elect to participate  
29 in the Public Employee Optional Retirement Program within the  
30 prescribed time period ~~90 days~~ is deemed to have elected to  
31 retain membership in the defined benefit program of the

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1 Florida Retirement System, and the employee's option to elect  
2 to participate in the optional program is forfeited.

3           2. With respect to employees who become eligible to  
4 participate in the Public Employee Optional Retirement Program  
5 by reason of employment in a regularly established position  
6 with a local employer commencing after October ~~December~~ 1,  
7 2002:

8           a. Any such employee shall, by default, be enrolled in  
9 the defined benefit retirement program of the Florida  
10 Retirement System at the commencement of employment, and may,  
11 by the end of the fifth month following the employee's month  
12 of hire ~~within 180 days after employment commences~~, elect to  
13 participate in the Public Employee Optional Retirement  
14 Program. The employee's election must be made in writing or by  
15 electronic means and must be filed with the third-party  
16 administrator ~~personnel officer of the employer~~. The election  
17 to participate in the optional program is irrevocable, except  
18 as provided in paragraph (e).

19           b. If the employee files such election before the  
20 initial payroll is submitted for the employee, enrollment in  
21 the Public Employee Optional Retirement Program shall be  
22 effective on the first day of employment.

23           c. If the employee files such election within the  
24 prescribed time period ~~180 days after employment commences~~,  
25 but after the initial payroll is submitted for the employee,  
26 enrollment in the optional program shall be effective on the  
27 first day of the month for which a full month's employer  
28 contribution is made to the optional program.

29           d. Any such employee who fails to elect to participate  
30 in the Public Employee Optional Retirement Program within the  
31 prescribed time period ~~180 days~~ is deemed to have elected to

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1 retain membership in the defined benefit program of the  
2 Florida Retirement System, and the employee's option to elect  
3 to participate in the optional program is forfeited.

4 3. For purposes of this paragraph, "local employer"  
5 means any employer not included in paragraph (a) or paragraph  
6 (b).

7 (5) CONTRIBUTIONS.--

8 (c) The Public Employee Optional Retirement Program  
9 may accept for deposit into participant accounts contributions  
10 in the form of rollovers or direct trustee-to-trustee  
11 transfers by or on behalf of participants, reasonably  
12 determined by the board to be eligible for rollover or  
13 transfer to the optional retirement program pursuant to the  
14 Internal Revenue Code, if such contributions are made in  
15 accordance with rules as may be adopted by the board. Such  
16 contributions shall be accounted for in accordance with any  
17 applicable Internal Revenue Code requirements and rules of the  
18 board.

19 (6) VESTING REQUIREMENTS.--

20 (a)1. With respect to employer contributions paid on  
21 behalf of the participant to the Public Employee Optional  
22 Retirement Program, plus interest and earnings thereon and  
23 less investment fees and administrative charges, a participant  
24 shall be vested after completing 1 work year, as defined in s.  
25 121.021(54), with an employer, including any service while the  
26 participant was a member of the defined benefit retirement  
27 program or an optional retirement program authorized under s.  
28 121.051(2)(c) or s. 121.055(6).

29 2. If the participant terminates employment prior to  
30 satisfying the vesting requirements, the nonvested  
31 accumulation shall be transferred from the participant's

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1 accounts to the state board for deposit and investment by the  
2 board in the suspense account of the Public Employee Optional  
3 Retirement Program Trust Fund of the board. If the terminated  
4 participant is reemployed as an eligible employee within 5  
5 years, the state board shall transfer to the participant's  
6 account any amount of the moneys previously transferred from  
7 the participant's accounts to the suspense account of the  
8 Public Employee Optional Retirement Program Trust Fund, plus  
9 the actual earnings on such amount while in the suspense  
10 account interest calculated at 3.0 percent per annum,  
11 ~~calculated from the date of transfer to the date of~~  
12 ~~reemployment.~~

13 (b)1. A participant shall be vested in the amount  
14 transferred from the defined benefit program, plus interest  
15 and earnings thereon and less administrative charges and  
16 investment fees, upon meeting the service requirements for the  
17 participant's membership class as set forth in s. 121.021(29).  
18 The third-party administrator shall account for such amounts  
19 for each participant. The division shall notify the  
20 participant and the third-party administrator when the  
21 participant has satisfied the vesting period for Florida  
22 Retirement System purposes.

23 2. If the participant terminates employment prior to  
24 satisfying the vesting requirements, the nonvested  
25 accumulation shall be transferred from the participant's  
26 accounts to the state board for deposit and investment by the  
27 board in the suspense account of the Public Employee Optional  
28 Retirement Program Trust Fund of the board. If the terminated  
29 participant is reemployed as an eligible employee within 5  
30 years, the state board shall transfer to the participant's  
31 account any amount of the moneys previously transferred from

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1 the participant's accounts to the suspense account of the  
2 Public Employee Optional Retirement Program Trust Fund, plus  
3 the actual earnings on such amount while in the suspense  
4 account interest calculated at 6.0 percent per annum,  
5 ~~calculated from the date of transfer to the date of~~  
6 ~~reemployment.~~

7 (c) Any nonvested accumulations transferred from a  
8 participant's account to the suspense account shall be  
9 forfeited by the participant if the participant is not  
10 reemployed as an eligible employee within 5 years after  
11 termination.

12 (7) BENEFITS.--Under the Public Employee Optional  
13 Retirement Program:

14 (c) Benefits shall be payable in accordance with the  
15 following terms and conditions:

16 1. To the extent vested, benefits shall be payable  
17 only to a participant, or to his or her beneficiaries as  
18 designated by the participant. If a participant designates a  
19 beneficiary who is not the participant's spouse, the  
20 participant's spouse shall be notified. This requirement shall  
21 not apply to the designation of a contingent beneficiary  
22 designated to receive benefits hereunder in the event the  
23 participant's spouse dies before such contingent beneficiary.

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

28 3. To begin receiving the benefits, the participant  
29 must be terminated from all employment with all Florida  
30 Retirement System employers, as provided in s. 121.021(39), or  
31 the participant must be deceased. If a participant elects to

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1 receive his or her benefits upon termination of employment,  
2 the participant must submit a written application to the  
3 third-party administrator indicating his or her preferred  
4 distribution date and selecting an authorized method of  
5 distribution as provided in paragraph (d). The participant may  
6 defer receipt of benefits until he or she chooses to make such  
7 application, subject to federal requirements.

8           4. In the event of a participant's death, moneys  
9 accumulated by, or on behalf of, the participant, less  
10 withholding taxes remitted to the Internal Revenue Service,  
11 shall be distributed to the participant's designated  
12 beneficiary or beneficiaries, or to the participant's estate,  
13 as if the participant retired on the date of death, as  
14 provided in paragraph (e). No other death benefits shall be  
15 available for survivors of participants under the Public  
16 Employee Optional Retirement Program, except for such  
17 benefits, or coverage for such benefits, as are separately  
18 afforded by the employer, at the employer's discretion.

19           (e) Survivor benefits shall be payable as:

20           1. A lump-sum distribution payable to the  
21 beneficiaries, or to the deceased participant's estate;

22           2. An eligible rollover distribution on behalf of the  
23 surviving spouse of a deceased participant, whereby all  
24 accrued benefits, plus interest and investment earnings, are  
25 paid from the deceased participant's account directly to the  
26 custodian of an eligible retirement plan ~~individual retirement~~  
27 ~~account or an individual retirement annuity~~, as described in  
28 s. 402(c)(8)(B)~~(9)~~ of the Internal Revenue Code, on behalf of  
29 the surviving spouse; or

30           3. A partial lump-sum payment whereby a portion of the  
31 accrued benefit is paid to the deceased participant's

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1 surviving spouse or other designated beneficiaries, less  
2 withholding taxes remitted to the Internal Revenue Service,  
3 and the remaining amount is transferred directly to the  
4 custodian of an individual retirement account or an individual  
5 retirement annuity, as described in s. 402(c)(9) of the  
6 Internal Revenue Code, on behalf of the surviving spouse. The  
7 proportions must be specified by the participant or the  
8 surviving beneficiary.

9  
10 This paragraph does not abrogate other applicable provisions  
11 of state or federal law providing for payment of death  
12 benefits.

13 (8) ADMINISTRATION OF PROGRAM.--

14 (a) The Public Employee Optional Retirement Program  
15 shall be administered by the state board and affected  
16 employers. The board is authorized to require oaths, by  
17 affidavit or otherwise, and acknowledgments from persons in  
18 connection with the administration of its duties and  
19 responsibilities under this chapter. No oath, by affidavit or  
20 otherwise, shall be required of an employee participant at the  
21 time of election. Acknowledgement of an employee's election to  
22 participate in the program shall be no greater than necessary  
23 to confirm the employee's election.The board shall adopt  
24 rules establishing the role and responsibilities of affected  
25 state, local government, and education-related employers, the  
26 state board, the department, and third-party contractors in  
27 administering the Public Employee Optional Retirement Program.  
28 The department shall adopt rules necessary to implement the  
29 optional program in coordination with the defined benefit  
30 retirement program and the disability benefits available under  
31 the optional program.



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1           Section 2. Paragraph (a) of subsection (2) of section  
2 121.571, Florida Statutes, is amended to read:

3           121.571 Contributions.--Contributions to the Public  
4 Employee Optional Retirement Program shall be made as follows:

5           (2) CONTRIBUTIONS TO PARTICIPANT ACCOUNTS.--Employer  
6 and participant contributions to participant accounts shall be  
7 accounted for separately. Interest and investment earnings on  
8 employer contributions shall accrue on a tax-deferred basis  
9 until proceeds are distributed. Pursuant thereto:

10           (a) All contributions made on behalf of a participant  
11 pursuant to this subsection shall be transferred by the  
12 employer to the third-party administrator for deposit in the  
13 participant's account. All contributions made on behalf of a  
14 participant shall be made timely. Employer contributions  
15 received after the 5th working day of each month shall be  
16 considered late. The employer shall be assessed a penalty of 1  
17 percent of the contributions due for each calendar month or  
18 part thereof that the contributions are late. If contributions  
19 made by an employer are not received within the calendar month  
20 they are due and if that lateness results in market losses to  
21 participants, the employer shall make each participant whole  
22 for market losses resulting from the late contributions.  
23 Proceeds from the 1-percent assessment and any market loss  
24 shall be deposited into participant accounts by the  
25 third-party administrator. The third-party administrator hired  
26 by the board pursuant to s. 121.4501(8) shall calculate the  
27 market losses for each affected participant. When the  
28 contributions are more than one calendar month late, the  
29 employer shall also pay the cost of the third-party  
30 administrator's calculation and reconciliation adjustments  
31 resulting from the late contributions. The third-party

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1 administrator shall notify the employer of the results of the  
2 calculations and the total amount due from the employer. The  
3 employer shall remit to the third-party administrator the  
4 amount due within 10 working days after the date of the  
5 penalty notice sent by the third-party administrator. The  
6 board is authorized to adopt rules to implement the provisions  
7 regarding late contributions, the process for making  
8 participants whole for resultant market losses, and the  
9 penalties charged to the employers.

10 Section 3. Paragraph (g) of subsection (2), paragraph  
11 (g) of subsection (3), and paragraph (h) of subsection (4) of  
12 section 110.123, Florida Statutes, are amended to read:

13 110.123 State group insurance program.--

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

15 (g) "Retired state officer or employee" or "retiree"  
16 means any state officer or state employee who retires under a  
17 state retirement system or a state optional annuity or  
18 retirement program or is placed on disability retirement, and  
19 who was insured under the state group insurance program at the  
20 time of retirement, and who begins receiving retirement  
21 benefits immediately after retirement from state office or  
22 employment. In addition to these requirements, any state  
23 officer or state employee who retires under the Public  
24 Employee Optional Retirement Program established under part II  
25 of chapter 121 shall be considered a "retired state officer or  
26 employee" or "retiree" as used in this section if he or she:

27 1. Meets the age and service requirements to qualify  
28 for normal retirement as set forth in s. 121.021(29); or

29 2. Has attained the age specified by s. 72(t)(2)(A)(i)  
30 of the Internal Revenue Code and has 6 years of creditable  
31 service.

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1           (3) STATE GROUP INSURANCE PROGRAM.--

2           (g) Participation by individuals in the program shall  
3 be available to all state officers, full-time state employees,  
4 and part-time state employees; and such participation in the  
5 program or any plan thereof shall be voluntary. Participation  
6 in the program shall also be available to retired state  
7 officers and employees, as defined in paragraph (2)(g), who  
8 elect at the time of retirement to continue coverage under the  
9 program, but they may elect to continue all or only part of  
10 the coverage they had at the time of retirement. A surviving  
11 spouse may elect to continue coverage only under the state  
12 group health insurance plan or a health maintenance  
13 organization plan.

14           (4) PAYMENT OF PREMIUMS; CONTRIBUTION BY STATE;  
15 LIMITATION ON ACTIONS TO PAY AND COLLECT PREMIUMS.--

16           ~~(h) State employees may participate in the state group~~  
17 ~~health insurance plan at the time of receiving their state~~  
18 ~~retirement benefits.~~

19           Section 4. Paragraphs (j) and (q) of subsection (2) of  
20 section 110.205, Florida Statutes, are amended to read:

21           110.205 Career service; exemptions.--

22           (2) EXEMPT POSITIONS.--The exempt positions that are  
23 not covered by this part include the following:

24           (j) The appointed secretaries, assistant secretaries,  
25 deputy secretaries, and deputy assistant secretaries of all  
26 departments; the executive directors, assistant executive  
27 directors, deputy executive directors, and deputy assistant  
28 executive directors of all departments; ~~and~~ the directors of  
29 all divisions and those positions determined by the department  
30 to have managerial responsibilities comparable to such  
31 positions, which positions include, but are not limited to,

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1 program directors, assistant program directors, district  
 2 administrators, deputy district administrators, the Director  
 3 of Central Operations Services of the Department of Children  
 4 and Family Services, and the State Transportation Planner,  
 5 State Highway Engineer, State Public Transportation  
 6 Administrator, district secretaries, district directors of  
 7 planning and programming, production, and operations, and the  
 8 managers of the offices specified in s. 20.23(3)(d)2., of the  
 9 Department of Transportation. Unless otherwise fixed by law,  
 10 the department shall set the salary and benefits of these  
 11 positions in accordance with the rules of the Senior  
 12 Management Service; and the county health department directors  
 13 and county health department administrators of the Department  
 14 of Health.

15 (q) The staff directors, assistant staff directors,  
 16 district program managers, district program coordinators,  
 17 district subdistrict administrators, district administrative  
 18 services directors, district attorneys, and the Deputy  
 19 Director of Central Operations Services of the Department of  
 20 Children and Family Services ~~and the county health department~~  
 21 ~~directors and county health department administrators of the~~  
 22 ~~Department of Health.~~ Unless otherwise fixed by law, the  
 23 department shall establish the salary range and benefits for  
 24 these positions in accordance with the rules of the Selected  
 25 Exempt Service.

26 Section 5. Paragraph (d) of subsection (2) and  
 27 subsection (7) of section 121.052, Florida Statutes, as  
 28 amended by chapter 2001-262, Laws of Florida, are amended to  
 29 read:

30 121.052 Membership class of elected officers.--  
 31 (2) MEMBERSHIP.--The following holders of elective

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1 office, hereinafter referred to as "elected officers," whether  
2 assuming elective office by election, reelection, or  
3 appointment, are members of the Elected Officers' Class,  
4 except as provided in subsection (3):

5 (d) Any constitutional county elected officer assuming  
6 office on or after July 1, 1981, including any sheriff, tax  
7 collector, property appraiser, supervisor of elections, clerk  
8 of the circuit court, county commissioner, school board  
9 member, or elected school board superintendent, or any elected  
10 officer of any entity with countywide jurisdiction assuming  
11 office on or after July 1, 1981, who, pursuant to general or  
12 special law, exercises powers and duties that, but for such  
13 general or special law, would be exercised by any of the  
14 constitutional county elected officers set forth in this  
15 paragraph, including the sheriff and clerk of the circuit  
16 court in a consolidated government with countywide  
17 jurisdiction unless such sheriff or clerk elected to continue  
18 to participate in a local retirement system.

19 (7) CONTRIBUTIONS.--

20 (a) The following table states the required retirement  
21 contribution rates for members of the Elected Officers' Class  
22 and their employers in terms of a percentage of the member's  
23 gross compensation. A change in a contribution rate is  
24 effective with the first salary paid on or after the beginning  
25 date of the change. Contributions shall be made or deducted as  
26 may be appropriate for each pay period and are in addition to  
27 the contributions required for social security and the Retiree  
28 Health Insurance Subsidy Trust Fund.

29	30 Dates of Contribution	
31 Rate Changes	Members	Employers

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1	Effective July 1, 2001		
2	Legislators	0%	15.14%
3	Governor, Lt. Governor, Cabinet		
4	Officers	0%	15.14%
5	State Attorneys, Public Defenders	0%	15.14%
6	Justices, Judges	0%	20.61%
7	County Elected Officers	0%	17.61%

8  
 9 (b) The employer paying the salary of a member of the  
 10 Elected Officers' Class shall contribute an amount as  
 11 specified in this subsection which shall constitute the entire  
 12 employer retirement contribution with respect to such member.  
 13 The employer shall also withhold one-half of the entire  
 14 contribution of the member required for social security  
 15 coverage.

16 (c) The following table states the required employer  
 17 contribution on behalf of each member of the Elected Officers'  
 18 Class in terms of a percentage of the member's gross  
 19 compensation. Such contribution constitutes the entire health  
 20 insurance subsidy contribution with respect to the member. A  
 21 change in the contribution rate is effective with the first  
 22 salary paid on or after the beginning date of the change. The  
 23 retiree health insurance subsidy contribution rate is as  
 24 follows:

25	26 Dates of Contribution	27 Contribution
28	29 Rate Changes	30 Rate
31	October 1, 1987, through December 31, 1988	0.24%
	January 1, 1989, through December 31, 1993	0.48%
	January 1, 1994, through December 31, 1994	0.56%

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1	January 1, 1995, through June 30, 1998	0.66%
2	July 1, 1998, through June 30, 2001	0.94%
3	Effective July 1, 2001	1.11%

4  
5 Such contributions and accompanying payroll data are due and  
6 payable no later than the 5th working day of the month  
7 immediately following the month during which the payroll  
8 period ended and shall be deposited by the administrator in  
9 the Retiree Health Insurance Subsidy Trust Fund.

10 Section 6. Paragraph (h) of subsection (1), subsection  
11 (3), paragraph (d) of subsection (4), and paragraph (c) of  
12 subsection (6) of section 121.055, Florida Statutes, as  
13 amended by chapter 2001-262, Laws of Florida, are amended to  
14 read:

15 121.055 Senior Management Service Class.--There is  
16 hereby established a separate class of membership within the  
17 Florida Retirement System to be known as the "Senior  
18 Management Service Class," which shall become effective  
19 February 1, 1987.

20 (1)  
21 (h)1. Except as provided in subparagraph 3., effective  
22 January 1, 1994, participation in the Senior Management  
23 Service Class shall be compulsory for the State Courts  
24 Administrator and the Deputy State Courts Administrators, the  
25 Clerk of the Supreme Court, the Marshal of the Supreme Court,  
26 the Executive Director of the Justice Administrative  
27 Commission, the Capital Collateral Regional Counsels, the  
28 clerks of the district courts of appeals, the marshals of the  
29 district courts of appeals, and the trial court administrator  
30 and the Chief Deputy Court Administrator in each judicial  
31 circuit. Effective January 1, 1994, additional positions in

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1 the offices of the state attorney and public defender in each  
2 judicial circuit may be designated for inclusion in the Senior  
3 Management Service Class of the Florida Retirement System,  
4 provided that:

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

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

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

24 (I) Heads an organizational unit; or

25 (II) Has responsibility to effect or recommend  
26 personnel, budget, expenditure, or policy decisions in his or  
27 her areas of responsibility.

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



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1 continue until the employee terminates employment in a covered  
2 position. Effective January 1, 2001, participation in this  
3 class is compulsory for assistant state attorneys, assistant  
4 statewide prosecutors, assistant public defenders, and  
5 assistant capital collateral regional counsels. Effective  
6 January 1, 2002, participation in this class is compulsory for  
7 assistant attorneys general.

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

15 (3)(a) The following table states the required  
16 retirement contribution rates for members of the Senior  
17 Management Service Class and their employers in terms of a  
18 percentage of the member's gross compensation. A change in the  
19 contribution rate is effective with the first salary paid on  
20 or after the beginning date of the change. Contributions  
21 shall be made for each pay period and are in addition to the  
22 contributions required for social security and the Retiree  
23 Health Insurance Subsidy Trust Fund.

24  
25 Dates of Contribution

26 Rate Changes	Members	Employers
27 Effective July 1, 2001	0%	11.73%

28  
29 (b) The employer paying the salary of a member of the  
30 Senior Management Service Class shall contribute an amount as  
31 specified in this section which shall constitute the entire

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1 employer retirement contribution with respect to such member.  
2 The employer shall also withhold one-half of the entire  
3 contribution of the member required for social security  
4 coverage.

5 (c) The following table states the required employer  
6 contribution on behalf of each member of the Senior Management  
7 Service Class in terms of a percentage of the member's gross  
8 compensation. Such contribution constitutes the entire health  
9 insurance subsidy contribution with respect to the member. A  
10 change in the contribution rate is effective with the first  
11 salary paid on or after the beginning date of the change. The  
12 retiree health insurance subsidy contribution rate is as  
13 follows:

Dates of Contribution	Contribution
Rate Changes	Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%
Effective July 1, 2001	1.11%

24 Such contributions and accompanying payroll data are due and  
25 payable no later than the 5th working day of the month  
26 immediately following the month during which the payroll  
27 period ended and shall be deposited by the administrator in  
28 the Retiree Health Insurance Subsidy Trust Fund.

29 (6)  
30 (c) Participation.--

31 1. Any eligible employee who is employed on or before

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1 February 1, 1987, may elect to participate in the optional  
2 annuity program in lieu of participation in the Senior  
3 Management Service Class. Such election shall be made in  
4 writing and filed with the department and the personnel  
5 officer of the employer on or before May 1, 1987. Any  
6 eligible employee who is employed on or before February 1,  
7 1987, and who fails to make an election to participate in the  
8 optional annuity program by May 1, 1987, shall be deemed to  
9 have elected membership in the Senior Management Service  
10 Class.

11           2. Any employee who becomes eligible to participate in  
12 the optional annuity program by reason of initial employment  
13 commencing after February 1, 1987, may, within 90 days after  
14 the date of commencement of employment, elect to participate  
15 in the optional annuity program. Such election shall be made  
16 in writing and filed with the personnel officer of the  
17 employer. Any eligible employee who does not within 90 days  
18 after commencement of such employment elect to participate in  
19 the optional annuity program shall be deemed to have elected  
20 membership in the Senior Management Service Class.

21           3. A person who is appointed to a position in the  
22 Senior Management Service Class and who is a member of an  
23 existing retirement system or the Special Risk or Special Risk  
24 Administrative Support Classes of the Florida Retirement  
25 System may elect to remain in such system or class in lieu of  
26 participation in the Senior Management Service Class or  
27 optional annuity program. Such election shall be made in  
28 writing and filed with the department and the personnel  
29 officer of the employer within 90 days of such appointment.  
30 Any eligible employee who fails to make an election to  
31 participate in the existing system, the Special Risk Class of

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1 the Florida Retirement System, the Special Risk Administrative  
2 Support Class of the Florida Retirement System, or the  
3 optional annuity program shall be deemed to have elected  
4 membership in the Senior Management Service Class.

5 4. Except as provided in subparagraph 5., an  
6 employee's election to participate in the optional annuity  
7 program is irrevocable as long as such employee continues to  
8 be employed in an eligible position and continues to meet the  
9 eligibility requirements set forth in this paragraph.

10 5. Effective from July 1, 2002, through September 30,  
11 2002, any active employee in a regularly established position  
12 who has elected to participate in the Senior Management  
13 Service Optional Annuity Program has one opportunity to choose  
14 to move from the Senior Management Service Optional Annuity  
15 Program to the Florida Retirement System defined benefit  
16 program.

17 a. The election must be made in writing and must be  
18 filed with the department and the personnel officer of the  
19 employer before October 1, 2002, or, in the case of an active  
20 employee who is on a leave of absence on July 1, 2002, within  
21 90 days after the conclusion of the leave of absence. This  
22 election is irrevocable.

23 b. The employee will receive service credit under the  
24 defined benefit program of the Florida Retirement System equal  
25 to his or her years of service under the Senior Management  
26 Service Optional Annuity Program. The cost for such credit  
27 shall be an amount representing the present value of that  
28 employee's accumulated benefit obligation for the affected  
29 period of service.

30 c. The employee must transfer the total accumulated  
31 employer contributions and earnings on deposit in his or her

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1 Senior Management Service Optional Annuity Program account. If  
2 the transferred amount is not sufficient to pay the amount  
3 due, the employee must pay a sum representing the remainder of  
4 the amount due. In no case may the employee retain any  
5 employer contributions or earnings thereon from the Senior  
6 Management Service Optional Annuity Program account.

7 Section 7. Subsection (5) of section 121.071, Florida  
8 Statutes, as amended by chapter 2001-262, Laws of Florida, is  
9 amended to read:

10 121.071 Contributions.--Contributions to the system  
11 shall be made as follows:

12 (5) Contributions made in accordance with subsections  
13 (1), (2), (3), and (4) shall be paid by the employer into the  
14 system trust funds in accordance with rules adopted by the  
15 administrator pursuant to chapter 120, except as may be  
16 otherwise specified herein.

17 (a)1. Effective October 1, 1978, such contributions  
18 are due and payable no later than the 25th day of the month  
19 immediately following the month during which the payroll  
20 period ended. The department may, by rule, establish a  
21 different due date, which shall supersede the date specified  
22 herein; however, such due date may not be established earlier  
23 than the 20th day of the month immediately following the month  
24 during which the payroll period ended.

25 2. Effective July 1, 2002, contributions paid under  
26 subsections (1) and (4) and accompanying payroll data are due  
27 and payable no later than the 5th working day of the month  
28 immediately following the month during which the payroll  
29 period ended.~~Effective January 1, 1984, contributions made in~~  
30 ~~accordance with subsection (3) shall be paid by the employer~~  
31 ~~into the system trust fund in accordance with rules adopted by~~

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1 ~~the administrator pursuant to chapter 120. For any payroll~~  
2 ~~period ending any day of the month before the 16th day of the~~  
3 ~~month, such contributions are due and payable no later than~~  
4 ~~the 20th day of the month; and, for any payroll periods ending~~  
5 ~~any day of the month after the 15th day of the month, such~~  
6 ~~contributions are due and payable no later than the 5th day of~~  
7 ~~the next month.~~

8       **(b)** Contributions received in the offices of the  
9 department after the prescribed date shall be considered  
10 delinquent unless, in the opinion of the department,  
11 exceptional circumstances beyond an employer's control  
12 prevented remittance by the prescribed due date  
13 notwithstanding such employer's good faith efforts to effect  
14 delivery; and, with respect to retirement contributions due  
15 under subsections (1) and (4), each employer shall be assessed  
16 a delinquent fee of 1 percent of the contributions due for  
17 each calendar month or part thereof that the contributions are  
18 delinquent. Such a waiver of the delinquency fee by the  
19 department may be granted an employer only one time each  
20 fiscal year. Delinquent social security contributions shall be  
21 assessed a delinquent fee as authorized by s. 650.05(4). The  
22 delinquent fee assessable for an employer's first delinquency  
23 after July 1, 1984, shall be as specified in s. 650.05(4),  
24 and, beginning with the second delinquency in any fiscal year  
25 by the employer subsequent to July 1, 1984, all subsequent  
26 delinquency fees shall be assessed against the employer at  
27 twice the applicable percentage rate specified in s.  
28 650.05(4).

29       Section 8. Section 121.35, Florida Statutes, is  
30 amended to read:

31       121.35 Optional retirement program for the State

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1 University System.--

2 (1) OPTIONAL RETIREMENT PROGRAM ESTABLISHED.--The  
3 Department of Management Services shall establish an optional  
4 retirement program under which contracts providing retirement  
5 and death benefits may be purchased for eligible members of  
6 the State University System who elect to participate in the  
7 program. The benefits to be provided for or on behalf of  
8 participants in such optional retirement program shall be  
9 provided through individual contracts or individual  
10 certificates issued for group annuity or other contracts,  
11 which may be fixed, variable, or a combination thereof, in  
12 accordance with s. 403(b) of the Internal Revenue Code. Any  
13 individual contract or certificate shall state the annuity  
14 plan on its face page, and shall include, but not be limited  
15 to, a statement of ownership, the contract benefits, annuity  
16 income options, limitations, expense charges, and surrender  
17 charges, if any. The state shall contribute, as provided in  
18 this section, toward the purchase of such optional benefits.

19 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL  
20 PROGRAM.--

21 (a) Participation in the optional retirement program  
22 provided by this section shall be limited to persons who are  
23 otherwise eligible for membership in the Florida Retirement  
24 System; who are employed or appointed for no less than one  
25 academic year; and who are employed in one of the following  
26 State University System positions:

27 1. Positions classified as instructional and research  
28 faculty which are exempt from the career service under the  
29 provisions of s. 110.205(2)(d).

30 2. Positions classified as administrative and  
31 professional which are exempt from the career service under

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1 the provisions of s. 110.205(2)(d).

2 3. The Chancellor and the university presidents.

3 (b) For purposes of this section, both the appointees  
4 and employees are referred to as "employees," and the  
5 "employer" of an appointee or employee is the individual  
6 institution within the State University System or the State  
7 Board of Education Regents, whichever is appropriate with  
8 respect to the particular employee or appointee.

9 (c) For purposes of this section, the Department of  
10 Management Services is referred to as the "department."

11 (d) For purposes of this section, the authority  
12 granted to the State Board of Education Regents may be  
13 exercised by the board or by the Chancellor of the Division of  
14 Colleges and Universities State University System.

15 (3) ELECTION OF OPTIONAL PROGRAM.--

16 (a) Any eligible employee who is employed on or before  
17 March 1, 1984, may elect to participate in the optional  
18 retirement program in lieu of participation in the Florida  
19 Retirement System. Such election shall be made in writing and  
20 filed with the division and the personnel officer of the  
21 employer on or before June 1, 1984. Upon such election,  
22 participation in the optional program will take effect July 1,  
23 1984, and election to so participate will terminate the  
24 membership of the employee in the Florida Retirement System.

25 Any eligible employee who is employed on or before March 1,  
26 1984, and who fails to make an election to participate in the  
27 optional program by June 1, 1984, shall be deemed to have  
28 elected to retain membership in the Florida Retirement System.

29 (b)1. Any employee who becomes eligible to participate  
30 in the optional retirement program by reason of initial  
31 employment commencing after March 1, 1984, but before January



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1 1, 1993, may, within 90 days after the date of commencement of  
2 employment, elect to participate in the optional program. Such  
3 election shall be made in writing and filed with the personnel  
4 officer of the employer. The eligible employees described in  
5 this subparagraph shall be enrolled in the Florida Retirement  
6 System at the commencement of employment, with the exception  
7 of those employees who file an election with the personnel  
8 officer of the employer prior to the submission of the initial  
9 payroll for the employee. For such employees, participation  
10 will be effective on the first day of employment or on July 1,  
11 1984, whichever is later. If an eligible employee, as  
12 described in this subparagraph, files an election to  
13 participate in the optional program within 90 days after the  
14 commencement of employment, but after the submission by the  
15 employer of the initial payroll for the employee, the  
16 employee's participation in the optional program will not be  
17 effective until the first day of the month for which a full  
18 month's employer contribution may be made, or until July 1,  
19 1984, whichever is later. Any eligible employee who does not  
20 within 90 days after commencement of such employment elect to  
21 participate in the optional program shall be deemed to have  
22 elected to retain membership in the Florida Retirement System.

23 2. Any employee who after March 1, 1984, but before  
24 January 1, 1993, becomes eligible to participate in the  
25 optional program by reason of a change in status due to the  
26 subsequent designation of the employee's position as one of  
27 those specified in paragraph (2)(a) or due to the employee's  
28 appointment, promotion, transfer, or reclassification to a  
29 position specified in paragraph (2)(a) may elect to  
30 participate in the optional program. Such employee shall be  
31 notified by the employer of the change in his or her

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1 eligibility status. Such employee may, within 90 days after  
2 the date of such notification, file with the personnel officer  
3 of the employer an election in writing to participate in the  
4 optional program in lieu of participation in the Florida  
5 Retirement System. Upon such election, participation in the  
6 optional program will be effective on the first day of the  
7 month for which a full month's employer contribution may be  
8 made or on July 1, 1984, whichever is later. Election to so  
9 participate shall terminate the membership of the employee in  
10 the Florida Retirement System. Any eligible employee who does  
11 not within 90 days after notification of his or her  
12 eligibility to participate in the optional program elect to  
13 participate in the program shall be deemed to have elected to  
14 retain membership in the Florida Retirement System.

15 (c) Any employee who becomes eligible to participate  
16 in the optional retirement program on or after January 1,  
17 1993, shall be a compulsory participant of the program unless  
18 such employee elects membership in the Florida Retirement  
19 System. Such election shall be made in writing and filed with  
20 the personnel officer of the employer. Any eligible employee  
21 who fails to make such election within the prescribed time  
22 period shall be deemed to have elected to participate in the  
23 optional retirement program.

24 1. Any employee whose optional retirement program  
25 eligibility results from initial employment shall be enrolled  
26 in the program at the commencement of employment. If, within  
27 90 days after commencement of employment, the employee elects  
28 membership in the Florida Retirement System, such membership  
29 shall be effective retroactive to the date of commencement of  
30 employment.

31 2. Any employee whose optional retirement program

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1 eligibility results from a change in status due to the  
2 subsequent designation of the employee's position as one of  
3 those specified in paragraph (2)(a) or due to the employee's  
4 appointment, promotion, transfer, or reclassification to a  
5 position specified in paragraph (2)(a) shall be enrolled in  
6 the optional retirement program upon such change in status and  
7 shall be notified by the employer of such action. If, within  
8 90 days after the date of such notification, the employee  
9 elects to retain membership in the Florida Retirement System,  
10 such continuation of membership shall be retroactive to the  
11 date of the change in status.

12           3. Notwithstanding the provisions of this paragraph,  
13 effective July 1, 1997, any employee who is eligible to  
14 participate in the Optional Retirement Program and who fails  
15 to execute a an annuity contract with one of the approved  
16 companies and to notify the department in writing as provided  
17 in subsection (4) within 90 days after ~~of~~ the date of  
18 eligibility shall be deemed to have elected membership in the  
19 Florida Retirement System, except as provided in s.  
20 121.051(1)(a). This provision shall also apply to any employee  
21 who terminates employment in an eligible position before  
22 executing the required annuity contract and notifying the  
23 department. Such membership shall be retroactive to the date  
24 of eligibility, and all appropriate contributions shall be  
25 transferred to the Florida Retirement System Trust Fund and  
26 the Health Insurance Subsidy Trust Fund.

27           (d) Participants shall be fully and immediately vested  
28 in the optional retirement program only upon execution of a an  
29 ~~annuity~~ contract.

30           (e) The election by an eligible employee to  
31 participate in the optional retirement program shall be

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1 irrevocable for so long as the employee continues to meet the  
2 eligibility requirements specified in subsection (2), except  
3 as provided in paragraph (h). In the event that an employee  
4 participates in the optional retirement program for 90 days or  
5 more and is subsequently employed in an administrative or  
6 professional position which has been determined by the  
7 department, under subparagraph (2)(a)2., to be not otherwise  
8 eligible for participation in the optional retirement program,  
9 the employee shall continue participation in the optional  
10 program so long as the employee meets the other eligibility  
11 requirements for the program, except as provided in paragraph  
12 (h).

13 (f) If an employee becomes ineligible to continue  
14 participation in the optional retirement program under  
15 subsection (2), the employee shall thereafter participate in  
16 the Florida Retirement System if he or she is otherwise  
17 eligible.

18 (g) An eligible employee who is a member of the  
19 Florida Retirement System at the time of election to  
20 participate in the optional retirement program shall retain  
21 all retirement service credit earned under the Florida  
22 Retirement System, at the rate earned. No additional service  
23 credit in the Florida Retirement System shall be earned while  
24 the employee participates in the optional program, nor shall  
25 the employee be eligible for disability retirement under the  
26 Florida Retirement System.

27 (h) A participant in the optional retirement program  
28 may not participate in more than one state-administered  
29 retirement system, plan, or class simultaneously. Except as  
30 provided in s. 121.052(6)(d), a participant who is or becomes  
31 dually employed in two or more positions covered by the

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1 Florida Retirement System, one of which is eligible for the  
2 optional program and one of which is not, may remain a member  
3 of the optional program and contributions shall be paid as  
4 required only on the salary earned in the position eligible  
5 for the optional program during such period of dual  
6 employment; or, within 90 days after becoming dually employed,  
7 he or she may elect membership in the Regular Class of the  
8 Florida Retirement System in lieu of the optional program and  
9 contributions shall be paid as required on the total salary  
10 received for all employment. At retirement, the average final  
11 compensation used to calculate any benefits for which the  
12 member becomes eligible under the Florida Retirement System  
13 shall be based on all salary reported for both positions  
14 during such period of dual employment. When such member  
15 ceases to be dually employed, he or she may, within 90 days,  
16 elect to remain in the Florida Retirement System class for  
17 which he or she is eligible or to again become a participant  
18 in the optional retirement program. Failure to elect  
19 membership in the optional program within 90 days shall result  
20 in compulsory membership in the Florida Retirement System,  
21 except that a member filling a faculty position under a  
22 faculty practice plan at the University of Florida or the  
23 Medical Center at the University of South Florida shall again  
24 participate in the optional retirement program as required in  
25 s. 121.051(1)(a).

26 (4) CONTRIBUTIONS.--

27 (a) Through June 30, 2001, each employer shall  
28 contribute on behalf of each participant in the optional  
29 retirement program an amount equal to the normal cost portion  
30 of the employer retirement contribution which would be  
31 required if the participant were a regular member of the

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1 Florida Retirement System defined benefit program, plus the  
2 portion of the contribution rate required in s. 112.363(8)  
3 that would otherwise be assigned to the Retiree Health  
4 Insurance Subsidy Trust Fund. Effective July 1, 2001, each  
5 employer shall contribute on behalf of each participant in the  
6 optional program an amount equal to 10.43 percent of the  
7 participant's gross monthly compensation. The department shall  
8 deduct an amount approved by the Legislature to provide for  
9 the administration of this program. The payment of the  
10 contributions to the optional program which is required by  
11 this paragraph for each participant shall be made by the  
12 employer to the department, which shall forward the  
13 contributions to the designated company or companies  
14 contracting for payment of benefits for the participant under  
15 the program. However, such contributions paid on behalf of an  
16 employee described in paragraph (3)(c) shall not be forwarded  
17 to a company and shall not begin to accrue interest until the  
18 employee has executed an annuity contract and notified the  
19 department.

20 (b) Each employer shall contribute on behalf of each  
21 participant in the optional retirement program an amount equal  
22 to the unfunded actuarial accrued liability portion of the  
23 employer contribution which would be required for members of  
24 the Florida Retirement System. This contribution shall be  
25 paid to the department for transfer to the Florida Retirement  
26 System Trust Fund.

27 (c) An Optional Retirement Program Trust Fund shall be  
28 established in the State Treasury and administered by the  
29 department to make payments to the provider companies on  
30 behalf of the optional retirement program participants, and to  
31 transfer the unfunded liability portion of the state optional

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1 retirement program contributions to the Florida Retirement  
2 System Trust Fund.

3 (d) Contributions required for social security by each  
4 employer and each participant, in the amount required for  
5 social security coverage as now or hereafter may be provided  
6 by the federal Social Security Act, shall be maintained for  
7 each participant in the optional retirement program and shall  
8 be in addition to the retirement contributions specified in  
9 this subsection.

10 (e) Each participant in the optional retirement  
11 program who has executed a ~~an annuity~~ contract may contribute  
12 by way of salary reduction or deduction a percentage amount of  
13 the participant's gross compensation not to exceed the  
14 percentage amount contributed by the employer to the optional  
15 program, but in no case may such contribution exceed federal  
16 limitations. Payment of the participant's contributions shall  
17 be made by the financial officer of the employer to the  
18 division which shall forward the contributions to the  
19 designated company or companies contracting for payment of  
20 benefits for the participant under the program. A participant  
21 may not make, through salary reduction, any voluntary employee  
22 contributions to any other plan under s. 403(b) of the  
23 Internal Revenue Code, with the exception of a custodial  
24 account under s. 403(b)(7) of the Internal Revenue Code, until  
25 he or she has made an employee contribution to his or her  
26 optional program equal to the employer contribution. A  
27 participant is responsible for monitoring his or her  
28 individual tax-deferred income to ensure he or she does not  
29 exceed the maximum deferral amounts permitted under the  
30 Internal Revenue Code.

31 (f) The Optional Retirement Trust Fund may accept for

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1 deposit into participant contracts contributions in the form  
2 of rollovers or direct trustee-to-trustee transfers by or on  
3 behalf of participants who are reasonably determined by the  
4 department to be eligible for rollover or transfer to the  
5 optional retirement program pursuant to the Internal Revenue  
6 Code, if such contributions are made in accordance with rules  
7 adopted by the department. Such contributions shall be  
8 accounted for in accordance with any applicable requirements  
9 of the Internal Revenue Code and rules of the department.

## 10 (5) BENEFITS.--

11 (a) Benefits shall be payable under the optional  
12 retirement program only to vested participants in the program,  
13 or their beneficiaries as designated by the participant in the  
14 contract with a provider company, and such benefits shall be  
15 paid only by the designated company in accordance with s.  
16 403(b) of the Internal Revenue Code and in accordance with the  
17 terms of the annuity contract or contracts applicable to the  
18 participant. Benefits shall accrue in individual accounts that  
19 are participant-directed, portable, and funded by employer  
20 contributions and the earnings thereon.The participant must  
21 be terminated from all employment with all Florida Retirement  
22 System employers, as provided in s. 121.021(39), to begin  
23 receiving the employer-funded benefit. Benefits funded by  
24 employer contributions shall be payable in accordance with the  
25 following terms and conditions ~~only as a lifetime annuity to~~  
26 ~~the participant, his or her beneficiary, or his or her estate,~~  
27 ~~except for:~~

28 1. Benefits shall be payable only to a participant, to  
29 his or her beneficiaries, or to his or her estate, as  
30 designated by the participant.

31 2. Benefits shall be paid by the provider company or



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1 companies in accordance with the law, the provisions of the  
2 contract, and any applicable board rule or policy.

3 3. In the event of a participant's death, moneys  
4 accumulated by, or on behalf of, the participant, less  
5 withholding taxes remitted to the Internal Revenue Service, if  
6 any, shall be distributed to the participant's designated  
7 beneficiary or beneficiaries, or to the participant's estate,  
8 as if the participant retired on the date of death, as  
9 provided in paragraph (c). No other death benefits shall be  
10 available for survivors of participants under the optional  
11 retirement program except for such benefits, or coverage for  
12 such benefits, as are separately afforded by the employer, at  
13 the employer's discretion.

14 (b) Upon receipt by the provider company of a properly  
15 executed application for distribution of benefits, the total  
16 accumulated benefit shall be payable to the 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 an eligible  
21 retirement plan, as defined in s. 402(c)(8)(B) of the Internal  
22 Revenue Code, on behalf of the participant;

23 3. Periodic distributions;

24 4. A partial lump-sum payment whereby a portion of the  
25 accrued benefit is paid to the participant and the remaining  
26 amount is transferred to an eligible retirement plan, as  
27 defined in s. 402(c)(8)(B) of the Internal Revenue Code, on  
28 behalf of the participant; or

29 5. Such other distribution options as are provided for  
30 in the participant's optional retirement program contract.

31 (c) Survivor benefits shall be payable as:

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

3           2. An eligible rollover distribution on behalf of the  
4 surviving spouse of a deceased participant, whereby all  
5 accrued benefits, plus interest and investment earnings, are  
6 paid from the deceased participant's account directly to an  
7 eligible retirement plan, as described in s. 402(c)(8)(B) of  
8 the Internal Revenue Code, on behalf of the surviving spouse;

9           3. Such other distribution options as are provided for  
10 in the participant's optional retirement program contract; or

11           4. A partial lump-sum payment whereby a portion of the  
12 accrued benefit is paid to the deceased participant's  
13 surviving spouse or other designated beneficiaries, less  
14 withholding taxes remitted to the Internal Revenue Service, if  
15 any, and the remaining amount is transferred directly to an  
16 eligible retirement plan, as described in s.402(c)(8)(B) of  
17 the Internal Revenue Code, on behalf of the surviving spouse.  
18 The proportions must be specified by the participant or the  
19 surviving beneficiary.

20  
21 This paragraph does not abrogate other applicable provisions  
22 of state or federal law providing payment of death benefits.

23           ~~1. A lump-sum payment to the beneficiary upon the~~  
24 ~~death of the participant; or~~

25           ~~2. A cash-out of a de minimis account upon the request~~  
26 ~~of a former participant who has been terminated for a minimum~~  
27 ~~of 6 months from the employment that entitled him or her to~~  
28 ~~optional retirement program participation. A de minimis~~  
29 ~~account is an account with a provider company containing~~  
30 ~~employer contributions and accumulated earnings of not more~~  
31 ~~than \$5,000 made under the provisions of this chapter. Such~~

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1 ~~cash-out must be a complete liquidation of the account balance~~  
2 ~~with that company and is subject to the provisions of the~~  
3 ~~Internal Revenue Code.~~

4       (d)~~(b)~~ The benefits payable to any person under the  
5 optional retirement program, and any contribution accumulated  
6 under such program, shall not be subject to assignment,  
7 execution, or attachment or to any legal process whatsoever.

8       (e)~~(c)~~ A participant who chooses to receive his or her  
9 benefits upon termination of employment shall have  
10 responsibility to notify the provider company of the date on  
11 which he or she wishes benefits ~~the annuity~~ funded by employer  
12 contributions to begin. Benefits may be deferred until such  
13 time as the participant chooses to make such application.

14       (f)~~(d)~~ Benefits funded by the participant's personal  
15 contributions may be paid out at any time and in any form  
16 within the limits provided in the contract between the  
17 participant and his or her provider company. The participant  
18 shall notify the provider company regarding the date and  
19 provisions under which he or she wants to receive the  
20 employee-funded portion of the plan.

21       (6) ADMINISTRATION OF PROGRAM.--

22       (a) The optional retirement program authorized by this  
23 section shall be administered by the department. The  
24 department shall adopt rules establishing the responsibilities  
25 of the State Board of Education Regents and institutions in  
26 the State University System in administering the optional  
27 retirement program. The State Board of Education Regents  
28 shall, no more than 90 days after July 1, 1983, submit to the  
29 department its recommendations for the ~~annuity~~ contracts to be  
30 offered by the companies chosen by the department. The  
31 recommendations of the board shall include the following:

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1           1. The nature and extent of the rights and benefits in  
2 relation to the required contributions; and

3           2. The suitability of the rights and benefits to the  
4 needs of the participants and the interests of the  
5 institutions in the recruitment and retention of eligible  
6 employees.

7           (b) After receiving and considering the  
8 recommendations of the State Board of Education Regents, the  
9 department shall designate no more than four companies from  
10 which ~~annuity~~ contracts may be purchased under the program and  
11 shall approve the form and content of the optional retirement  
12 program contracts. Upon application by a qualified Florida  
13 domestic company, the department shall give reasonable notice  
14 to all other such companies that it intends to designate one  
15 of such companies as a fifth company from which ~~annuity~~  
16 contracts may be purchased pursuant to this section and that  
17 they may apply for such designation prior to the deadline  
18 established by said notice. At least 60 days after giving such  
19 notice and upon receipt of the recommendation of the State  
20 Board of Education Regents, the department shall so designate  
21 one of such companies as the fifth company from which such  
22 contracts may be purchased.

23           (c) Effective July 1, 1997, the State Board of  
24 Administration shall review and make recommendations to the  
25 department on the acceptability of all investment products  
26 proposed by provider companies of the optional retirement  
27 program before they are offered through annuity contracts to  
28 the participants and may advise the department of any changes  
29 necessary to ensure that the optional retirement program  
30 offers an acceptable mix of investment products. The  
31 department shall make the final determination as to whether an

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1 investment product will be approved for the program.

2 (d) The provisions of each contract applicable to a  
3 participant in the optional retirement program shall be  
4 contained in a written program description which shall include  
5 a report of pertinent financial and actuarial information on  
6 the solvency and actuarial soundness of the program and the  
7 benefits applicable to the participant. Such description  
8 shall be furnished by the companies to each participant in the  
9 program and to the department upon commencement of  
10 participation in the program and annually thereafter.

11 (e) The department shall ensure that each participant  
12 in the optional retirement program is provided an accounting  
13 of the total contribution and the annual contribution made by  
14 and on behalf of such participant.

15 Section 9. Subsection (2), paragraph (c) of subsection  
16 (3), paragraphs (a), (b), and (c) of subsection (4), and  
17 subsections (7) and (16) of section 121.4501, Florida  
18 Statutes, as amended by chapter 2001-235, Laws of Florida, are  
19 amended to read:

20 121.4501 Public Employee Optional Retirement  
21 Program.--

22 (2) DEFINITIONS.--As used in this part ~~section~~, the  
23 term:

24 (a) "Approved provider" or "provider" means a private  
25 sector company that is selected and approved by the state  
26 board to offer one or more investment products or services to  
27 the Public Employee Optional Retirement Program. The term  
28 includes a bundled provider that offers participants a range  
29 of individually allocated or unallocated investment products  
30 and may offer a range of administrative and customer services,  
31 which may include accounting and administration of individual

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1 participant benefits and contributions; individual participant  
2 recordkeeping; asset purchase, control, and safekeeping;  
3 direct execution of the participant's instructions as to asset  
4 and contribution allocation; calculation of daily net asset  
5 values; direct access to participant account information;  
6 periodic reporting to participants, at least quarterly, on  
7 account balances and transactions; guidance, advice, and  
8 allocation services directly relating to its own investment  
9 options or products, but only if the bundled provider complies  
10 with the standard of care of s. 404(a)(1)(A-B) of the Employee  
11 Retirement Income Security Act of 1974 (ERISA) and if  
12 providing such guidance, advice, or allocation services does  
13 not constitute a prohibited transaction under s. 4975(c)(1) of  
14 the Internal Revenue Code or s. 406 of ERISA, notwithstanding  
15 that such prohibited transaction provisions do not apply to  
16 the optional retirement program; a broad array of distribution  
17 options; asset allocation; and retirement counseling and  
18 education. Private sector companies include investment  
19 management companies, insurance companies, depositories, and  
20 mutual fund companies.

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

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

25 (d)~~(b)~~ "Department" means the Department of Management  
26 Services.

27 (e)~~(c)~~ "Division" means the Division of Retirement  
28 within the Department of Management Services.

29 (f)~~(d)~~ "Eligible employee" means an officer or  
30 employee, as defined in s. 121.021(11), who:

31 1. Is a member of, or is eligible for membership in,

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1 the Florida Retirement System;

2 2. Participates in, or is eligible to participate in,  
3 the Senior Management Service Optional Annuity Program as  
4 established under s. 121.055(6); or

5 3. Is eligible to participate in, but does not  
6 participate in, the State University System Optional  
7 Retirement Program established under s. 121.35 or the State  
8 Community College System Optional Retirement Program  
9 established under s. 121.051(2)(c).

10

11 The term does not include any renewed member of the Florida  
12 Retirement System, any member participating in the Deferred  
13 Retirement Option Program established under s. 121.091(13), or  
14 any employee participating in an optional retirement program  
15 established under s. 121.051(2)(c) or s. 121.35.

16 (g)~~(e)~~ "Employer" means an employer, as defined in s.  
17 121.021(10), of an eligible employee.

18 (h)~~(f)~~ "Participant" means an eligible employee who  
19 elects to participate in the Public Employee Optional  
20 Retirement Program and enrolls in such optional program as  
21 provided in subsection (4).

22 (i)~~(g)~~ "Public Employee Optional Retirement Program,"  
23 "optional program," or "optional retirement program" means the  
24 alternative defined contribution retirement program  
25 established under this section.

26 (j)~~(h)~~ "State board" or "board" means the State Board  
27 of Administration.

28 (k)~~(i)~~ "Trustees" means Trustees of the State Board of  
29 Administration.

30 (l)~~(j)~~ "Vested" or "vesting" means the guarantee that  
31 a participant is eligible to receive a retirement benefit upon

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1 completion of the required years of service under the Public  
2 Employee Optional Retirement Program.

3 (3) ELIGIBILITY; RETIREMENT SERVICE CREDIT.--

4 (c)1. Notwithstanding paragraph (b), each eligible  
5 employee who elects to participate in the Public Employee  
6 Optional Retirement Program and establishes one or more  
7 individual participant accounts under the optional program may  
8 elect to transfer to the optional program a sum representing  
9 the present value of the employee's accumulated benefit  
10 obligation under the defined benefit retirement program of the  
11 Florida Retirement System. Upon such transfer, all service  
12 credit previously earned under the defined benefit program of  
13 the Florida Retirement System shall be nullified for purposes  
14 of entitlement to a future benefit under the defined benefit  
15 program of the Florida Retirement System. A participant is  
16 precluded from transferring the accumulated benefit obligation  
17 balance from the defined benefit program upon the expiration  
18 of the period afforded to enroll in the optional program.

19 2. For purposes of this subsection, the present value  
20 of the member's accumulated benefit obligation is based upon  
21 the member's estimated creditable service and estimated  
22 average final compensation under the defined benefit program,  
23 subject to recomputation under subparagraph 3. For state  
24 employees enrolling under subparagraph (4)(a)1., initial  
25 estimates will be based upon creditable service and average  
26 final compensation as of midnight on June 30, 2002; for  
27 district school board employees enrolling under subparagraph  
28 (4)(b)1., initial estimates will be based upon creditable  
29 service and average final compensation as of midnight on  
30 September 30, 2002; and for local government employees  
31 enrolling under subparagraph (4)(c)1., initial estimates will



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1 be based upon creditable service and average final  
2 compensation as of midnight on December 31, 2002. The dates  
3 respectively specified above shall be construed as the  
4 "estimate date" for these employees of the day prior to the  
5 opening of the election window for the employee. The actuarial  
6 present value of the employee's accumulated benefit obligation  
7 shall be based on the following:

8       a. The discount rate and other relevant actuarial  
9 assumptions used to value the Florida Retirement System Trust  
10 Fund at the time the amount to be transferred is determined,  
11 consistent with the factors provided in sub-subparagraphs b.  
12 and c.

13       b. A benefit commencement age, based on the member's  
14 estimated creditable service as of the estimate date ~~midnight~~  
15 ~~on May 31, 2002.~~ The benefit commencement age shall be the  
16 younger of the following, but shall not be younger than the  
17 member's age as of the estimate date ~~midnight on May 31, 2002:~~

18           (I) Age 62; or

19           (II) The age the member would attain if the member  
20 completed 30 years of service with an employer, assuming the  
21 member worked continuously from the estimate date ~~May 31,~~  
22 ~~2002,~~ and disregarding any vesting requirement that would  
23 otherwise apply under the defined benefit program of the  
24 Florida Retirement System.

25       c. For members of the Special Risk Class and for  
26 members of the Special Risk Administrative Support Class  
27 entitled to retain special risk normal retirement date, the  
28 benefit commencement age shall be the younger of the  
29 following, but shall not be younger than the member's age as  
30 of the estimate date ~~midnight on May 31, 2002:~~

31           (I) Age 55; or

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1 (II) The age the member would attain if the member  
2 completed 25 years of service with an employer, assuming the  
3 member worked continuously from the estimate date ~~May 31,~~  
4 ~~2002~~, and disregarding any vesting requirement that would  
5 otherwise apply under the defined benefit program of the  
6 Florida Retirement System.

7 d. The calculation shall disregard vesting  
8 requirements and early retirement reduction factors that would  
9 otherwise apply under the defined benefit retirement program.

10 3. For each participant who elects to transfer moneys  
11 from the defined benefit program to his or her account in the  
12 optional program, the division shall recompute the amount  
13 transferred under subparagraph 2. not later than 60 days after  
14 the actual transfer of funds based upon the participant's  
15 actual creditable service and actual final average  
16 compensation as of the initial date of participation in the  
17 optional program. If the recomputed amount differs from the  
18 amount transferred under subparagraph 2. by \$10 or more, the  
19 division shall:

20 a. Transfer, or cause to be transferred, from the  
21 Florida Retirement System Trust Fund to the participant's  
22 account in the optional program the excess, if any, of the  
23 recomputed amount over the previously transferred amount  
24 together with interest from the initial date of transfer to  
25 the date of transfer under this subparagraph, based upon 8  
26 percent effective annual interest, compounded annually.

27 b. Transfer, or cause to be transferred, from the  
28 participant's account to the Florida Retirement System Trust  
29 Fund the excess, if any, of the previously transferred amount  
30 over the recomputed amount, together with interest from the  
31 initial date of transfer to the date of transfer under this

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1 subparagraph, based upon 6 percent effective annual interest,  
2 compounded annually, pro rata based on the participant's  
3 allocation plan.

4           4. As directed by the participant, the board shall  
5 transfer or cause to be transferred the appropriate amounts to  
6 the designated accounts. The board shall establish transfer  
7 procedures by rule, but the actual transfer shall not be later  
8 than 30 days after the effective date of the member's  
9 participation in the optional program. Transfers are not  
10 commissionable or subject to other fees and may be in the form  
11 of securities or cash as determined by the state board. Such  
12 securities shall be valued as of the date of receipt in the  
13 participant's account.

14           5. If the board or the division receives notification  
15 from the United States Internal Revenue Service that this  
16 paragraph or any portion of this paragraph will cause the  
17 retirement system, or a portion thereof, to be disqualified  
18 for tax purposes under the Internal Revenue Code, then the  
19 portion that will cause the disqualification does not apply.  
20 Upon such notice, the state board and the division shall  
21 notify the presiding officers of the Legislature.

22           (4) PARTICIPATION; ENROLLMENT.--

23           (a)1. With respect to an eligible employee who is  
24 employed in a regularly established position on June 1, 2002,  
25 by a state employer:

26           a. Any such employee may elect to participate in the  
27 Public Employee Optional Retirement Program in lieu of  
28 retaining his or her membership in the defined benefit program  
29 of the Florida Retirement System. The election must be made in  
30 writing or by electronic means and must be filed with the  
31 third-party administrator by August 31, ~~department and the~~

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1 ~~personnel officer of the employer within 90 days after June 1,~~  
2 2002, or, in the case of an active employee who is on a leave  
3 of absence on April June 1, 2002, by August 31, 2002, or  
4 within 90 days after the conclusion of the leave of absence,  
5 whichever is later. This election is irrevocable, except as  
6 provided in paragraph (e). Upon making such election, the  
7 employee shall be enrolled as a participant of the Public  
8 Employee Optional Retirement Program, the employee's  
9 membership in the Florida Retirement System shall be governed  
10 by the provisions of this part, and the employee's membership  
11 in the defined benefit program of the Florida Retirement  
12 System shall terminate. The employee's enrollment in the  
13 Public Employee Optional Retirement Program shall be effective  
14 the first day of the month for which a full month's employer  
15 contribution is made to the optional program.

16 b. Any such employee who fails to elect to participate  
17 in the Public Employee Optional Retirement Program within the  
18 prescribed time period ~~90 days~~ is deemed to have elected to  
19 retain membership in the defined benefit program of the  
20 Florida Retirement System, and the employee's option to elect  
21 to participate in the optional program is forfeited.

22 2. With respect to employees who become eligible to  
23 participate in the Public Employee Optional Retirement Program  
24 by reason of employment in a regularly established position  
25 with a state employer commencing after April June 1, 2002:

26 a. Any such employee shall, by default, be enrolled in  
27 the defined benefit retirement program of the Florida  
28 Retirement System at the commencement of employment, and may,  
29 by the end of the 5th month following the employee's month of  
30 hire ~~within 180 days after employment commences~~, elect to  
31 participate in the Public Employee Optional Retirement

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1 Program. The employee's election must be made in writing or by  
2 electronic means and must be filed with the third-party  
3 administrator ~~personnel officer of the employer~~. The election  
4 to participate in the optional program is irrevocable, except  
5 as provided in paragraph (e).

6 ~~b. If the employee files such election before the~~  
7 ~~initial payroll is submitted for the employee, enrollment in~~  
8 ~~the Public Employee Optional Retirement Program shall be~~  
9 ~~effective on the first day of employment.~~

10 ~~b.c.~~ If the employee files such election within the  
11 prescribed time period ~~180 days after employment commences,~~  
12 ~~but after the initial payroll is submitted for the employee,~~  
13 enrollment in the optional program shall be effective on the  
14 first day of employment ~~the month for which a full month's~~  
15 ~~employer contribution is made to the optional program. The~~  
16 ~~employer retirement contributions paid through the month of~~  
17 ~~the employee plan change shall be transferred to the optional~~  
18 ~~program, and, effective the first day of the next month, the~~  
19 ~~employer shall pay the applicable contributions based on the~~  
20 ~~employee membership class in the optional program.~~

21 ~~c.d.~~ Any such employee who fails to elect to  
22 participate in the Public Employee Optional Retirement Program  
23 within the prescribed time period ~~180 days~~ is deemed to have  
24 elected to retain membership in the defined benefit program of  
25 the Florida Retirement System, and the employee's option to  
26 elect to participate in the optional program is forfeited.

27 3. For purposes of this paragraph, "state employer"  
28 means any agency, board, branch, commission, community  
29 college, department, institution, institution of higher  
30 education, or water management district of the state, which  
31 participates in the Florida Retirement System for the benefit

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1 of certain employees.

2 (b)1. With respect to an eligible employee who is  
3 employed in a regularly established position on September 1,  
4 2002, by a district school board employer:

5 a. Any such employee may elect to participate in the  
6 Public Employee Optional Retirement Program in lieu of  
7 retaining his or her membership in the defined benefit program  
8 of the Florida Retirement System. The election must be made in  
9 writing or by electronic means and must be filed with the  
10 third-party administrator by November 30 ~~department and the~~  
11 ~~personnel officer of the employer within 90 days after~~  
12 ~~September 1, 2002~~, or, in the case of an active employee who  
13 is on a leave of absence on July ~~September~~ 1, 2002, by  
14 November 30, 2002, or within 90 days after the conclusion of  
15 the leave of absence, whichever is later. This election is  
16 irrevocable, except as provided in paragraph (e). Upon making  
17 such election, the employee shall be enrolled as a participant  
18 of the Public Employee Optional Retirement Program, the  
19 employee's membership in the Florida Retirement System shall  
20 be governed by the provisions of this part, and the employee's  
21 membership in the defined benefit program of the Florida  
22 Retirement System shall terminate. The employee's enrollment  
23 in the Public Employee Optional Retirement Program shall be  
24 effective the first day of the month for which a full month's  
25 employer contribution is made to the optional program.

26 b. Any such employee who fails to elect to participate  
27 in the Public Employee Optional Retirement Program within the  
28 prescribed time period ~~90 days~~ is deemed to have elected to  
29 retain membership in the defined benefit program of the  
30 Florida Retirement System, and the employee's option to elect  
31 to participate in the optional program is forfeited.

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1           2. With respect to employees who become eligible to  
2 participate in the Public Employee Optional Retirement Program  
3 by reason of employment in a regularly established position  
4 with a district school board employer commencing after July  
5 ~~September~~ 1, 2002:

6           a. Any such employee shall, by default, be enrolled in  
7 the defined benefit retirement program of the Florida  
8 Retirement System at the commencement of employment, and may,  
9 by the end of the 5th month following the employee's month of  
10 hire within 180 days after employment commences, elect to  
11 participate in the Public Employee Optional Retirement  
12 Program. The employee's election must be made in writing or by  
13 electronic means and must be filed with the third-party  
14 administrator personnel officer of the employer. The election  
15 to participate in the optional program is irrevocable, except  
16 as provided in paragraph (e).

17           ~~b. If the employee files such election before the~~  
18 ~~initial payroll is submitted for the employee, enrollment in~~  
19 ~~the Public Employee Optional Retirement Program shall be~~  
20 ~~effective on the first day of employment.~~

21           ~~b.c.~~ If the employee files such election within the  
22 prescribed time period 180 days after employment commences,  
23 ~~but after the initial payroll is submitted for the employee,~~  
24 enrollment in the optional program shall be effective on the  
25 first day of employment the month for which a full month's  
26 employer contribution is made to the optional program. The  
27 employer retirement contributions paid through the month of  
28 the employee plan change shall be transferred to the optional  
29 program, and, effective the first day of the next month, the  
30 employer shall pay the applicable contributions based on the  
31 employee membership class in the optional program.

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1            ~~c.d.~~ Any such employee who fails to elect to  
2 participate in the Public Employee Optional Retirement Program  
3 within the prescribed time period ~~180 days~~ is deemed to have  
4 elected to retain membership in the defined benefit program of  
5 the Florida Retirement System, and the employee's option to  
6 elect to participate in the optional program is forfeited.

7            3. For purposes of this paragraph, "district school  
8 board employer" means any district school board that  
9 participates in the Florida Retirement System for the benefit  
10 of certain employees, or a charter school or charter technical  
11 career center that participates in the Florida Retirement  
12 System as provided in s. 121.051(2)(d).

13            (c)1. With respect to an eligible employee who is  
14 employed in a regularly established position on December 1,  
15 2002, by a local employer:

16            a. Any such employee may elect to participate in the  
17 Public Employee Optional Retirement Program in lieu of  
18 retaining his or her membership in the defined benefit program  
19 of the Florida Retirement System. The election must be made in  
20 writing or by electronic means and must be filed with the  
21 third-party administrator by February 28, 2003, ~~department and~~  
22 ~~the personnel officer of the employer within 90 days after~~  
23 ~~December 1, 2002~~ or, in the case of an active employee who is  
24 on a leave of absence on October ~~December~~ 1, 2002, by February  
25 28, 2003, or within 90 days after the conclusion of the leave  
26 of absence, whichever is later. This election is irrevocable,  
27 except as provided in paragraph (e). Upon making such  
28 election, the employee shall be enrolled as a participant of  
29 the Public Employee Optional Retirement Program, the  
30 employee's membership in the Florida Retirement System shall  
31 be governed by the provisions of this part, and the employee's



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1 membership in the defined benefit program of the Florida  
2 Retirement System shall terminate. The employee's enrollment  
3 in the Public Employee Optional Retirement Program shall be  
4 effective the first day of the month for which a full month's  
5 employer contribution is made to the optional program.

6         b. Any such employee who fails to elect to participate  
7 in the Public Employee Optional Retirement Program within the  
8 prescribed time period ~~90 days~~ is deemed to have elected to  
9 retain membership in the defined benefit program of the  
10 Florida Retirement System, and the employee's option to elect  
11 to participate in the optional program is forfeited.

12         2. With respect to employees who become eligible to  
13 participate in the Public Employee Optional Retirement Program  
14 by reason of employment in a regularly established position  
15 with a local employer commencing after October ~~December~~ 1,  
16 2002:

17         a. Any such employee shall, by default, be enrolled in  
18 the defined benefit retirement program of the Florida  
19 Retirement System at the commencement of employment, and may,  
20 by the end of the 5th month following the employee's month of  
21 hire ~~within 180 days after employment commences~~, elect to  
22 participate in the Public Employee Optional Retirement  
23 Program. The employee's election must be made in writing or by  
24 electronic means and must be filed with the third-party  
25 administrator ~~personnel officer of the employer~~. The election  
26 to participate in the optional program is irrevocable, except  
27 as provided in paragraph (e).

28         ~~b. If the employee files such election before the~~  
29 ~~initial payroll is submitted for the employee, enrollment in~~  
30 ~~the Public Employee Optional Retirement Program shall be~~  
31 ~~effective on the first day of employment.~~

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1            ~~b.c.~~ If the employee files such election within the  
2 prescribed time period ~~180 days after employment commences,~~  
3 ~~but after the initial payroll is submitted for the employee,~~  
4 enrollment in the optional program shall be effective on the  
5 first day of employment ~~the month for which a full month's~~  
6 ~~employer contribution is made to the optional program. The~~  
7 employer retirement contributions paid through the month of  
8 the employee plan change shall be transferred to the optional  
9 program, and, effective the first day of the next month, the  
10 employer shall pay the applicable contributions based on the  
11 employee membership class in the optional program.

12            ~~c.d.~~ Any such employee who fails to elect to  
13 participate in the Public Employee Optional Retirement Program  
14 within the prescribed time period ~~180 days~~ is deemed to have  
15 elected to retain membership in the defined benefit program of  
16 the Florida Retirement System, and the employee's option to  
17 elect to participate in the optional program is forfeited.

18            3. For purposes of this paragraph, "local employer"  
19 means any employer not included in paragraph (a) or paragraph  
20 (b).

21            (7) BENEFITS.--Under the Public Employee Optional  
22 Retirement Program:

23            (a) Benefits shall be provided in accordance with s.  
24 401(a) of the Internal Revenue Code.

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

28            (c) Benefits shall be payable in accordance with the  
29 provisions of s. 121.591. ~~following terms and conditions:~~

30            ~~1. To the extent vested, benefits shall be payable~~  
31 ~~only to a participant, or to his or her beneficiaries as~~

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1 ~~designated by the participant.~~

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

6 ~~3. To begin receiving the benefits, the participant~~  
7 ~~must be terminated from all employment with all Florida~~  
8 ~~Retirement System employers, as provided in s. 121.021(39), or~~  
9 ~~the participant must be deceased. If a participant elects to~~  
10 ~~receive his or her benefits upon termination of employment,~~  
11 ~~the participant must submit a written application to the~~  
12 ~~third-party administrator indicating his or her preferred~~  
13 ~~distribution date and selecting an authorized method of~~  
14 ~~distribution as provided in paragraph (d). The participant may~~  
15 ~~defer receipt of benefits until he or she chooses to make such~~  
16 ~~application, subject to federal requirements.~~

17 ~~4. In the event of a participant's death, moneys~~  
18 ~~accumulated by, or on behalf of, the participant, less~~  
19 ~~withholding taxes remitted to the Internal Revenue Service,~~  
20 ~~shall be distributed to the participant's designated~~  
21 ~~beneficiary or beneficiaries, or to the participant's estate,~~  
22 ~~as if the participant retired on the date of death, as~~  
23 ~~provided in paragraph (e). No other death benefits shall be~~  
24 ~~available for survivors of participants under the Public~~  
25 ~~Employee Optional Retirement Program, except for such~~  
26 ~~benefits, or coverage for such benefits, as are separately~~  
27 ~~afforded by the employer, at the employer's discretion.~~

28 ~~(d) Upon receipt by the third-party administrator of a~~  
29 ~~properly executed application for distribution of benefits,~~  
30 ~~the total accumulated benefit shall be payable to the~~  
31 ~~participant, as:~~

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- 1           ~~1. A lump-sum distribution to the participant;~~  
2           ~~2. A lump-sum direct rollover distribution whereby all~~  
3 ~~accrued benefits, plus interest and investment earnings, are~~  
4 ~~paid from the participant's account directly to the custodian~~  
5 ~~of an eligible retirement plan, as defined in s. 402(c)(8)(B)~~  
6 ~~of the Internal Revenue Code, on behalf of the participant; or~~  
7           ~~3. Periodic distributions, as authorized by the state~~  
8 ~~board.~~
- 9           ~~(e) Survivor benefits shall be payable as:~~  
10           ~~1. A lump-sum distribution payable to the~~  
11 ~~beneficiaries, or to the deceased participant's estate;~~  
12           ~~2. An eligible rollover distribution on behalf of the~~  
13 ~~surviving spouse of a deceased participant, whereby all~~  
14 ~~accrued benefits, plus interest and investment earnings, are~~  
15 ~~paid from the deceased participant's account directly to the~~  
16 ~~custodian of an individual retirement account or an individual~~  
17 ~~retirement annuity, as described in s. 402(c)(9) of the~~  
18 ~~Internal Revenue Code, on behalf of the surviving spouse; or~~  
19           ~~3. A partial lump-sum payment whereby a portion of the~~  
20 ~~accrued benefit is paid to the deceased participant's~~  
21 ~~surviving spouse or other designated beneficiaries, less~~  
22 ~~withholding taxes remitted to the Internal Revenue Service,~~  
23 ~~and the remaining amount is transferred directly to the~~  
24 ~~custodian of an individual retirement account or an individual~~  
25 ~~retirement annuity, as described in s. 402(c)(9) of the~~  
26 ~~Internal Revenue Code, on behalf of the surviving spouse. The~~  
27 ~~proportions must be specified by the participant or the~~  
28 ~~surviving beneficiary.~~
- 29  
30 ~~This paragraph does not abrogate other applicable provisions~~  
31 ~~of state or federal law providing for payment of death~~

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1 ~~benefits.~~

2 ~~(f) The benefits payable to any person under the~~  
3 ~~Public Employee Optional Retirement Program, and any~~  
4 ~~contributions accumulated under such program, are not subject~~  
5 ~~to assignment, execution, attachment, or any legal process,~~  
6 ~~except for qualified domestic relations orders by a court of~~  
7 ~~competent jurisdiction, income deduction orders as provided in~~  
8 ~~s. 61.1301, and federal income tax levies.~~

9 (16) DISABILITY BENEFITS.--For any participant of the  
10 optional retirement program who becomes totally and  
11 permanently disabled, benefits shall be paid in accordance  
12 with the provisions of s. 121.591 as defined in s.  
13 ~~121.091(4)(b), the participant shall be entitled to receive~~  
14 ~~those moneys that have accrued in his or her participant~~  
15 ~~account. It is the intent of the Legislature to design a~~  
16 ~~disability benefit for participants of the optional program~~  
17 ~~similar to those disability benefits afforded defined benefit~~  
18 ~~program members. The department is directed to study the~~  
19 ~~potential options of such coverage, including self-insurance~~  
20 ~~and commercial coverage, the alternative methods of~~  
21 ~~administering such benefits, and the fiscal impacts on the~~  
22 ~~employees and employers, and to make recommendations to the~~  
23 ~~Legislature by January 15, 2001.~~

24 Section 10. Subsections (3) and (7) of section  
25 121.571, Florida Statutes, are amended to read:

26 121.571 Contributions.--Contributions to the Public  
27 Employee Optional Retirement Program shall be made as follows:

28 (3) CONTRIBUTIONS TO DISABILITY ACCOUNT.--

29 (a) All contributions made on behalf of a participant  
30 pursuant to this subsection shall be transferred by the  
31 employer to the third-party administrator for deposit in the

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1 disability account of the Florida Retirement System Public  
 2 ~~Employee Disability~~ Trust Fund administered by the Division of  
 3 Retirement. Such contributions, less any fees or charges  
 4 authorized by the Legislature to offset the costs of  
 5 administering the disability component of the optional  
 6 retirement program, shall be separately accounted for and  
 7 shall be used to provide disability coverage for participants  
 8 in the optional retirement program.

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

12	Dates of Contribution	Employers
13	Rate Changes	
14	Effective July 1, 2002:	<u>0.25%</u> <del>0.39%</del>

16 (c) Disability contributions for Special Risk Class  
 17 members of the optional retirement plan are as follows:

19	Dates of Contribution	Employers
20	Rate Changes	
21	Effective July 1, 2002:	<u>1.33%</u> <del>1.25%</del>

23 (d) Disability contributions for Special Risk  
 24 Administrative Support Class members of the optional  
 25 retirement plan are as follows:

27	Dates of Contribution	Employers
28	Rate Changes	
29	Effective July 1, 2002:	<u>0.45%</u> <del>0.73%</del>

31 (e) Disability contributions for Elected Officers'

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1 Class members of the optional retirement plan are as follows:

2

3 Dates of Contribution Employers

4 Rate Changes

5 Effective July 1, 2002:

6 Legislators 0.41%~~0.61%~~

7 Governor, Lt. Governor, 0.41%~~0.61%~~

8 Cabinet Officers

9 State Attorneys, Public 0.41%~~0.61%~~

10 Defenders

11 Justices, Judges 0.73%~~1.45%~~

12 County Elected Officers 0.41%~~0.86%~~

13

14 (f) Disability contributions for Senior Management  
 15 Service Class members of the optional retirement plan are as  
 16 follows:

17

18 Dates of Contribution Employers

19 Rate Changes

20 Effective July 1, 2002: 0.26%~~0.50%~~

21

22 (7) PAYMENT AND DISTRIBUTION OF  
 23 CONTRIBUTIONS.--Contributions made pursuant to this section  
 24 and accompanying payroll data are due and payable shall be  
 25 ~~paid~~ by the employer to the third-party administrator by  
 26 electronic funds transfer or electronic data transfer no later  
 27 than the 5th working day of the month immediately following  
 28 the month during which the payroll period ended. The board and  
 29 the third-party administrator shall ensure that the  
 30 contributions are distributed to the appropriate trust funds  
 31 or participant accounts in a timely manner.

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1           Section 11. Section 121.591, Florida Statutes, is  
2 created to read:  
3           121.591 Benefits payable under the Public Employee  
4 Optional Retirement Program of the Florida Retirement  
5 System.--Benefits may not be paid under this section unless  
6 the member has terminated employment as provided in s.  
7 121.021(39)(a) or is deceased and a proper application has  
8 been filed in the manner prescribed by the state board or the  
9 department. The state board or department, as appropriate, may  
10 cancel an application for retirement benefits when the member  
11 or beneficiary fails to timely provide the information and  
12 documents required by this chapter and the rules of the state  
13 board and department. In accordance with their respective  
14 responsibilities as provided herein, the State Board of  
15 Administration and the Department of Management Services shall  
16 adopt rules establishing procedures for application for  
17 retirement benefits and for the cancellation of such  
18 application when the required information or documents are not  
19 received.

20           (1) NORMAL BENEFITS.--Under the Public Employee  
21 Optional Retirement 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 in accordance with the following terms and  
25 conditions:

26           1. To the extent vested, benefits shall be payable  
27 only to a participant.

28           2. Benefits shall be paid by the third-party  
29 administrator or designated approved providers in accordance  
30 with the law, the contracts, and any applicable board rule or  
31 policy.



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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, on behalf of the participant; or

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

25           (2) DISABILITY RETIREMENT BENEFITS.--Benefits provided  
26 under this subsection are payable in lieu of the benefits  
27 which would otherwise be payable under the provisions of  
28 subsection (1). Such benefits shall be funded entirely from  
29 employer contributions made under s. 121.571, transferred  
30 participant funds accumulated pursuant to paragraph (a), and  
31 interest and earnings thereon. Pursuant thereto:

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1           (a) Transfer of funds.--To qualify to receive monthly  
2 disability benefits under this subsection:

3           1. All moneys accumulated in the participant's Public  
4 Employee Optional Retirement Program accounts, including  
5 vested and nonvested accumulations as described in s.  
6 121.4501(6), shall be transferred from such individual  
7 accounts to the Division of Retirement for deposit in the  
8 disability account of the Florida Retirement System Trust  
9 Fund. Such moneys shall be separately accounted for. Earnings  
10 shall be credited on an annual basis for amounts held in the  
11 disability accounts of the Florida Retirement System Trust  
12 Fund based on actual earnings of the Florida Retirement System  
13 Trust Fund.

14           2. If the participant has retained retirement credit  
15 he or she had earned under the defined benefit program of the  
16 Florida Retirement System as provided in s. 121.4501(3)(b), a  
17 sum representing the actuarial present value of such credit  
18 within the Florida Retirement System Trust Fund shall be  
19 reassigned by the Division of Retirement from the defined  
20 benefit program to the disability program as implemented under  
21 this subsection and shall be deposited in the disability  
22 account of the Florida Retirement System Trust Fund. Such  
23 moneys shall be separately accounted for.

24           (b) Disability retirement; entitlement.--

25           1. A participant of the Public Employee Optional  
26 Retirement Program who becomes totally and permanently  
27 disabled, as defined in s. 121.091(4)(b), after completing 8  
28 years of creditable service, or a participant who becomes  
29 totally and permanently disabled in the line of duty  
30 regardless of his or her length of service, shall be entitled  
31 to a monthly disability benefit as provided herein.

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1           2. In order for service to apply toward the 8 years of  
2 service required to vest for regular disability benefits, or  
3 toward the creditable service used in calculating a  
4 service-based benefit as provided for under paragraph (g), the  
5 service must be creditable service as described below:

6           a. The participant's period of service under the  
7 Public Employee Optional Retirement Program will be considered  
8 creditable service, except as provided in subparagraph d.

9           b. If the participant has elected to retain credit for  
10 his or her service under the defined benefit program of the  
11 Florida Retirement System as provided under s. 121.4501(3)(b),  
12 all such service will be considered creditable service.

13           c. If the participant has elected to transfer to his  
14 or her participant accounts a sum representing the present  
15 value of his or her retirement credit under the defined  
16 benefit program as provided under s. 121.4501(3)(c), the  
17 period of service under the defined benefit program  
18 represented in the present value amounts transferred will be  
19 considered creditable service for purposes of vesting for  
20 disability benefits, except as provided in subparagraph d.

21           d. Whenever a participant has terminated employment  
22 and has taken distribution of his or her funds as provided in  
23 subsection (1), all creditable service represented by such  
24 distributed funds is forfeited for purposes of this  
25 subsection.

26           (c) Disability retirement effective date.--The  
27 effective retirement date for a participant who applies and is  
28 approved for disability retirement shall be established as  
29 provided under s. 121.091(4)(a)2. and 3.

30           (d) Total and permanent disability.--A participant  
31 shall be considered totally and permanently disabled if, in

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1 the opinion of the division, he or she is prevented, by reason  
2 of a medically determinable physical or mental impairment,  
3 from rendering useful and efficient service as an officer or  
4 employee.

5 (e) Proof of disability.--The division, before  
6 approving payment of any disability retirement benefit, shall  
7 require proof that the participant is totally and permanently  
8 disabled in the same manner as provided for members of the  
9 defined benefit program of the Florida Retirement System under  
10 s. 121.091(4)(c).

11 (f) Disability retirement benefit.--Upon the  
12 disability retirement of a participant under this subsection,  
13 the participant shall receive a monthly benefit that shall  
14 begin to accrue on the first day of the month of disability  
15 retirement, as approved by the division, and shall be payable  
16 on the last day of that month and each month thereafter during  
17 his or her lifetime and continued disability. All disability  
18 benefits payable to such member shall be paid out of the  
19 disability account of the Florida Retirement System Trust Fund  
20 established under this subsection.

21 (g) Computation of disability retirement benefit.--The  
22 amount of each monthly payment shall be calculated in the same  
23 manner as provided for members of the defined benefit program  
24 of the Florida Retirement System under s. 121.091(4)(f). For  
25 such purpose, creditable service under both the defined  
26 benefit program and the Public Employee Optional Retirement  
27 Program of the Florida Retirement System shall be applicable  
28 as provided under paragraph (b).

29 (h) Reapplication.--A participant whose initial  
30 application for disability retirement has been denied may  
31 reapply for disability benefits in the same manner, and under

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1 the same conditions, as provided for members of the defined  
2 benefit program of the Florida Retirement System under s.  
3 121.091(4)(g).

4 (i) Membership.--Upon approval of an application for  
5 disability benefits under this subsection, the applicant shall  
6 be transferred to the defined benefit program of the Florida  
7 Retirement System, effective upon his or her disability  
8 retirement effective date.

9 (j) Option to cancel.--Any participant whose  
10 application for disability benefits is approved may cancel his  
11 or her application for disability benefits, provided that the  
12 cancellation request is received by the division before a  
13 disability retirement warrant has been deposited, cashed, or  
14 received by direct deposit. Upon such cancellation:

15 1. The participant's transfer to the defined benefit  
16 program under paragraph (i) shall be nullified;

17 2. The participant shall be retroactively reinstated  
18 in the Public Employee Optional Retirement Program without  
19 hiatus;

20 3. All funds transferred to the Florida Retirement  
21 System Trust Fund under paragraph (a) shall be returned to the  
22 participant accounts from which such funds were drawn; and

23 4. The participant may elect to receive the benefit  
24 payable under the provisions of subsection (1) in lieu of  
25 disability benefits as provided under this subsection.

26 (k) Recovery from disability.--

27 1. The division may require periodic reexaminations at  
28 the expense of the disability program account of the Florida  
29 Retirement System Trust Fund. Except as otherwise provided in  
30 subparagraph 2., the requirements, procedures, and  
31 restrictions relating to the conduct and review of such

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1 reexaminations, discontinuation or termination of benefits,  
2 reentry into employment, disability retirement after reentry  
3 into covered employment, and all other matters relating to  
4 recovery from disability shall be the same as are set forth  
5 under s. 121.091(4)(h).

6 2. Upon recovery from disability, any recipient of  
7 disability retirement benefits under this subsection shall be  
8 a compulsory member of the Public Employee Optional Retirement  
9 Program of the Florida Retirement System. The net difference  
10 between the recipient's original account balance transferred  
11 to the Florida Retirement System Trust Fund, including  
12 earnings, under paragraph (a) and total disability benefits  
13 paid to such recipient, if any, shall be determined as  
14 provided in sub-subparagraph a.

15 a. An amount equal to the total benefits paid shall be  
16 subtracted from that portion of the transferred account  
17 balance consisting of vested accumulations as described under  
18 s. 121.4501(6), if any, and an amount equal to the remainder  
19 of benefit amounts paid, if any, shall then be subtracted from  
20 any remaining portion consisting of nonvested accumulations as  
21 described under s. 121.4501(6).

22 b. Amounts subtracted under sub-subparagraph a. shall  
23 be retained within the disability account of the Florida  
24 Retirement System Trust Fund. Any remaining account balance  
25 shall be transferred to the third-party administrator for  
26 disposition as provided under sub-subparagraph c. or  
27 sub-subparagraph d., as appropriate.

28 c. If the recipient returns to covered employment,  
29 transferred amounts shall be deposited in individual accounts  
30 under the Public Employee Optional Retirement Program, as  
31 directed by the participant. Vested and nonvested amounts

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1 shall be separately accounted for as provided in s.  
2 121.4501(6).

3 d. If the recipient fails to return to covered  
4 employment upon recovery from disability:

5 (I) Any remaining vested amount shall be deposited in  
6 individual accounts under the Public Employee Optional  
7 Retirement Program, as directed by the participant, and shall  
8 be payable as provided in subsection (1).

9 (II) Any remaining nonvested amount shall be held in a  
10 suspense account and shall be forfeitable after 5 years as  
11 provided in s. 121.4501(6).

12 3. If present value was reassigned from the defined  
13 benefit program to the disability program of the Florida  
14 Retirement System as provided under subparagraph (a)2., the  
15 full present value amount shall be returned to the defined  
16 benefit account within the Florida Retirement System Trust  
17 Fund and the affected individual's associated retirement  
18 credit under the defined benefit program shall be reinstated  
19 in full. Any benefit based upon such credit shall be  
20 calculated as provided in s. 121.091(4)(h)1.

21 (1) Nonadmissible causes of disability.--A participant  
22 shall not be entitled to receive a disability retirement  
23 benefit if the disability results from any injury or disease  
24 sustained or inflicted as described in s. 121.091(4)(i).

25 (m) Disability retirement of justice or judge by order  
26 of Supreme Court.--

27 1. If a participant is a justice of the Supreme Court,  
28 judge of a district court of appeal, circuit judge, or judge  
29 of a county court who has served for 6 years or more as an  
30 elected constitutional judicial officer, including service as  
31 a judicial officer in any court abolished pursuant to Article

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1 V of the State Constitution, and who is retired for disability  
2 by order of the Supreme Court upon recommendation of the  
3 Judicial Qualifications Commission pursuant to the provisions  
4 of Article V of the State Constitution, the participant's  
5 Option 1 monthly disability benefit amount as provided in s.  
6 121.091(6)(a)1. shall be two-thirds of his or her monthly  
7 compensation as of the participant's disability retirement  
8 date. Such a participant may alternatively elect to receive  
9 an actuarially adjusted disability retirement benefit under  
10 any other option as provided in s. 121.091(6)(a), or to  
11 receive the normal benefit payable under the Public Employee  
12 Optional Retirement Program as set forth in subsection (1).

13 2. If any justice or judge who is a participant of the  
14 Public Employee Optional Retirement Program of the Florida  
15 Retirement System is retired for disability by order of the  
16 Supreme Court upon recommendation of the Judicial  
17 Qualifications Commission pursuant to the provisions of  
18 Article V of the State Constitution and elects to receive a  
19 monthly disability benefit under the provisions of this  
20 paragraph:

21 a. Any present value amount that was transferred to  
22 his or her program account and all employer contributions made  
23 to such account on his or her behalf, plus interest and  
24 earnings thereon, shall be transferred to and deposited in the  
25 disability account of the Florida Retirement System Trust  
26 Fund; and

27 b. The monthly benefits payable under this paragraph  
28 for any affected justice or judge retired from the Florida  
29 Retirement System pursuant to Article V of the State  
30 Constitution shall be paid from the disability account of the  
31 Florida Retirement System Trust Fund.



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1           (n) Upon the death of a disabled retiree or  
2 beneficiary thereof who is receiving monthly benefits under  
3 this subsection, the monthly benefits shall be paid through  
4 the last day of the month of death and shall terminate, or be  
5 adjusted, if applicable, as of that date in accordance with  
6 the optional form of benefit selected at the time of  
7 retirement. The deceased disabled retiree's beneficiary shall  
8 also receive the amount of the participant's remaining account  
9 balance, if any, in the Florida Retirement System Trust Fund.  
10 The Department of Management Services may adopt rules  
11 necessary to administer this paragraph.

12           (3) DEATH BENEFITS.--Under the Public Employee  
13 Optional Retirement Program:

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

16           1. To the extent vested, benefits shall be payable  
17 only to a participant's beneficiary or beneficiaries as  
18 designated by the participant. If a participant designates a  
19 primary beneficiary other than the participant's spouse, the  
20 participant's spouse shall be notified of the designation.  
21 This requirement shall not apply to the designation of one or  
22 more contingent beneficiaries to receive any benefits  
23 remaining upon the death of the primary beneficiary or  
24 beneficiaries.

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

29           3. To receive benefits under this subsection, the  
30 participant must be deceased.

31           (b) In the event of a participant's death, all vested

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1 accumulations as described in s. 121.4501(6), less withholding  
2 taxes remitted to the Internal Revenue Service, shall be  
3 distributed, as provided in paragraph (c), to the  
4 participant's designated beneficiary or beneficiaries, or to  
5 the participant's estate, as if the participant retired on the  
6 date of death. No other death benefits shall be available for  
7 survivors of participants under the Public Employee Optional  
8 Retirement Program, except for such benefits, or coverage for  
9 such benefits, as are otherwise provided by law or are  
10 separately afforded by the employer, at the employer's  
11 discretion.

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

17 1. A lump-sum distribution payable to the beneficiary  
18 or beneficiaries, or to the deceased participant's estate;

19 2. An eligible rollover distribution on behalf of the  
20 surviving spouse of a deceased participant, whereby all  
21 accrued benefits, plus interest and investment earnings, are  
22 paid from the deceased participant's account directly to the  
23 custodian of an eligible retirement plan, as described in s.  
24 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
25 surviving spouse; or

26 3. A partial lump-sum payment whereby a portion of the  
27 accrued benefit is paid to the deceased participant's  
28 surviving spouse or other designated beneficiaries, less  
29 withholding taxes remitted to the Internal Revenue Service,  
30 and the remaining amount is transferred directly to the  
31 custodian of an eligible retirement plan, as described in s.

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1 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
2 surviving spouse. The proportions must be specified by the  
3 participant or the surviving beneficiary.

4  
5 This paragraph does not abrogate other applicable provisions  
6 of state or federal law providing for payment of death  
7 benefits.

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

15 Section 12. The Legislature finds that a proper and  
16 legitimate state purpose is served when employees and retirees  
17 of the state and of its political subdivisions, and the  
18 dependents, survivors, and beneficiaries of such employees and  
19 retirees, are extended the basic protections afforded by  
20 governmental retirement systems that provide fair and adequate  
21 benefits that are managed, administered, and funded in an  
22 actuarially sound manner, as required by s. 14, Art. X of the  
23 State Constitution and part VII of chapter 112, Florida  
24 Statutes. Therefore, the Legislature hereby determines and  
25 declares that this act fulfills an important state interest.

26 Section 13. Notwithstanding any provision to the  
27 contrary and the authority of the Department of Management  
28 Services, the Department of Management Services may contract  
29 with a private-sector company selected and approved by the  
30 department for services to administer the disability benefit  
31 program. Not later than March 1, 2003, the department may

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1 provide to the Legislature for its approval an alternative  
2 method for administering and funding disability benefits for  
3 participants in the Public Employee Optional Retirement  
4 Program and the Florida Retirement System, including through  
5 commercial insurance coverage.

6           Section 14. It is the intent of the Legislature that  
7 the disability retirement program for participants of the  
8 Public Employee Optional Retirement Program as created in this  
9 act must meet all applicable requirements of federal law for a  
10 qualified plan. The Department of Management Services shall  
11 seek a private letter ruling from the Internal Revenue Service  
12 on the disability retirement program for participants of the  
13 Public Employee Optional Retirement Program. Consistent with  
14 the private letter ruling, the Department of Management  
15 Services shall adopt any necessary rules required to maintain  
16 the qualified status of the disability retirement program and  
17 the Florida Retirement System defined benefit plan.

18           Section 15. Paragraph (b) of subsection (1) of section  
19 121.053, Florida Statutes, is amended to read:

20           121.053 Participation in the Elected Officers' Class  
21 for retired members.--

22           (1)

23           (b) Any retired member of the Florida Retirement  
24 System, or any existing system as defined in s. 121.021(2),  
25 who, on or after July 1, 1990, is serving in, or is elected or  
26 appointed to, an elective office covered by the Elected  
27 Officers' Class shall be enrolled in the appropriate subclass  
28 of the Elected Officers' Class of the Florida Retirement  
29 System, and applicable contributions shall be paid into the  
30 Florida Retirement System Trust Fund as provided in s.  
31 121.052(7). Pursuant thereto:

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

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

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

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1 service the member claims must be the most recent service.

2 4. Creditable service for which credit was received,  
3 or which remained unclaimed, at retirement may not be claimed  
4 or applied toward service credit earned following renewed  
5 membership. However, service earned in accordance with the  
6 renewed membership provisions in s. 121.122 may be used in  
7 conjunction with creditable service earned under this  
8 paragraph, provided applicable vesting requirements and other  
9 existing statutory conditions required by this chapter are  
10 met.

11 5. An elected officer who is elected or appointed to  
12 an elective office and is participating in the Deferred  
13 Retirement Option Program is not subject to termination as  
14 provided in s. 121.021(39)(b), or reemployment limitations as  
15 provided in s. 121.091(9), until the end of his or her current  
16 term of office or, if the officer is consecutively elected or  
17 reelected to an elective office eligible for coverage under  
18 the Florida Retirement System, until he or she no longer holds  
19 such an elective office, as follows:

20 a. At the end of the 60-month DROP period:

21 (I) The officer's DROP account shall accrue no  
22 additional monthly benefits, but shall continue to earn  
23 interest as provided in s. 121.091(13).

24 (II) No retirement contributions shall be required of  
25 the employer of the elected officer and no additional  
26 retirement credit shall be earned under the Florida Retirement  
27 System.

28 b. Nothing herein shall prevent an elected officer  
29 from voluntarily terminating his or her elective office at any  
30 time and electing to receive his or her DROP proceeds.  
31 However, until termination requirements are fulfilled as

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1 provided in s. 121.021(39), any elected officer whose  
2 termination limitations are extended by this section shall be  
3 ineligible for renewed membership in the system and shall  
4 receive no pension payments, DROP lump sum payments, or any  
5 other state payment other than the statutorily determined  
6 salary, travel, and per diem for the elective office.

7 c. Upon termination, the officer shall receive his or  
8 her accumulated DROP account, plus interest, and shall accrue  
9 and commence receiving monthly retirement benefits, which  
10 shall be paid on a prospective basis only.

11  
12 However, an officer electing to participate in the Deferred  
13 Retirement Option Program on or before June 30, 2002, shall  
14 not be required to terminate and shall remain subject to the  
15 provisions of this subparagraph as adopted in section 1 of  
16 chapter 2001-235, Laws of Florida ~~Any elected officer who is a~~  
17 ~~participating member of DROP may terminate participation at~~  
18 ~~any time during the 60-month DROP participation period and~~  
19 ~~elect to enroll in the appropriate subclass of the Elected~~  
20 ~~Officers' Class, including participating in the Senior~~  
21 ~~Management Service Class, effective the first day of the~~  
22 ~~following month.~~

23 Section 16. Paragraph (b) of subsection (13) of  
24 section 121.091, Florida Statutes, is amended to read:

25 121.091 Benefits payable under the system.--Benefits  
26 may not be paid under this section unless the member has  
27 terminated employment as provided in s. 121.021(39)(a) or  
28 begun participation in the Deferred Retirement Option Program  
29 as provided in subsection (13), and a proper application has  
30 been filed in the manner prescribed by the department. The  
31 department may cancel an application for retirement benefits

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1 when the member or beneficiary fails to timely provide the  
2 information and documents required by this chapter and the  
3 department's rules. The department shall adopt rules  
4 establishing procedures for application for retirement  
5 benefits and for the cancellation of such application when the  
6 required information or documents are not received.

7 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
8 and subject to the provisions of this section, the Deferred  
9 Retirement Option Program, hereinafter referred to as the  
10 DROP, is a program under which an eligible member of the  
11 Florida Retirement System may elect to participate, deferring  
12 receipt of retirement benefits while continuing employment  
13 with his or her Florida Retirement System employer. The  
14 deferred monthly benefits shall accrue in the System Trust  
15 Fund on behalf of the participant, plus interest compounded  
16 monthly, for the specified period of the DROP participation,  
17 as provided in paragraph (c). Upon termination of employment,  
18 the participant shall receive the total DROP benefits and  
19 begin to receive the previously determined normal retirement  
20 benefits. Participation in the DROP does not guarantee  
21 employment for the specified period of DROP.

22 (b) Participation in the DROP.--

23 1. An eligible member may elect to participate in the  
24 DROP for a period not to exceed a maximum of 60 calendar  
25 months immediately following the date on which the member  
26 first reaches his or her normal retirement date or the date to  
27 which he or she is eligible to defer his or her election to  
28 participate as provided in subparagraph (a)2. However, a  
29 member who has reached normal retirement date prior to the  
30 effective date of the DROP shall be eligible to participate in  
31 the DROP for a period of time not to exceed 60 calendar months



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1 immediately following the effective date of the DROP, except a  
2 member of the Special Risk Class who has reached normal  
3 retirement date prior to the effective date of the DROP and  
4 whose total accrued value exceeds 75 percent of average final  
5 compensation as of his or her effective date of retirement  
6 shall be eligible to participate in the DROP for no more than  
7 36 calendar months immediately following the effective date of  
8 the DROP.

9           2. Upon deciding to participate in the DROP, the  
10 member shall submit, on forms required by the division:

11           a. A written election to participate in the DROP;

12           b. Selection of the DROP participation and termination  
13 dates, which satisfy the limitations stated in paragraph (a)  
14 and subparagraph 1. Such termination date shall be in a  
15 binding letter of resignation with the employer, establishing  
16 a deferred termination date. The member may change the  
17 termination date within the limitations of subparagraph 1.,  
18 but only with the written approval of his or her employer;

19           c. A properly completed DROP application for service  
20 retirement as provided in this section; and

21           d. Any other information required by the division.

22           3. The DROP participant shall be a retiree under the  
23 Florida Retirement System for all purposes, except for  
24 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,  
25 121.053, and 121.122. However, participation in the DROP does  
26 not alter the participant's employment status and such  
27 employee shall not be deemed retired from employment until his  
28 or her deferred resignation is effective and termination  
29 occurs as provided in s. 121.021(39).

30           4. Elected officers shall be eligible to participate  
31 in the DROP subject to the following:

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1           a. An elected officer who reaches normal retirement  
2 date during a term of office may defer the election to  
3 participate in the DROP until the next succeeding term in that  
4 office. Such elected officer who exercises this option may  
5 participate in the DROP for up to 60 calendar months or a  
6 period of no longer than such succeeding term of office,  
7 whichever is less.

8           b. An elected or a nonelected participant may run for  
9 a term of office while participating in DROP and, if elected,  
10 extend the DROP termination date accordingly, except, however,  
11 if such additional term of office exceeds the 60-month  
12 limitation established in subparagraph 1., and the officer  
13 does not resign from office within such 60-month limitation,  
14 the retirement and the participant's DROP shall be null and  
15 void as provided in sub-subparagraph (c)5.d.

16           c. An elected officer who is dually employed and  
17 elects to participate in DROP shall be required to satisfy the  
18 definition of termination within the 60-month limitation  
19 period as provided in subparagraph 1. for the nonelected  
20 position and may continue employment as an elected officer as  
21 provided in s. 121.053. The elected officer will be enrolled  
22 as a renewed member in the Elected Officers' Class or the  
23 Regular Class, as provided in ss. 121.053 and 121.22, on the  
24 first day of the month after termination of employment in the  
25 nonelected position and termination of DROP. Distribution of  
26 the DROP benefits shall be made as provided in paragraph (c).

27           ~~d. An elected officer who is elected or appointed to~~  
28 ~~an elective office is not subject to termination limitations~~  
29 ~~as provided in chapter 121.~~

30           Section 17. This act shall take effect June 1, 2002.

31

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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 Delete everything before the enacting clause

4

5 and insert:

6 An act relating to the Florida Retirement  
7 System; amending s. 121.4501, F.S., relating to  
8 the Public Employee Optional Retirement  
9 Program; amending the definition of "eligible  
10 employee"; providing for an extension of time  
11 to transfer assets from the defined benefit  
12 plan in the event of market disruption;  
13 providing for acceptance of rollovers;  
14 requiring that the election be filed with the  
15 third-party administrator; amending the  
16 earnings rate for funds in the suspense account  
17 to be invested by the board; providing for  
18 spousal notification of designation of  
19 beneficiary; providing for spousal rollovers to  
20 an eligible retirement plan; providing  
21 authorization for statements under oath;  
22 amending s. 121.571, F.S., relating to  
23 contributions to participant accounts;  
24 providing for a penalty for late contributions;  
25 providing for an assessment equal to certain  
26 market losses; providing for calculating the  
27 assessment; amending s. 110.123, F.S.;  
28 redefining the term "retired state officer or  
29 employee" or "retiree" to include an officer or  
30 employee who retires under the Public Employee  
31 Optional Retirement Program under certain

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1           circumstances; amending s. 110.205, F.S.;

2           granting senior management service benefits to

3           county health department directors and

4           administrators; amending ss. 121.052, 121.055,

5           and 121.071, F.S.; amending s. 121.052, F.S.;

6           revising the membership requirements of the

7           Elected Officers' Class of the system to

8           include certain sheriffs and clerks of the

9           circuit court; making the date for payment of

10          retirement contributions consistent under the

11          Florida Retirement System defined benefit and

12          defined contribution programs; providing

13          eligibility of certain officials for membership

14          in the Senior Management Service Class of the

15          Florida Retirement System; revising provisions

16          governing contributions to the Senior

17          Management Service Optional Annuity Program;

18          amending s. 121.35, F.S.; authorizing

19          contributions to the optional retirement

20          program in the form of rollovers or direct

21          trustee-to-trustee transfers; expanding the

22          methods for disbursing benefits; amending s.

23          121.4501, F.S., relating to the Public Employee

24          Optional Retirement Program; updating

25          definitions; establishing dates on which

26          present value calculations are based;

27          conforming election provisions for local

28          government employees to provisions applicable

29          to other employees; providing for the effective

30          date of enrollment for certain employers;

31          providing for the transfer of contributions

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1 under certain circumstances; transferring  
2 certain provisions relating to payment of  
3 benefits to s. 121.591, F.S., as created in the  
4 act; amending s. 121.571, F.S., relating to  
5 employer contributions to the Public Employee  
6 Optional Retirement Program; adjusting rates;  
7 making the date for payment of retirement  
8 contributions consistent under the Florida  
9 Retirement System defined benefit and defined  
10 contribution programs; creating s. 121.591,  
11 F.S., relating to benefits payable under the  
12 Public Employee Optional Retirement Program;  
13 providing for payment of the normal benefit  
14 upon termination; providing for disability  
15 retirement benefits; providing for transfer of  
16 certain funds; specifying eligibility  
17 requirements; providing procedure and required  
18 documentation; providing for computation of the  
19 disability benefit; providing for  
20 reapplication; providing for membership;  
21 providing an option to cancel; providing for  
22 reexamination and other matters relating to  
23 recovery from disability; providing  
24 nonadmissible causes of disability; providing  
25 for disability retirement of justices or  
26 judges; providing for payment of death  
27 benefits; providing for spousal notification in  
28 certain cases; updating death benefit  
29 distribution provisions to conform to recent  
30 changes in federal law; providing protection of  
31 benefits from assignment, execution, etc.;

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1 providing a declaration of important state  
2 interest; authorizing the Department of  
3 Management Services to contract with a private  
4 company to administer the disability benefit  
5 program; authorizing the department to provide  
6 for an alternative method to administer and  
7 fund disability benefits; requiring the  
8 department to seek a private letter ruling from  
9 the Internal Revenue Service with respect to  
10 the disability retirement program; providing  
11 rulemaking authority; amending s. 121.053,  
12 F.S., relating to termination requirements and  
13 benefits of elected officers participating in  
14 the Deferred Retirement Option Program  
15 termination requirements for elected officers;  
16 providing an effective date.

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