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A bill to be entitled

An act relating to agency reorganization; transferring the Division of Retirement and its powers, duties, functions, components, and assets from the Department of Management Services to the State Board of Administration; amending s. 110.205, F.S.; providing status of division personnel under the Career Service System; amending ss. 20.22, 20.28, 112.05, 112.3173, 112.352, 112.354, 112.356, 112.358, 112.361, 112.362, 112.363, 112.625, 112.63, 112.64, 112.658, 112.661, 112.665, 121.021, 121.025, 121.031, 121.051, 121.0511, 121.0515, 121.052, 121.055, 121.081, 121.085, 121.091, 121.095, 121.101, 121.111, 121.133, 121.135, 121.136, 121.1815, 121.1905, 121.192, 121.193, 121.22, 121.23, 121.24, 121.30, 121.35, 121.40, 121.45, 121.4501, 121.403, 121.591, 121.5911, 121.72, 121.73, 121.74, 175.032, 175.121, 175.1215, 175.341, 185.02, 185.10, 185.105, 185.23, 215.20, 215.28, 215.44, 215.50, 215.52, 238.01, 238.02, 238.03, 238.05, 238.07, 238.08, 238.09, 238.10, 238.11, 238.12, 238.14, 238.15, 238.171, 238.181, 238.32, 650.02, 650.06, 122.02, 122.03, 122.05, 122.06, 122.07, 122.08, 122.09, 122.10, 122.12, 122.13, 122.15, 122.16, 122.23, 122.30, 122.34, 122.351, F.S., to conform to such transfer; providing duties of the Department of Financial Services with respect to issuing benefit payments under retirement plans; providing for the request and transfer of appropriations; providing an effective date.



29 Be It Enacted by the Legislature of the State of Florida:

30

31 Section 1. The Division of Retirement of the Department of
 32 Management Services is transferred to the State Board of
 33 Administration. All powers, duties, functions, records,
 34 personnel, property, and unexpended balances of appropriations,
 35 allocations, and other funds relating to the Division of
 36 Retirement are transferred by a type one transfer, as defined in
 37 section 20.06, Florida Statutes, to the State Board of
 38 Administration. This act does not alter or amend the powers,
 39 operations, or functioning of the State Board of Administration
 40 with respect to its duties, responsibilities, and authority
 41 existing prior to the enactment of this legislation.

42 Section 2. Paragraphs (g) and (h) of subsection (2) of
 43 section 20.22, Florida Statutes, are amended to read:

44 20.22 Department of Management Services.--There is created
 45 a Department of Management Services.

46 (2) The following divisions and programs within the
 47 Department of Management Services are established:

48 ~~(g) Division of Retirement.~~

49 (g)(h) Division of State Group Insurance.

50 Section 3. Section 20.28, Florida Statutes, is amended to
 51 read:

52 20.28 State Board of Administration.--The State Board of
 53 Administration, continued by s. 4(e), Art. IV s. 9, Art. XII of
 54 the State Constitution, retains all of its powers, duties, and
 55 functions as prescribed by law. There is established under the
 56 State Board of Administration a Division of Retirement, which



57 | shall be subject to the direction of the executive director of
58 | the board who is the agency head of the division for purposes of
59 | chapter 120.

60 | Section 4. Paragraph (u) of subsection (2) of section
61 | 110.205, Florida Statutes, is amended to read:

62 | 110.205 Career service; exemptions.--

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

65 | (u) All officers and employees of the State Board of
66 | Administration, including its Division of Retirement. The State
67 | Board of Administration shall set the salaries and benefits of
68 | these positions.

69 | Section 5. Paragraph (b) of subsection (4) of section
70 | 112.05, Florida Statutes, is amended to read:

71 | 112.05 Retirement; cost-of-living adjustment; employment
72 | after retirement.--

73 | (4)

74 | (b) Any person to whom the limitation in paragraph (a)
75 | applies who violates such reemployment limitation and is
76 | reemployed with any agency participating in the Florida
77 | Retirement System prior to completion of the 12-month limitation
78 | period shall give timely notice of this fact in writing to the
79 | employer and to the Department of Management Services ~~Division~~;
80 | and the person's retirement benefits shall be suspended for the
81 | balance of the 12-month limitation period. Any person employed
82 | in violation of this subsection and any employing agency which
83 | knowingly employs or appoints such person without notifying the
84 | Department of Management Services to suspend retirement benefits



85 | shall be jointly and severally liable for reimbursement to the
86 | retirement trust fund of any benefits paid during the
87 | reemployment limitation period. To avoid liability, such
88 | employing agency shall have a written statement from the retiree
89 | that he or she is not retired from a state-administered
90 | retirement system. Any retirement benefits received by such
91 | person while reemployed during this limitation period shall be
92 | repaid to the retirement trust fund, and the retirement benefits
93 | shall remain suspended until such repayment has been made. Any
94 | benefits suspended beyond the reemployment limitation period
95 | shall apply toward the repayment of benefits received in
96 | violation of the reemployment limitation.

97 | Section 6. Paragraph (d) of subsection (4) of section
98 | 112.3173, Florida Statutes, is amended to read:

99 | 112.3173 Felonies involving breach of public trust and
100 | other specified offenses by public officers and employees;
101 | forfeiture of retirement benefits.--

102 | (4) NOTICE.--

103 | (d) The Commission on Ethics shall forward any notice and
104 | any other document received by it pursuant to this subsection to
105 | the governing body of the public retirement system of which the
106 | public officer or employee is a member or from which the public
107 | officer or employee may be entitled to receive a benefit. When
108 | called on by the Commission on Ethics, the Division of
109 | Retirement of the State Board of Administration ~~Department of~~
110 | ~~Management Services~~ shall assist the commission in identifying
111 | the appropriate public retirement system.



112 Section 7. Subsections (2), (4), (5), (7), and (8) of
113 section 112.363, Florida Statutes, are amended to read:

114 112.363 Retiree health insurance subsidy.--

115 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.--

116 (a) A person who is retired under a state-administered
117 retirement system, or a beneficiary who is a spouse or financial
118 dependent entitled to receive benefits under a state-
119 administered retirement system, is eligible for health insurance
120 subsidy payments provided under this section; except that
121 pension recipients under ss. 121.40, 238.07(16)(a), and 250.22,
122 recipients of health insurance coverage under s. 110.1232, or
123 any other special pension or relief act shall not be eligible
124 for such payments.

125 (b) For purposes of this section, a person is deemed
126 retired from a state-administered retirement system when he or
127 she terminates employment with all employers participating in
128 the Florida Retirement System as described in s. 121.021(39)
129 and:

130 1. For a participant of the Public Employee Optional
131 Retirement Program established under part II of chapter 121, the
132 participant meets the age or service requirements to qualify for
133 normal retirement as set forth in s. 121.021(29).

134 2. For a member of the Florida Retirement System defined
135 benefit program, or any employee who maintains creditable
136 service under both the defined benefit program and the Public
137 Employee Optional Retirement Program, the member begins drawing
138 retirement benefits from the defined benefit program of the
139 Florida Retirement System.



140 (c)1. Effective July 1, 2001, any person retiring on or
141 after such date as a member of the Florida Retirement System,
142 including any participant of the defined contribution program
143 administered pursuant to part II of chapter 121, must have
144 satisfied the vesting requirements for his or her membership
145 class under the Florida Retirement System defined benefit
146 program as administered under part I of chapter 121.

147 2. Notwithstanding the provisions of subparagraph 1., a
148 person retiring due to disability must either qualify for a
149 regular or in-line-of-duty disability benefit as provided in s.
150 121.091(4) or qualify for a disability benefit under a
151 disability plan established under part II of chapter 121, as
152 appropriate.

153 (d) Payment of the retiree health insurance subsidy shall
154 be made only after coverage for health insurance for the retiree
155 or beneficiary has been certified in writing to the Division of
156 Retirement of the State Board of Administration ~~Department of~~
157 ~~Management Services~~. Participation in a former employer's group
158 health insurance program is not a requirement for eligibility
159 under this section.

160 (e) Participants in the Senior Management Service Optional
161 Annuity Program as provided in s. 121.055(6) and the State
162 University System Optional Retirement Program as provided in s.
163 121.35 shall not receive the retiree health insurance subsidy
164 provided in this section. The employer of such participant shall
165 pay the contributions required in subsection (8) to the annuity
166 program provided in s. 121.055(6)(d) or s. 121.35(4)(a), as
167 applicable.



168 (4) PAYMENT OF RETIREE HEALTH INSURANCE
169 SUBSIDY.--Beginning January 1, 1988, any monthly retiree health
170 insurance subsidy amount due and payable under this section
171 shall be paid to retired members by the Division of Retirement
172 of the State Board of Administration ~~Department of Management~~
173 ~~Services~~ or under the direction and control of the division
174 department.

175 (5) TRUST FUND ESTABLISHED.--There is hereby established a
176 trust fund in the state treasury to be entitled the Retiree
177 Health Insurance Subsidy Trust Fund, which shall be administered
178 by the State Board of Administration. Said trust fund shall be
179 used to account for all moneys received and disbursed pursuant
180 to this section. Should funding for the retiree health
181 insurance subsidy program fail to provide full benefits for all
182 participants, the benefits may be reduced or canceled at any
183 time.

184 (7) ADMINISTRATION OF SYSTEM.--The Division of Retirement
185 of the State Board of Administration ~~Department of Management~~
186 ~~Services~~ may adopt such rules and regulations as are necessary
187 for the effective and efficient administration of this section.
188 The cost of administration is ~~shall be~~ appropriated from the
189 trust fund.

190 (8) CONTRIBUTIONS.--For purposes of funding the insurance
191 subsidy provided by this section:

192 (a) Beginning October 1, 1987, the employer of each member
193 of a state-administered retirement plan shall contribute 0.24
194 percent of gross compensation each pay period.



195 (b) Beginning January 1, 1989, the employer of each member
 196 of a state-administered retirement plan shall contribute 0.48
 197 percent of gross compensation each pay period.

198 (c) Beginning January 1, 1994, the employer of each member
 199 of a state-administered retirement plan shall contribute 0.56
 200 percent of gross compensation each pay period.

201 (d) Beginning January 1, 1995, the employer of each member
 202 of a state-administered retirement plan shall contribute 0.66
 203 percent of gross compensation each pay period.

204 (e) Beginning July 1, 1998, the employer of each member of
 205 a state-administered retirement plan shall contribute 0.94
 206 percent of gross compensation each pay period.

207 (f) Beginning July 1, 2001, the employer of each member of
 208 a state-administered plan shall contribute 1.11 percent of gross
 209 compensation each pay period.

210
 211 Such contributions shall be submitted to the Division of
 212 Retirement of the State Board of Administration ~~Department of~~
 213 ~~Management Services~~ and deposited in the Retiree Health
 214 Insurance Subsidy Trust Fund.

215 Section 8. Subsection (10) is added to section 112.625,
 216 Florida Statutes, to read:

217 112.625 Definitions.--As used in this act:
 218 (10) "Division" means the Division of Retirement of the
 219 State Board of Administration.

220 Section 9. Subsections (2) and (4) of section 112.63,
 221 Florida Statutes, are amended to read:



222 112.63 Actuarial reports and statements of actuarial
223 impact; review.--

224 (2) The frequency of actuarial reports must be at least
225 every 3 years commencing from the last actuarial report of the
226 plan or system or October 1, 1980, if no actuarial report has
227 been issued within the 3-year period prior to October 1, 1979.
228 The results of each actuarial report shall be filed with the
229 plan administrator within 60 days of certification. Thereafter,
230 the results of each actuarial report shall be made available for
231 inspection upon request. Additionally, each retirement system or
232 plan covered by this act which is not administered directly by
233 the division ~~Department of Management Services~~ shall furnish a
234 copy of each actuarial report to the division ~~Department of~~
235 ~~Management Services~~ within 60 days after receipt from the
236 actuary. The requirements of this section are supplemental to
237 actuarial valuations necessary to comply with the requirements
238 of ss. 218.321 and 218.39.

239 (4) Upon receipt, pursuant to subsection (2), of an
240 actuarial report, or upon receipt, pursuant to subsection (3),
241 of a statement of actuarial impact, the division ~~Department of~~
242 ~~Management Services~~ shall acknowledge such receipt, but shall
243 only review and comment on each retirement system's or plan's
244 actuarial valuations at least on a triennial basis. If the
245 division ~~department~~ finds that the actuarial valuation is not
246 complete, accurate, or based on reasonable assumptions, or if
247 the division ~~department~~ does not receive the actuarial report or
248 statement of actuarial impact, the division ~~department~~ shall
249 notify the local government and request appropriate adjustment.



250 If, after a reasonable period of time, a satisfactory adjustment
251 is not made, the affected local government or the division
252 ~~department~~ may petition for a hearing under the provisions of
253 ss. 120.569 and 120.57. If the administrative law judge
254 recommends in favor of the division ~~department~~, the division
255 ~~department~~ shall perform an actuarial review or prepare the
256 statement of actuarial impact. The cost to the division
257 ~~department~~ of performing such actuarial review or preparing such
258 statement shall be charged to the governmental entity of which
259 the employees are covered by the retirement system or plan. If
260 payment of such costs is not received by the division ~~department~~
261 within 60 days after receipt by the governmental entity of the
262 request for payment, the division ~~department~~ shall certify to
263 the Comptroller the amount due, and the Comptroller shall pay
264 such amount to the division ~~department~~ from any funds payable to
265 the governmental entity of which the employees are covered by
266 the retirement system or plan. If the administrative law judge
267 recommends in favor of the local retirement system and the
268 division ~~department~~ performs an actuarial review, the cost to
269 the division ~~department~~ of performing the actuarial review shall
270 be paid by the division ~~department~~.

271 Section 10. Subsection (1) of section 112.64, Florida
272 Statutes, is amended to read:

273 112.64 Administration of funds; amortization of unfunded
274 liability.--

275 (1) Employee contributions shall be deposited in the
276 retirement system or plan at least monthly. Employer
277 contributions shall be deposited at least quarterly; however,



278 any revenues received from any source by an employer which are
 279 specifically collected for the purpose of allocation for deposit
 280 into a retirement system or plan shall be so deposited within 30
 281 days of receipt by the employer. All employers and employees
 282 participating in the Florida Retirement System and other
 283 existing retirement systems which are administered by the
 284 division ~~Department of Management Services~~ shall continue to
 285 make contributions at least monthly.

286 Section 11. Subsections (1) and (3) of section 112.658,
 287 Florida Statutes, are amended to read:

288 112.658 Office of Program Policy Analysis and Government
 289 Accountability to determine compliance of the Florida Retirement
 290 System.--

291 (1) The Office of Program Policy Analysis and Government
 292 Accountability shall determine, through the examination of
 293 actuarial reviews, financial statements, and the practices and
 294 procedures of the Division of Retirement ~~Department of~~
 295 ~~Management Services~~, the compliance of the Florida Retirement
 296 System with the provisions of this act.

297 (3) The Office of Program Policy Analysis and Government
 298 Accountability shall employ the same actuarial standards to
 299 monitor the division ~~Department of Management Services~~ as the
 300 division ~~Department of Management Services~~ uses to monitor local
 301 governments.

302 Section 12. Subsections (9), (16), and (17) of section
 303 112.661, Florida Statutes, are amended to read:

304 112.661 Investment policies.--Investment of the assets of
 305 any local retirement system or plan must be consistent with a



306 written investment policy adopted by the board. Such policies
307 shall be structured to maximize the financial return to the
308 retirement system or plan consistent with the risks incumbent in
309 each investment and shall be structured to establish and
310 maintain an appropriate diversification of the retirement system
311 or plan's assets.

312 (9) EXPECTED ANNUAL RATE OF RETURN.--The investment policy
313 shall require that, for each actuarial valuation, the board
314 determine the total expected annual rate of return for the
315 current year, for each of the next several years, and for the
316 long term thereafter. This determination must be filed promptly
317 with the division ~~Department of Management Services~~ and with the
318 plan's sponsor and the consulting actuary. The division
319 ~~department~~ shall use this determination only to notify the
320 board, the plan's sponsor, and consulting actuary of material
321 differences between the total expected annual rate of return and
322 the actuarial assumed rate of return.

323 (16) FILING OF INVESTMENT POLICY.--Upon adoption by the
324 board, the investment policy shall be promptly filed with the
325 division ~~Department of Management Services~~ and the plan's
326 sponsor and consulting actuary. The effective date of the
327 investment policy, and any amendment thereto, shall be the 31st
328 calendar day following the filing date with the plan sponsor.

329 (17) VALUATION OF ILLIQUID INVESTMENTS.--The investment
330 policy shall provide for the valuation of illiquid investments
331 for which a generally recognized market is not available or for
332 which there is no consistent or generally accepted pricing
333 mechanism. If those investments are utilized, the investment



334 policy must include the criteria set forth in s. 215.47(6),
335 except that submission to the Investment Advisory Council is not
336 required. The investment policy shall require that, for each
337 actuarial valuation, the board must verify the determination of
338 the fair market value for those investments and ascertain that
339 the determination complies with all applicable state and federal
340 requirements. The investment policy shall require that the board
341 disclose to the division ~~Department of Management Services~~ and
342 the plan's sponsor each such investment for which the fair
343 market value is not provided.

344 Section 13. Section 112.665, Florida Statutes, is amended
345 to read:

346 112.665 Duties of Division of Retirement ~~Department of~~
347 ~~Management Services~~.--

348 (1) The Division of Retirement ~~Department of Management~~
349 ~~Services~~ shall:

350 (a) Gather, catalog, and maintain complete, computerized
351 data information on all public employee retirement systems or
352 plans in the state, based upon a review of audits, reports, and
353 other data pertaining to the systems or plans;

354 (b) Receive and comment upon all actuarial reviews of
355 retirement systems or plans maintained by units of local
356 government;

357 (c) Cooperate with local retirement systems or plans on
358 matters of mutual concern and provide technical assistance to
359 units of local government in the assessment and revision of
360 retirement systems or plans;



361 (d) Issue, by January 1 annually, a report to the
 362 President of the Senate and the Speaker of the House of
 363 Representatives, which report details division activities,
 364 findings, and recommendations concerning all governmental
 365 retirement systems. The report may include legislation proposed
 366 to carry out such recommendations;

367 (e) Issue, by January 1 annually, a report to the Special
 368 District Information Program of the Department of Community
 369 Affairs that includes the participation in and compliance of
 370 special districts with the local government retirement system
 371 provisions in s. 112.63 and the state-administered retirement
 372 system provisions as specified in part I of chapter 121; and

373 (f) Adopt reasonable rules to administer the provisions of
 374 this part.

375 (2) The division ~~department~~ may subpoena actuarial
 376 witnesses, review books and records, hold hearings, and take
 377 testimony. A witness shall have the right to be accompanied by
 378 counsel.

379 Section 14. Subsections (4), (5), (32), and (36) and
 380 paragraph (a) of subsection (39) of section 121.021, Florida
 381 Statutes, are amended, and subsection (62) is added to that
 382 section, to read:

383 121.021 Definitions.--The following words and phrases as
 384 used in this chapter have the respective meanings set forth
 385 unless a different meaning is plainly required by the context:

386 (4) "Division Department" means the Division of Retirement
 387 of the State Board of Administration ~~Department of Management~~
 388 ~~Services~~.



389 (5) "Administrator" means the executive director of the
 390 State Board of Administration ~~secretary of the Department of~~
 391 ~~Management Services.~~

392 (32) "State agency" means the Division of Retirement
 393 ~~Department of Management Services~~ within the provisions and
 394 contemplation of chapter 650.

395 (36) "System Trust Fund" means the trust fund established
 396 in the State Treasury by this chapter and administered by the
 397 State Board of Administration for the purpose of holding and
 398 investing the contributions paid by members and employers and
 399 paying the benefits to which members or their beneficiaries may
 400 become entitled. Other trust funds may be established in the
 401 State Treasury to administer the "System Trust Fund."

402 (39)(a) "Termination" occurs, except as provided in
 403 paragraph (b), when a member ceases all employment relationships
 404 with employers under this system, as defined in subsection (10),
 405 but in the event a member should be employed by any such
 406 employer within the next calendar month, termination shall be
 407 deemed not to have occurred. A leave of absence shall constitute
 408 a continuation of the employment relationship, except that a
 409 leave of absence without pay due to disability may constitute
 410 termination for a member, if such member makes application for
 411 and is approved for disability retirement in accordance with s.
 412 121.091(4). The division ~~department~~ may require other evidence
 413 of termination as it deems necessary.

414 (62) "Board" means the State Board of Administration.

415 Section 15. Section 121.025, Florida Statutes, is amended
 416 to read:



417 121.025 Administrator; powers and duties.--The executive
418 director of the State Board of Administration ~~secretary of the~~
419 ~~Department of Management Services~~ shall be the administrator of
420 the retirement and pension systems assigned or transferred to
421 the division ~~Department of Management Services~~ by law. The
422 executive director of the State Board of Administration is the
423 trustee of the System Trust Fund and shall have the authority to
424 sign the contracts necessary to carry out the duties and
425 responsibilities assigned by law to the division ~~Department of~~
426 ~~Management Services~~.

427 Section 16. Subsections (1), (2), and (5) and paragraph
428 (e) of subsection (3) of section 121.031, Florida Statutes, are
429 amended to read:

430 121.031 Administration of system; appropriation; oaths;
431 actuarial studies; public records.--

432 (1) The division ~~Department of Management Services~~ has the
433 authority to adopt rules pursuant to ss. 120.536(1) and 120.54
434 to implement the provisions of law conferring duties upon the
435 division ~~department~~ and to adopt rules as are necessary for the
436 effective and efficient administration of this system. The funds
437 to pay the expenses for administration of the system are hereby
438 appropriated from the interest earned on investments made for
439 the retirement and social security trust funds and the
440 assessments allowed under chapter 650.

441 (2) The division ~~Department of Management Services~~ is
442 authorized to require oaths, by affidavit or otherwise, and
443 acknowledgments from persons in connection with the



444 administration of its duties and responsibilities under this
445 chapter.

446 (3) The administrator shall cause an actuarial study of
447 the system to be made at least annually and shall report the
448 results of such study to the Legislature by December 31 prior to
449 the next legislative session. The study shall, at a minimum,
450 conform to the requirements of s. 112.63, with the following
451 exceptions and additions:

452 (e) The study shall include measures of funding status and
453 funding progress designed to facilitate the assessment of trends
454 over several actuarial valuations with respect to the overall
455 solvency of the system. Such measures shall be adopted by the
456 division ~~department~~ and shall be used consistently in all
457 actuarial valuations performed on the system.

458 (5) The names and addresses of retirees are confidential
459 and exempt from the provisions of s. 119.07(1) to the extent
460 that no state or local governmental agency may provide the names
461 or addresses of such persons in aggregate, compiled, or list
462 form to any person except to a public agency engaged in official
463 business. However, a state or local government agency may
464 provide the names and addresses of retirees from that agency to
465 a bargaining agent as defined in s. 447.203(12) or to a retiree
466 organization for official business use. Lists of names or
467 addresses of retirees may be exchanged by public agencies, but
468 such lists shall not be provided to, or open for inspection by,
469 the public. Any person may view or copy any individual's
470 retirement records at the division ~~Department of Management~~
471 ~~Services~~, one record at a time, or may obtain information by a



472 separate written request for a named individual for which
 473 information is desired.

474 Section 17. Paragraph (c) of subsection (1) and paragraphs
 475 (b) and (f) of subsection (2) of section 121.051, Florida
 476 Statutes, are amended to read:

477 121.051 Participation in the system.--

478 (1) COMPULSORY PARTICIPATION.--

479 (c)1. After June 30, 1983, a member of an existing system
 480 who is reemployed after terminating employment shall have at the
 481 time of reemployment the option of selecting to remain in the
 482 existing retirement system or to transfer to the Florida
 483 Retirement System. Failure to submit such selection in writing
 484 to the division ~~Department of Management Services~~ within 6
 485 months of reemployment shall result in compulsory membership in
 486 the Florida Retirement System.

487 2. After June 30, 1988, the provisions of subparagraph 1.
 488 shall not apply to a member of an existing system who is
 489 reemployed within 12 months after terminating employment. Such
 490 member shall continue to have membership in the existing system
 491 upon reemployment and shall not be permitted to become a member
 492 of the Florida Retirement System, except by transferring to that
 493 system as provided in ss. 121.052 and 121.055.

494 (2) OPTIONAL PARTICIPATION.--

495 (b)1. The governing body of any municipality or special
 496 district in the state may elect to participate in the system
 497 upon proper application to the administrator and may cover all
 498 or any of its units as approved by the Secretary of Health and
 499 Human Services and the administrator. The division ~~department~~



500 shall adopt rules establishing provisions for the submission of
501 documents necessary for such application. Prior to being
502 approved for participation in the Florida Retirement System, the
503 governing body of any such municipality or special district that
504 has a local retirement system shall submit to the administrator
505 a certified financial statement showing the condition of the
506 local retirement system as of a date within 3 months prior to
507 the proposed effective date of membership in the Florida
508 Retirement System. The statement must be certified by a
509 recognized accounting firm that is independent of the local
510 retirement system. All required documents necessary for
511 extending Florida Retirement System coverage must be received by
512 the division ~~department~~ for consideration at least 15 days prior
513 to the proposed effective date of coverage. If the municipality
514 or special district does not comply with this requirement, the
515 division ~~department~~ may require that the effective date of
516 coverage be changed.

517 2. Any city or special district that has an existing
518 retirement system covering the employees in the units that are
519 to be brought under the Florida Retirement System may
520 participate only after holding a referendum in which all
521 employees in the affected units have the right to participate.
522 Only those employees electing coverage under the Florida
523 Retirement System by affirmative vote in said referendum shall
524 be eligible for coverage under this chapter, and those not
525 participating or electing not to be covered by the Florida
526 Retirement System shall remain in their present systems and
527 shall not be eligible for coverage under this chapter. After the



528 referendum is held, all future employees shall be compulsory
529 members of the Florida Retirement System.

530 3. The governing body of any city or special district
531 complying with subparagraph 1. may elect to provide, or not
532 provide, benefits based on past service of officers and
533 employees as described in s. 121.081(1). However, if such
534 employer elects to provide past service benefits, such benefits
535 must be provided for all officers and employees of its covered
536 group.

537 4. Once this election is made and approved it may not be
538 revoked, except pursuant to subparagraphs 5. and 6., and all
539 present officers and employees electing coverage under this
540 chapter and all future officers and employees shall be
541 compulsory members of the Florida Retirement System.

542 5. Subject to the conditions set forth in subparagraph 6.,
543 the governing body of any hospital licensed under chapter 395
544 which is governed by the board of a special district as defined
545 in s. 189.403(1) or by the board of trustees of a public health
546 trust created under s. 154.07, hereinafter referred to as
547 "hospital district," and which participates in the system, may
548 elect to cease participation in the system with regard to future
549 employees in accordance with the following procedure:

550 a. No more than 30 days and at least 7 days before
551 adopting a resolution to partially withdraw from the Florida
552 Retirement System and establish an alternative retirement plan
553 for future employees, a public hearing must be held on the
554 proposed withdrawal and proposed alternative plan.



555 b. From 7 to 15 days before such hearing, notice of intent
556 to withdraw, specifying the time and place of the hearing, must
557 be provided in writing to employees of the hospital district
558 proposing partial withdrawal and must be published in a
559 newspaper of general circulation in the area affected, as
560 provided by ss. 50.011-50.031. Proof of publication of such
561 notice shall be submitted to the division ~~Department of~~
562 ~~Management Services~~.

563 c. The governing body of any hospital district seeking to
564 partially withdraw from the system must, before such hearing,
565 have an actuarial report prepared and certified by an enrolled
566 actuary, as defined in s. 112.625(3), illustrating the cost to
567 the hospital district of providing, through the retirement plan
568 that the hospital district is to adopt, benefits for new
569 employees comparable to those provided under the Florida
570 Retirement System.

571 d. Upon meeting all applicable requirements of this
572 subparagraph, and subject to the conditions set forth in
573 subparagraph 6., partial withdrawal from the system and adoption
574 of the alternative retirement plan may be accomplished by
575 resolution duly adopted by the hospital district board. The
576 hospital district board must provide written notice of such
577 withdrawal to the division by mailing a copy of the resolution
578 to the division, postmarked no later than December 15, 1995. The
579 withdrawal shall take effect January 1, 1996.

580 6. Following the adoption of a resolution under sub-
581 subparagraph 5.d., all employees of the withdrawing hospital
582 district who were participants in the Florida Retirement System



583 prior to January 1, 1996, shall remain as participants in the
584 system for as long as they are employees of the hospital
585 district, and all rights, duties, and obligations between the
586 hospital district, the system, and the employees shall remain in
587 full force and effect. Any employee who is hired or appointed on
588 or after January 1, 1996, may not participate in the Florida
589 Retirement System, and the withdrawing hospital district shall
590 have no obligation to the system with respect to such employees.

591 (f)1. Whenever an employer that participates in the
592 Florida Retirement System undertakes the transfer, merger, or
593 consolidation of governmental services or functions, the
594 employer must notify the division ~~department~~ at least 60 days
595 prior to such action and shall provide documentation as required
596 by the division ~~department~~.

597 2. When the agency to which a member's employing unit is
598 transferred, merged, or consolidated does not participate in the
599 Florida Retirement System, a member shall elect in writing to
600 remain in the Florida Retirement System or to transfer to the
601 local retirement system operated by such agency. If such agency
602 does not participate in a local retirement system, the member
603 shall continue membership in the Florida Retirement System. In
604 either case, the membership shall continue for as long as the
605 member is employed by the agency to which his or her unit was
606 transferred, merged, or consolidated.

607 Section 18. Subsection (2) of section 121.0511, Florida
608 Statutes, is amended to read:

609 121.0511 Revocation of election and alternative plan.--The
610 governing body of any municipality or independent special



611 district that has elected to participate in the Florida
612 Retirement System may revoke its election in accordance with the
613 following procedure:

614 (2) At least 7 days, but not more than 15 days, before the
615 hearing, notice of intent to revoke, specifying the time and
616 place of the hearing, must be published in a newspaper of
617 general circulation in the area affected, as provided by ss.
618 50.011-50.031. Proof of publication of the notice must be
619 submitted to the division ~~Department of Management Services~~.

620 Section 19. Subsections (3) and (4) and paragraph (c) of
621 subsection (7) of section 121.0515, Florida Statutes, are
622 amended to read:

623 121.0515 Special risk membership.--

624 (3) PROCEDURE FOR DESIGNATING.--

625 (a) Any member of the Florida Retirement System employed
626 by a county, city, or special district who feels that he or she
627 meets the criteria set forth in this section for membership in
628 the Special Risk Class may request that his or her employer
629 submit an application to the division ~~department~~ requesting that
630 the division ~~department~~ designate him or her as a special risk
631 member. If the employer agrees that the member meets the
632 requirements for special risk membership, the employer shall
633 submit an application to the division ~~department~~ in behalf of
634 the employee containing a certification that the member meets
635 the criteria for special risk membership set forth in this
636 section and such other supporting documentation as may be
637 required by administrative rule. The division ~~department~~ shall,
638 within 90 days, either designate or refuse to designate the



639 member as a special risk member. If the employer declines to
640 submit the member's application to the division ~~department~~ or if
641 the division ~~department~~ does not designate the member as a
642 special risk member, the member or the employer may appeal to
643 the State Retirement Commission, as provided in s. 121.23, for
644 designation as a special risk member. A member who receives a
645 final affirmative ruling pursuant to such appeal for special
646 risk membership shall have special risk membership retroactive
647 to the date such member would have had special risk membership
648 had such membership been approved by the employer and the
649 division ~~department~~, as determined by the division ~~department~~,
650 and the employer contributions shall be paid in full within 1
651 year after such final ruling.

652 (b)1. Applying the criteria set forth in this section, the
653 division ~~Department of Management Services~~ shall specify which
654 current and newly created classes of positions under the uniform
655 classification plan established pursuant to chapter 110 entitle
656 the incumbents of positions in those classes to membership in
657 the Special Risk Class. Only employees employed in the classes
658 so specified shall be special risk members.

659 2. When a class is not specified by the division
660 ~~department~~ as provided in subparagraph 1., the employing agency
661 may petition the State Retirement Commission for approval in
662 accordance with s. 121.23.

663 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member who is
664 a special risk member on October 1, 1978, and who fails to meet
665 the criteria for special risk membership established by this
666 section shall have his or her special risk designation removed



667 and thereafter shall be a regular member and shall earn only
 668 regular membership credit. The division ~~department~~ shall have
 669 the authority to review the special risk designation of members
 670 to determine whether or not those members continue to meet the
 671 criteria for special risk membership.

672 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT DATE.--

673 (c) The division ~~department~~ shall adopt such rules as are
 674 required to administer this subsection.

675 Section 20. Paragraph (e) of subsection (3) of section
 676 121.052, Florida Statutes, is amended to read:

677 121.052 Membership class of elected officers.--

678 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.--Effective
 679 July 1, 1990, participation in the Elected Officers' Class shall
 680 be compulsory for elected officers listed in paragraphs (2)(a)-
 681 (d) and (f) assuming office on or after said date, unless the
 682 elected officer elects membership in another class or withdraws
 683 from the Florida Retirement System as provided in paragraphs
 684 (3)(a)-(d):

685 (e) Effective July 1, 2001, the governing body of a
 686 municipality or special district may, by majority vote, elect to
 687 designate all its elected positions for inclusion in the Elected
 688 Officers' Class. Such election shall be made between July 1,
 689 2001, and December 31, 2001, and shall be irrevocable. The
 690 designation of such positions shall be effective the first day
 691 of the month following receipt by the division ~~department~~ of the
 692 ordinance or resolution passed by the governing body.



693 Section 21. Paragraphs (b) and (h) of subsection (1) and
694 paragraphs (a), (c), (d), and (f) of subsection (6) of section
695 121.055, Florida Statutes, are amended to read:

696 121.055 Senior Management Service Class.--There is hereby
697 established a separate class of membership within the Florida
698 Retirement System to be known as the "Senior Management Service
699 Class," which shall become effective February 1, 1987.

700 (1)

701 (b)1. Except as provided in subparagraph 2., effective
702 January 1, 1990, participation in the Senior Management Service
703 Class shall be compulsory for the president of each community
704 college, the manager of each participating city or county, and
705 all appointed district school superintendents. Effective January
706 1, 1994, additional positions may be designated for inclusion in
707 the Senior Management Service Class of the Florida Retirement
708 System, provided that:

709 a. Positions to be included in the class shall be
710 designated by the local agency employer. Notice of intent to
711 designate positions for inclusion in the class shall be
712 published once a week for 2 consecutive weeks in a newspaper of
713 general circulation published in the county or counties
714 affected, as provided in chapter 50.

715 b. Up to 10 nonelective full-time positions may be
716 designated for each local agency employer reporting to the
717 division ~~Department of Management Services~~; for local agencies
718 with 100 or more regularly established positions, additional
719 nonelective full-time positions may be designated, not to exceed



720 1 percent of the regularly established positions within the
721 agency.

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

726 (I) Heads an organizational unit; or

727 (II) Has responsibility to effect or recommend personnel,
728 budget, expenditure, or policy decisions in his or her areas of
729 responsibility.

730 2. In lieu of participation in the Senior Management
731 Service Class, members of the Senior Management Service Class
732 pursuant to the provisions of subparagraph 1. may withdraw from
733 the Florida Retirement System altogether. The decision to
734 withdraw from the Florida Retirement System shall be irrevocable
735 for as long as the employee holds such a position. Any service
736 creditable under the Senior Management Service Class shall be
737 retained after the member withdraws from the Florida Retirement
738 System; however, additional service credit in the Senior
739 Management Service Class shall not be earned after such
740 withdrawal. Such members shall not be eligible to participate in
741 the Senior Management Service Optional Annuity Program.

742 (h)1. Except as provided in subparagraph 3., effective
743 January 1, 1994, participation in the Senior Management Service
744 Class shall be compulsory for the State Courts Administrator and
745 the Deputy State Courts Administrators, the Clerk of the Supreme
746 Court, the Marshal of the Supreme Court, the Executive Director
747 of the Justice Administrative Commission, the Capital Collateral



748 Regional Counsels, the clerks of the district courts of appeals,
749 the marshals of the district courts of appeals, and the trial
750 court administrator and the Chief Deputy Court Administrator in
751 each judicial circuit. Effective January 1, 1994, additional
752 positions in the offices of the state attorney and public
753 defender in each judicial circuit may be designated for
754 inclusion in the Senior Management Service Class of the Florida
755 Retirement System, provided that:

756 a. Positions to be included in the class shall be
757 designated by the state attorney or public defender, as
758 appropriate. Notice of intent to designate positions for
759 inclusion in the class shall be published once a week for 2
760 consecutive weeks in a newspaper of general circulation
761 published in the county or counties affected, as provided in
762 chapter 50.

763 b. One nonelective full-time position may be designated
764 for each state attorney and public defender reporting to the
765 division ~~Department of Management Services~~; for agencies with
766 200 or more regularly established positions under the state
767 attorney or public defender, additional nonelective full-time
768 positions may be designated, not to exceed 0.5 percent of the
769 regularly established positions within the agency.

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

774 (I) Heads an organizational unit; or



775 (II) Has responsibility to effect or recommend personnel,
776 budget, expenditure, or policy decisions in his or her areas of
777 responsibility.

778 2. Participation in this class shall be compulsory, except
779 as provided in subparagraph 3., for any judicial employee who
780 holds a position designated for coverage in the Senior
781 Management Service Class, and such participation shall continue
782 until the employee terminates employment in a covered position.
783 Effective January 1, 2001, participation in this class is
784 compulsory for assistant state attorneys, assistant statewide
785 prosecutors, assistant public defenders, and assistant capital
786 collateral regional counsels. Effective January 1, 2002,
787 participation in this class is compulsory for assistant
788 attorneys general.

789 3. In lieu of participation in the Senior Management
790 Service Class, such members, excluding assistant state
791 attorneys, assistant public defenders, assistant statewide
792 prosecutors, assistant attorneys general, and assistant capital
793 collateral regional counsels, may participate in the Senior
794 Management Service Optional Annuity Program as established in
795 subsection (6).

796 (6)(a) Senior Management Service Optional Annuity
797 Program.--The State Board of Administration ~~Department of~~
798 ~~Management Services~~ shall establish a Senior Management Service
799 Optional Annuity Program under which contracts providing
800 retirement, death, and disability benefits may be purchased for
801 those employees who elect to participate in the optional annuity
802 program. The benefits to be provided for or on behalf of



803 participants in such optional annuity program shall be provided
804 through individual contracts or individual certificates issued
805 for group annuity contracts, which may be fixed, variable, or a
806 combination thereof, in accordance with s. 401(a) of the
807 Internal Revenue Code. Any such individual contract or
808 certificate shall state the annuity plan on its face page, and
809 shall include, but not be limited to, a statement of ownership,
810 the contract benefits, annuity income options, limitations,
811 expense charges, and surrender charges, if any. The employing
812 agency shall contribute, as provided in this section, toward the
813 purchase of such optional benefits which shall be fully and
814 immediately vested in the participants.

815 (c) Participation.--

816 1. Any eligible employee who is employed on or before
817 February 1, 1987, may elect to participate in the optional
818 annuity program in lieu of participation in the Senior
819 Management Service Class. Such election shall be made in writing
820 and filed with the board ~~department~~ and the personnel officer of
821 the employer on or before May 1, 1987. Any eligible employee who
822 is employed on or before February 1, 1987, and who fails to make
823 an election to participate in the optional annuity program by
824 May 1, 1987, shall be deemed to have elected membership in the
825 Senior Management Service Class.

826 2. Any employee who becomes eligible to participate in the
827 optional annuity program by reason of initial employment
828 commencing after February 1, 1987, may, within 90 days after the
829 date of commencement of employment, elect to participate in the
830 optional annuity program. Such election shall be made in writing



831 and filed with the personnel officer of the employer. Any
832 eligible employee who does not within 90 days after commencement
833 of such employment elect to participate in the optional annuity
834 program shall be deemed to have elected membership in the Senior
835 Management Service Class.

836 3. A person who is appointed to a position in the Senior
837 Management Service Class and who is a member of an existing
838 retirement system or the Special Risk or Special Risk
839 Administrative Support Classes of the Florida Retirement System
840 may elect to remain in such system or class in lieu of
841 participation in the Senior Management Service Class or optional
842 annuity program. Such election shall be made in writing and
843 filed with the board ~~department~~ and the personnel officer of the
844 employer within 90 days of such appointment. Any eligible
845 employee who fails to make an election to participate in the
846 existing system, the Special Risk Class of the Florida
847 Retirement System, the Special Risk Administrative Support Class
848 of the Florida Retirement System, or the optional annuity
849 program shall be deemed to have elected membership in the Senior
850 Management Service Class.

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

856 5. Effective from July 1, 2002, through September 30,
857 2002, any active employee in a regularly established position
858 who has elected to participate in the Senior Management Service



859 Optional Annuity Program has one opportunity to choose to move
860 from the Senior Management Service Optional Annuity Program to
861 the Florida Retirement System defined benefit program.

862 a. The election must be made in writing and must be filed
863 with the department and the personnel officer of the employer
864 before October 1, 2002, or, in the case of an active employee
865 who is on a leave of absence on July 1, 2002, within 90 days
866 after the conclusion of the leave of absence. This election is
867 irrevocable.

868 b. The employee will receive service credit under the
869 defined benefit program of the Florida Retirement System equal
870 to his or her years of service under the Senior Management
871 Service Optional Annuity Program. The cost for such credit shall
872 be an amount representing the present value of that employee's
873 accumulated benefit obligation for the affected period of
874 service.

875 c. The employee must transfer the total accumulated
876 employer contributions and earnings on deposit in his or her
877 Senior Management Service Optional Annuity Program account. If
878 the transferred amount is not sufficient to pay the amount due,
879 the employee must pay a sum representing the remainder of the
880 amount due. In no case may the employee retain any employer
881 contributions or earnings thereon from the Senior Management
882 Service Optional Annuity Program account.

883 (d) Contributions.--

884 1. Through June 30, 2001, each employer shall contribute
885 on behalf of each participant in the Senior Management Service
886 Optional Annuity Program an amount equal to the normal cost



887 portion of the employer retirement contribution which would be
888 required if the participant were a Senior Management Service
889 Class member of the Florida Retirement System defined benefit
890 program, plus the portion of the contribution rate required in
891 s. 112.363(8) that would otherwise be assigned to the Retiree
892 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
893 each employer shall contribute on behalf of each participant in
894 the optional program an amount equal to 12.49 percent of the
895 participant's gross monthly compensation. The board ~~department~~
896 shall deduct an amount approved by the board, pursuant to s.
897 215.44(4), ~~Legislature~~ to provide for the administration of this
898 program. The payment of the contributions to the optional
899 program which is required by this subparagraph for each
900 participant shall be made by the employer to the board
901 ~~department~~, which shall forward the contributions to the
902 designated company or companies contracting for payment of
903 benefits for the participant under the program.

904 2. Each employer shall contribute on behalf of each
905 participant in the Senior Management Service Optional Annuity
906 Program an amount equal to the unfunded actuarial accrued
907 liability portion of the employer contribution which would be
908 required for members of the Senior Management Service Class in
909 the Florida Retirement System. This contribution shall be paid
910 to the board ~~department~~ for transfer to the Florida Retirement
911 System Trust Fund.

912 3. An Optional Annuity Program Trust Fund shall be
913 established in the State Treasury and administered by the board
914 ~~department~~ to make payments to provider companies on behalf of



915 the optional annuity program participants, and to transfer the
916 unfunded liability portion of the state optional annuity program
917 contributions to the Florida Retirement System Trust Fund.

918 4. Contributions required for social security by each
919 employer and each participant, in the amount required for social
920 security coverage as now or hereafter may be provided by the
921 federal Social Security Act shall be maintained for each
922 participant in the Senior Management Service retirement program
923 and shall be in addition to the retirement contributions
924 specified in this paragraph.

925 5. Each participant in the Senior Management Service
926 Optional Annuity Program may contribute by way of salary
927 reduction or deduction a percentage amount of the participant's
928 gross compensation not to exceed the percentage amount
929 contributed by the employer to the optional annuity program.
930 Payment of the participant's contributions shall be made by the
931 employer to the board ~~department~~, which shall forward the
932 contributions to the designated company or companies contracting
933 for payment of benefits for the participant under the program.

934 (f) Administration.--

935 1. The Senior Management Service Optional Annuity Program
936 authorized by this section shall be administered by the board
937 ~~department~~. The board ~~department~~ shall designate one or more
938 provider companies from which annuity contracts may be purchased
939 under the program and shall approve the form and content of the
940 contracts. The board ~~department~~ shall sign a contract with each
941 of the provider companies and shall evaluate the performance of
942 the provider companies on a continuing basis. The board



943 ~~department~~ may terminate the services of a provider company for
944 reasons stated in the contract. The board ~~department~~ shall adopt
945 rules establishing its responsibilities and the responsibilities
946 of employers in administering the optional annuity program.

947 2. ~~Effective July 1, 1997, the State Board of~~
948 ~~Administration shall review and make recommendations to the~~
949 ~~department on the acceptability of all investment products~~
950 ~~proposed by provider companies of the optional annuity program~~
951 ~~before such products are offered through annuity contracts to~~
952 ~~the participants and may advise the department of any changes~~
953 ~~deemed necessary to ensure that the optional annuity program~~
954 ~~offers an acceptable mix of investment products.~~ The board
955 ~~department~~ shall determine which ~~make the final determination as~~
956 ~~to whether an investment~~ products ~~product~~ will be included in
957 ~~approved for~~ the program.

958 3. The provisions of each contract applicable to a
959 participant in the Senior Management Service Optional Annuity
960 Program shall be contained in a written program description
961 which shall include a report of pertinent financial and
962 actuarial information on the solvency and actuarial soundness of
963 the program and the benefits applicable to the participant. Such
964 description shall be furnished by the company or companies to
965 each participant in the program and to the board ~~department~~ upon
966 commencement of participation in the program and annually
967 thereafter.

968 4. The board ~~department~~ shall ensure that each participant
969 in the Senior Management Service Optional Annuity Program is



970 provided an accounting of the total contribution and the annual
971 contribution made by and on behalf of such participants.

972 Section 22. Paragraph (h) of subsection (1) and paragraph
973 (e) of subsection (2) of section 121.081, Florida Statutes, are
974 amended to read:

975 121.081 Past service; prior service;
976 contributions.--Conditions under which past service or prior
977 service may be claimed and credited are:

978 (1)

979 (h) The following provisions apply to the purchase of past
980 service:

981 1. Notwithstanding any of the provisions of this
982 subsection, past-service credit may not be purchased under this
983 chapter for any service that is used to obtain a benefit from
984 any local retirement system.

985 2. A member may not receive past service credit under
986 paragraphs (a), (b), (e), or (f) for any leaves of absence
987 without pay, except that credit for active military service
988 leaves of absence may be claimed under paragraphs (a), (b), and
989 (f), in accordance with s. 121.111(1).

990 3. If a member does not desire to receive credit for all
991 of his or her past service, the period the member claims must be
992 the most recent past service prior to his or her participation
993 in the Florida Retirement System.

994 4. The cost of past service purchased by an employing
995 agency for its employees may be amortized over such period of
996 time as is provided in the agreement, but not to exceed 15



997 years, calculated in accordance with rule 60S-1.007(5)(f),
998 Florida Administrative Code.

999 5. The retirement account of each member for whom past
1000 service is being provided by his or her employer shall be
1001 credited with all past service the employer agrees to purchase
1002 as soon as the agreement between the employer and the division
1003 ~~department~~ is executed. Pursuant thereto:

1004 a. Each such member's account shall also be posted with
1005 the total contribution his or her employer agrees to make in the
1006 member's behalf for past service earned prior to October 1,
1007 1975, excluding those contributions representing the employer's
1008 matching share and the compound interest calculation on the
1009 total contribution. However, a portion of any contributions paid
1010 by an employer for past service credit earned on and after
1011 October 1, 1975, may not be posted to a member's account.

1012 b. A refund of contributions payable after an employer has
1013 made a written agreement to purchase past service for employees
1014 of the covered group shall include contributions for past
1015 service which are posted to a member's account. However,
1016 contributions for past service earned on and after October 1,
1017 1975, are not refundable.

1018 (2) Prior service, as defined in s. 121.021(19), may be
1019 claimed as creditable service under the Florida Retirement
1020 System after a member has been reemployed for 1 complete year of
1021 creditable service within a period of 12 consecutive months,
1022 except as provided in paragraph (c). Service performed as a
1023 participant of the optional retirement program for the State
1024 University System under s. 121.35 or the Senior Management



1025 Service Optional Annuity Program under s. 121.055 may be used to
 1026 satisfy the reemployment requirement of 1 complete year of
 1027 creditable service. The member shall not be permitted to make
 1028 any contributions for prior service until after completion of
 1029 the 1 year of creditable service. If a member does not wish to
 1030 claim credit for all of his or her prior service, the service
 1031 the member claims must be the most recent period of service. The
 1032 required contributions for claiming the various types of prior
 1033 service are:

1034 (e) For service performed under the Florida Retirement
 1035 System after December 1, 1970, that was never reported to the
 1036 ~~division or the department~~ due to error, retirement credit may
 1037 be claimed by a member of the Florida Retirement System. The
 1038 division ~~department~~ shall adopt rules establishing criteria for
 1039 claiming such credit and detailing the documentation required to
 1040 substantiate the error.

1041 Section 23. Subsection (1) of section 121.085, Florida
 1042 Statutes, is amended to read:

1043 121.085 Creditable service.--The following provisions
 1044 shall apply to creditable service as defined in s. 121.021(17):

1045 (1) The division ~~department~~ shall adopt rules establishing
 1046 procedures for the submission of evidence or information
 1047 necessary to establish a member's claim of creditable service.

1048 Section 24. Section 121.091, Florida Statutes, is amended
 1049 to read:

1050 121.091 Benefits payable under the system.--Benefits may
 1051 not be paid under this section unless the member has terminated
 1052 employment as provided in s. 121.021(39)(a) or begun



1053 participation in the Deferred Retirement Option Program as
1054 provided in subsection (13), and a proper application has been
1055 filed in the manner prescribed by the division ~~department~~. The
1056 division ~~department~~ may cancel an application for retirement
1057 benefits when the member or beneficiary fails to timely provide
1058 the information and documents required by this chapter and the
1059 division's ~~department's~~ rules. The division ~~department~~ shall
1060 adopt rules establishing procedures for application for
1061 retirement benefits and for the cancellation of such application
1062 when the required information or documents are not received.

1063 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her
1064 normal retirement date, the member, upon application to the
1065 administrator, shall receive a monthly benefit which shall begin
1066 to accrue on the first day of the month of retirement and be
1067 payable on the last day of that month and each month thereafter
1068 during his or her lifetime. The normal retirement benefit,
1069 including any past or additional retirement credit, may not
1070 exceed 100 percent of the average final compensation. The amount
1071 of monthly benefit shall be calculated as the product of A and
1072 B, subject to the adjustment of C, if applicable, as set forth
1073 below:

1074 (a)1. For creditable years of Regular Class service, A is
1075 1.60 percent of the member's average final compensation, up to
1076 the member's normal retirement date. Upon completion of the
1077 first year after the normal retirement date, A is 1.63 percent
1078 of the member's average final compensation. Following the second
1079 year after the normal retirement date, A is 1.65 percent of the
1080 member's average final compensation. Following the third year



1081 after the normal retirement date, and for subsequent years, A is
1082 1.68 percent of the member's average final compensation.

1083 2. For creditable years of special risk service, A is:

1084 a. Two percent of the member's average final compensation
1085 for all creditable years prior to October 1, 1974;

1086 b. Three percent of the member's average final
1087 compensation for all creditable years after September 30, 1974,
1088 and before October 1, 1978;

1089 c. Two percent of the member's average final compensation
1090 for all creditable years after September 30, 1978, and before
1091 January 1, 1989;

1092 d. Two and two-tenths percent of the member's final
1093 monthly compensation for all creditable years after December 31,
1094 1988, and before January 1, 1990;

1095 e. Two and four-tenths percent of the member's average
1096 final compensation for all creditable years after December 31,
1097 1989, and before January 1, 1991;

1098 f. Two and six-tenths percent of the member's average
1099 final compensation for all creditable years after December 31,
1100 1990, and before January 1, 1992;

1101 g. Two and eight-tenths percent of the member's average
1102 final compensation for all creditable years after December 31,
1103 1991, and before January 1, 1993;

1104 h. Three percent of the member's average final
1105 compensation for all creditable years after December 31, 1992;
1106 and

1107 i. Three percent of the member's average final
1108 compensation for all creditable years of service after September



1109 30, 1978, and before January 1, 1993, for any special risk
1110 member who retires after July 1, 2000, or any member of the
1111 Special Risk Administrative Support Class entitled to retain the
1112 special risk normal retirement date who was a member of the
1113 Special Risk Class during the time period and who retires after
1114 July 1, 2000.

1115 3. For creditable years of Senior Management Service Class
1116 service after January 31, 1987, A is 2 percent;

1117 4. For creditable years of Elected Officers' Class service
1118 as a Supreme Court Justice, district court of appeal judge,
1119 circuit judge, or county court judge, A is $3\frac{1}{3}$ percent of the
1120 member's average final compensation, and for all other
1121 creditable service in such class, A is 3 percent of average
1122 final compensation;

1123 (b) B is the number of the member's years and any
1124 fractional part of a year of creditable service earned
1125 subsequent to November 30, 1970; and

1126 (c) C is the normal retirement benefit credit brought
1127 forward as of November 30, 1970, by a former member of an
1128 existing system. Such normal retirement benefit credit shall be
1129 determined as the product of X and Y when X is the percentage of
1130 average final compensation which the member would have been
1131 eligible to receive if the member had attained his or her normal
1132 retirement date as of November 30, 1970, all in accordance with
1133 the existing system under which the member is covered on
1134 November 30, 1970, and Y is average final compensation as
1135 defined in s. 121.021(25). However, any member of an existing
1136 retirement system who is eligible to retire and who does retire,



1137 become disabled, or die prior to April 15, 1971, may have his or
1138 her retirement benefits calculated on the basis of the best 5 of
1139 the last 10 years of service.

1140 (d) A member's average final compensation shall be
1141 determined by formula to obtain the coverage for the 5 highest
1142 fiscal years' salaries, calculated as provided by rule.

1143 (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT AGES.--If
1144 a member accumulates retirement benefits to commence at
1145 different normal retirement ages by virtue of having performed
1146 duties for an employer which would entitle him or her to
1147 benefits as both a member of the Special Risk Class and a member
1148 of either the Regular Class, Senior Management Service Class, or
1149 Elected Officers' Class, the amount of benefits payable shall be
1150 computed separately with respect to each such age and the sum of
1151 such computed amounts shall be paid as provided in this section.

1152 (3) EARLY RETIREMENT BENEFIT.--Upon retirement on his or
1153 her early retirement date, the member shall receive an immediate
1154 monthly benefit that shall begin to accrue on the first day of
1155 the month of the retirement date and be payable on the last day
1156 of that month and each month thereafter during his or her
1157 lifetime. Such benefit shall be calculated as follows:

1158 (a) The amount of each monthly payment shall be computed
1159 in the same manner as for a normal retirement benefit, in
1160 accordance with subsection (1), but shall be based on the
1161 member's average monthly compensation and creditable service as
1162 of the member's early retirement date. The benefit so computed
1163 shall be reduced by five-twelfths of 1 percent for each complete
1164 month by which the early retirement date precedes the normal



1165 retirement date of age 62 for a member of the Regular Class,
1166 Senior Management Service Class, or the Elected Officers' Class,
1167 and age 55 for a member of the Special Risk Class, or age 52 if
1168 a Special Risk member has completed 25 years of creditable
1169 service in accordance with s. 121.021(29)(b)3.

1170 (b) If the employment of a member is terminated by reason
1171 of death subsequent to the completion of 20 years of creditable
1172 service, the monthly benefit payable to the member's beneficiary
1173 shall be calculated in accordance with subsection (1), but shall
1174 be based on average monthly compensation and creditable service
1175 as of the date of death. The benefit so computed shall be
1176 reduced by five-twelfths of 1 percent for each complete month by
1177 which death precedes the normal retirement date specified above
1178 or the date on which the member would have attained 30 years of
1179 creditable service had he or she survived and continued his or
1180 her employment, whichever provides a higher benefit.

1181 (4) DISABILITY RETIREMENT BENEFIT.--

1182 (a) Disability retirement; entitlement and effective
1183 date.--

1184 1.a. A member who becomes totally and permanently
1185 disabled, as defined in paragraph (b), after completing 5 years
1186 of creditable service, or a member who becomes totally and
1187 permanently disabled in the line of duty regardless of service,
1188 shall be entitled to a monthly disability benefit; except that
1189 any member with less than 5 years of creditable service on July
1190 1, 1980, or any person who becomes a member of the Florida
1191 Retirement System on or after such date must have completed 10
1192 years of creditable service prior to becoming totally and



1193 permanently disabled in order to receive disability retirement
1194 benefits for any disability which occurs other than in the line
1195 of duty. However, if a member employed on July 1, 1980, with
1196 less than 5 years of creditable service as of that date, becomes
1197 totally and permanently disabled after completing 5 years of
1198 creditable service and is found not to have attained fully
1199 insured status for benefits under the federal Social Security
1200 Act, such member shall be entitled to a monthly disability
1201 benefit.

1202 b. Effective July 1, 2001, a member of the defined benefit
1203 retirement program who becomes totally and permanently disabled,
1204 as defined in paragraph (b), after completing 8 years of
1205 creditable service, or a member who becomes totally and
1206 permanently disabled in the line of duty regardless of service,
1207 shall be entitled to a monthly disability benefit.

1208 2. If the division has received from the employer the
1209 required documentation of the member's termination of
1210 employment, the effective retirement date for a member who
1211 applies and is approved for disability retirement shall be
1212 established by rule of the division.

1213 3. For a member who is receiving Workers' Compensation
1214 payments, the effective disability retirement date may not
1215 precede the date the member reaches Maximum Medical Improvement
1216 (MMI), unless the member terminates employment prior to reaching
1217 MMI.

1218 (b) Total and permanent disability.--A member shall be
1219 considered totally and permanently disabled if, in the opinion
1220 of the administrator, he or she is prevented, by reason of a



1221 medically determinable physical or mental impairment, from
 1222 rendering useful and efficient service as an officer or
 1223 employee.

1224 (c) Proof of disability.--The administrator, before
 1225 approving payment of any disability retirement benefit, shall
 1226 require proof that the member is totally and permanently
 1227 disabled as provided herein:

1228 1. Such proof shall include the certification of the
 1229 member's total and permanent disability by two licensed
 1230 physicians of the state and such other evidence of disability as
 1231 the administrator may require, including reports from vocational
 1232 rehabilitation, evaluation, or testing specialists who have
 1233 evaluated the applicant for employment.

1234 2. It must be documented that:

1235 a. The member's medical condition occurred or became
 1236 symptomatic during the time the member was employed in an
 1237 employee/employer relationship with his or her employer;

1238 b. The member was totally and permanently disabled at the
 1239 time he or she terminated covered employment; and

1240 c. The member has not been employed with any other
 1241 employer after such termination.

1242 3. If the application is for in-line-of-duty disability,
 1243 in addition to the requirements of subparagraph 2., it must be
 1244 documented by competent medical evidence that the disability was
 1245 caused by a job-related illness or accident which occurred while
 1246 the member was in an employee/employer relationship with his or
 1247 her employer.



1248 4. The unavailability of an employment position that the
1249 member is physically and mentally capable of performing will not
1250 be considered as proof of total and permanent disability.

1251 (d) Election on appeal.--A member whose application for
1252 regular disability retirement has been denied and who has filed
1253 an appeal to the State Retirement Commission may, if eligible,
1254 elect to receive normal or early service retirement benefits
1255 while he or she is awaiting the decision on the appeal. However:

1256 1. If the member elects to receive service retirement
1257 benefits and disability benefits are later approved as a result
1258 of the appeal, the payment option chosen by the member may not
1259 be changed.

1260 2. If the member elects to receive early service
1261 retirement and the appeal is later denied, the member may not
1262 change his or her election of early retirement.

1263
1264 Before such regular or early retirement benefits may be paid by
1265 the division, the member must provide to the division a written
1266 statement indicating that the member understands that such
1267 changes are not permitted after he or she begins receiving the
1268 benefits.

1269 (e) Disability retirement benefit.--Upon the retirement of
1270 a member on his or her disability retirement date, the member
1271 shall receive a monthly benefit that shall begin to accrue on
1272 the first day of the month of disability retirement and shall be
1273 payable on the last day of that month and each month thereafter
1274 during his or her lifetime and continued disability.



1275 (f) Computation of disability retirement benefit.--The
1276 amount of each monthly payment shall be computed in the same
1277 manner as for a normal retirement benefit, in accordance with
1278 subsection (1), but shall be based on disability option
1279 actuarial equivalency tables and the average monthly
1280 compensation and creditable service of the member as of the
1281 disability retirement date, subject to the following conditions:

1282 1. If the member's disability occurred in the line of
1283 duty, the monthly Option 1 benefit shall not be less than:

1284 a. Forty-two percent of average monthly compensation as of
1285 the disability retirement date; or

1286 b. Sixty-five percent of the average monthly compensation
1287 as of the disability retirement date for a member of the special
1288 risk class who retires on or after July 1, 2000; or

1289 2. If the member's disability occurred other than in the
1290 line of duty, the monthly Option 1 benefit shall not be less
1291 than 25 percent of average monthly compensation as of the
1292 disability retirement date.

1293 (g) Reapplication.--A member, whose initial application
1294 for disability retirement has been denied, may reapply for
1295 disability benefits. However, such member's reapplication will
1296 be considered only if the member presents new medical evidence
1297 of a medical condition that existed prior to the member's
1298 termination of employment. The division may prescribe by rule
1299 procedures for reapplication and for review and approval or
1300 disapproval of reapplication.

1301 (h) Recovery from disability.--The administrator may
1302 require periodic reexaminations at the expense of the retirement



1303 fund. The division may adopt rules establishing procedures for
1304 conducting and review of such reexaminations.

1305 1. If the administrator finds that a member who is
1306 receiving disability benefits is, at any time prior to his or
1307 her normal retirement date, no longer disabled, the
1308 administrator shall direct that the benefits be discontinued.
1309 The decision of the administrator on this question shall be
1310 final and binding. If such member:

1311 a. Does not reenter the employ of an employer and was not
1312 vested as of the disability retirement date, he or she shall be
1313 entitled to the excess, if any, of his or her accumulated
1314 contributions over the total disability benefits received up to
1315 the date of recovery.

1316 b. Does not reenter the employ of an employer, but was
1317 vested as of the disability retirement date, he or she may elect
1318 to receive:

1319 (I) The excess, if any, of his or her accumulated
1320 contributions over the total disability benefits received up to
1321 the date of recovery; or

1322 (II) A deferred benefit commencing on the last day of the
1323 month of the normal retirement date which shall be payable on
1324 the last day of the month thereafter during his or her lifetime.
1325 The amount of such monthly benefit shall be computed in the same
1326 manner as for a normal retirement benefit, in accordance with
1327 subsection (1), but shall be based on average monthly
1328 compensation and creditable service as of the member's
1329 disability retirement date.



1330 c. Reenters employment of an employer within 6 months
1331 after recovery, the member's service will be deemed to have been
1332 continuous, but the period beginning with the first month for
1333 which he or she received a disability benefit payment and ending
1334 with the date he or she reentered employment will not be
1335 considered as creditable service for the purpose of computing
1336 benefits except as provided in sub-subparagraph d. As used in
1337 this section, the term "accumulated contributions" for such
1338 member means the excess of the member's accumulated
1339 contributions as of the disability retirement date over the
1340 total disability benefits received under paragraph (e).

1341 d. Terminates his or her disability benefit, reenters
1342 covered employment, and is continuously employed for a minimum
1343 of 1 year of creditable service, he or she may claim as
1344 creditable service the months during which he or she was
1345 receiving a disability benefit, upon payment of the required
1346 contributions. Contributions shall equal the total required
1347 employee and employer contribution rate applicable during the
1348 period the retiree received retirement benefits, multiplied
1349 times his or her rate of monthly compensation prior to the
1350 commencement of disability retirement for each month of the
1351 period claimed, plus 4 percent interest until July 1, 1975, and
1352 6.5 percent interest thereafter, compounded annually each June
1353 30 to the date of payment. If the member does not claim credit
1354 for all of the months he or she received disability benefits,
1355 the months claimed must be the most recent months of retirement.
1356 Such credit for periods of disability, when purchased under the
1357 Florida Retirement System, shall apply toward vesting



1358 requirements for eligibility to purchase additional credit for
1359 other service.

1360 2. Both the member receiving disability benefits who
1361 reenters employment and the employer employing such disability
1362 retiree shall notify the division immediately upon reemployment,
1363 and the division shall terminate such member's disability
1364 benefits, effective the first day of the month following the
1365 month in which notification of recovery is received. If the
1366 member is reemployed with a Florida Retirement System employer
1367 at the time of benefit termination, and he or she has received
1368 disability retirement benefit and salary payments concurrently
1369 prior to notifying the division, he or she may elect within 30
1370 days to:

1371 a. Retain the retirement benefits received prior to
1372 termination of disability benefits and begin receiving
1373 retirement service credit effective upon the date of termination
1374 of benefits; or

1375 b. Repay, within 12 months after his or her decision to
1376 receive service credit, the retirement benefits received for
1377 each month of reemployment prior to termination of disability
1378 benefits and begin receiving retirement service credit effective
1379 upon the date of reemployment. Any such unpaid benefits shall
1380 have compound interest of 6.5 percent added June 30.

1381
1382 A member may not receive both retirement service credit for
1383 employment and retirement benefits for the same month.

1384 3. If, after recovery of disability and reentry into
1385 covered employment, the member again becomes disabled and is



1386 again approved for disability retirement, the Option 1 monthly
 1387 retirement benefit shall not be less than the Option 1 monthly
 1388 benefit calculated at the time of the previous disability, plus
 1389 any cost of living increases up to the time the disability
 1390 benefit was terminated upon his or her reentry into covered
 1391 employment.

1392 (i) Nonadmissible causes of disability.--A member shall
 1393 not be entitled to receive any disability retirement benefit if
 1394 the disability is a result of any of the following:

1395 1. Injury or disease sustained by the member while
 1396 willfully participating in a riot, civil insurrection, or other
 1397 act of violence or while committing a felony;

1398 2. Injury or disease sustained by the member after his or
 1399 her employment has terminated; or

1400 3. Intentional, self-inflicted injury.

1401 (j) Disability retirement of justice or judge by order of
 1402 Supreme Court.--

1403 ~~1.~~ If a member is a justice of the Supreme Court, judge of
 1404 a district court of appeal, circuit judge, or judge of a county
 1405 court who has served for 6 years or more as an elected
 1406 constitutional judicial officer, including service as a judicial
 1407 officer in any court abolished pursuant to Art. V of the State
 1408 Constitution, and who is retired for disability by order of the
 1409 Supreme Court upon recommendation of the Judicial Qualifications
 1410 Commission pursuant to the provisions of Art. V of the State
 1411 Constitution, the member's Option 1 monthly benefit as provided
 1412 in subparagraph (6)(a)1. shall not be less than two-thirds of
 1413 his or her monthly compensation as of the member's disability



1414 retirement date. Such a member may alternatively elect to
1415 receive a disability retirement benefit under any other option
1416 as provided in paragraph (6)(a).

1417 ~~2. Should any justice or judge who is a member of the~~
1418 ~~Florida Retirement System be retired for disability by order of~~
1419 ~~the Supreme Court upon recommendation of the Judicial~~
1420 ~~Qualifications Commission pursuant to the provisions of Art. V~~
1421 ~~of the State Constitution, then all contributions to his or her~~
1422 ~~account and all contributions made on his or her behalf by the~~
1423 ~~employer shall be transferred to and deposited in the General~~
1424 ~~Revenue Fund of the state, and there is hereby appropriated~~
1425 ~~annually out of the General Revenue Fund, to be paid into the~~
1426 ~~Florida Retirement System Fund, an amount necessary to pay the~~
1427 ~~benefits of all justices and judges retired from the Florida~~
1428 ~~Retirement System pursuant to Art. V of the State Constitution.~~

1429 (5) TERMINATION BENEFITS.--A member whose employment is
1430 terminated prior to retirement retains membership rights to
1431 previously earned member-noncontributory service credit, and to
1432 member-contributory service credit, if the member leaves the
1433 member contributions on deposit in his or her retirement
1434 account. If a terminated member receives a refund of member
1435 contributions, such member may reinstate membership rights to
1436 the previously earned service credit represented by the refund
1437 by completing 1 year of creditable service and repaying the
1438 refunded member contributions, plus interest.

1439 (a) A member whose employment is terminated for any reason
1440 other than death or retirement prior to becoming vested is



1441 entitled to the return of his or her accumulated contributions
1442 as of the date of termination.

1443 (b) A member whose employment is terminated for any reason
1444 other than death or retirement after becoming vested may elect
1445 to receive a deferred monthly benefit which shall begin to
1446 accrue on the first day of the month of normal or early
1447 retirement and shall be payable on the last day of that month
1448 and each month thereafter during his or her lifetime. The amount
1449 of monthly benefit shall be computed in the same manner as for a
1450 normal retirement benefit in accordance with subsection (1) or
1451 early retirement benefit in accordance with s. 121.021(30), but
1452 based on average monthly compensation and creditable service as
1453 of the date of termination.

1454 (c) In lieu of the deferred monthly benefit provided in
1455 paragraph (b), the terminated member may elect to receive a
1456 lump-sum amount equal to his or her accumulated contributions as
1457 of the date of termination.

1458 (d) If any retired member dies without having received in
1459 benefit payments an amount equal to his or her accumulated
1460 contributions, there shall be payable to his or her designated
1461 beneficiary an amount equal to the excess, if any, of the
1462 member's accumulated contributions over the total monthly
1463 payments made to the member prior to the date of death.

1464 (e) A member shall be deemed a terminated member when
1465 termination of employment has occurred as provided in s.
1466 121.021(39).

1467 (f) Any member who has been found guilty by a verdict of a
1468 jury, or by the court trying the case without a jury, of



1469 committing, aiding, or abetting any embezzlement or theft from
1470 his or her employer, bribery in connection with the employment,
1471 or other felony specified in chapter 838, except ss. 838.15 and
1472 838.16, committed prior to retirement, or who has entered a plea
1473 of guilty or of nolo contendere to such crime, or any member
1474 whose employment is terminated by reason of the member's
1475 admitted commitment, aiding, or abetting of an embezzlement or
1476 theft from his or her employer, bribery, or other felony
1477 specified in chapter 838, except ss. 838.15 and 838.16, shall
1478 forfeit all rights and benefits under this chapter, except the
1479 return of his or her accumulated contributions as of the date of
1480 termination.

1481 (g) Any elected official who is convicted by the Senate of
1482 an impeachable offense shall forfeit all rights and benefits
1483 under this chapter, except the return of his or her accumulated
1484 contributions as of the date of the conviction.

1485 (h) Any member who, prior to retirement, is adjudged by a
1486 court of competent jurisdiction to have violated any state law
1487 against strikes by public employees, or who has been found
1488 guilty by such court of violating any state law prohibiting
1489 strikes by public employees, shall forfeit all rights and
1490 benefits under this chapter, except the return of his or her
1491 accumulated contributions as of the date of the conviction.

1492 (i) Any beneficiary who by a verdict of a jury or by the
1493 court trying the case without a jury is found guilty, or who has
1494 entered a plea of guilty or nolo contendere, of unlawfully and
1495 intentionally killing or procuring the death of the member
1496 forfeits all rights to the deceased member's benefits under this



1497 chapter, and the benefits will be paid as if such beneficiary
1498 had predeceased the decedent.

1499 (j) Benefits shall not be paid by the division pending
1500 final resolution of such charges against a member or beneficiary
1501 if the resolution of such charges could require the forfeiture
1502 of benefits as provided in paragraph (f), paragraph (g),
1503 paragraph (h), or paragraph (i).

1504 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND DISABILITY
1505 RETIREMENT BENEFITS.--

1506 (a) Prior to the receipt of the first monthly retirement
1507 payment, a member shall elect to receive the retirement benefits
1508 to which he or she is entitled under subsection (1), subsection
1509 (2), subsection (3), or subsection (4) in accordance with one of
1510 the following options:

1511 1. The maximum retirement benefit payable to the member
1512 during his or her lifetime.

1513 2. A decreased retirement benefit payable to the member
1514 during his or her lifetime and, in the event of his or her death
1515 within a period of 10 years after retirement, the same monthly
1516 amount payable for the balance of such 10-year period to his or
1517 her beneficiary or, in case the beneficiary is deceased, in
1518 accordance with subsection (8) as though no beneficiary had been
1519 named.

1520 3. A decreased retirement benefit payable during the joint
1521 lifetime of both the member and his or her joint annuitant and
1522 which, after the death of either, shall continue during the
1523 lifetime of the survivor in the same amount, subject to the
1524 provisions of subsection (12).



1525 4. A decreased retirement benefit payable during the joint
1526 lifetime of the member and his or her joint annuitant and which,
1527 after the death of either, shall continue during the lifetime of
1528 the survivor in an amount equal to $66\frac{2}{3}$ percent of the amount
1529 that was payable during the joint lifetime of the member and his
1530 or her joint annuitant, subject to the provisions of subsection
1531 (12).

1532

1533 The spouse of any member who elects to receive the benefit
1534 provided under subparagraph 1. or subparagraph 2. shall be
1535 notified of and shall acknowledge any such election. The
1536 division shall establish by rule a method for selecting the
1537 appropriate actuarial factor for optional forms of benefits
1538 selected under subparagraphs 3. and 4., based on the age of the
1539 member and the joint annuitant.

1540 (b) The benefit payable under any option stated above
1541 shall be the actuarial equivalent, based on tables adopted by
1542 the administrator for this purpose, of the amount to which the
1543 member was otherwise entitled.

1544 (c) A member who elects the option in subparagraph (a)2.
1545 shall, in accordance with subsection (8), designate one or more
1546 persons to receive the benefits payable in the event of his or
1547 her death. Such persons shall be the beneficiaries of the
1548 member. The member may also designate one or more contingent
1549 beneficiaries to receive any benefits remaining upon the death
1550 of the primary beneficiary.

1551 (d) A member who elects the option in subparagraph (a)3.
1552 or subparagraph (a)4. shall, on a form provided for that



1553 purpose, designate a joint annuitant to receive the benefits
1554 which continue to be payable upon the death of the member. After
1555 benefits have commenced under the option in subparagraph (a)3.
1556 or subparagraph (a)4., the following shall apply:

1557 1. A retired member may change his or her designation of a
1558 joint annuitant only twice. If such a retired member desires to
1559 change his or her designation of a joint annuitant, he or she
1560 shall file with the division a notarized "change of joint
1561 annuitant" form and shall notify the former joint annuitant in
1562 writing of such change. Effective the first day of the next
1563 month following receipt by the division of a completed change of
1564 joint annuitant form, the division shall adjust the member's
1565 monthly benefit by the application of actuarial tables and
1566 calculations developed to ensure that the benefit paid is the
1567 actuarial equivalent of the present value of the member's
1568 current benefit. The consent of a retired member's first
1569 designated joint annuitant to any such change shall not be
1570 required. However, if either the member or the joint annuitant
1571 dies before the effective date of the request for change of
1572 joint annuitant, the requested change shall be void, and
1573 survivor benefits, if any, shall be paid as if no request had
1574 been made.

1575 2. In the event of the dissolution of marriage of a
1576 retired member and a joint annuitant, such member may make an
1577 election to nullify the joint annuitant designation of the
1578 former spouse, unless there is an existing qualified domestic
1579 relations order preventing such action. The member shall file
1580 with the division a written, notarized nullification which shall



1581 be effective on the first day of the next month following
1582 receipt by the division. Benefits shall be paid as if the former
1583 spouse predeceased the member. A member who makes such an
1584 election may not reverse the nullification but may designate a
1585 new joint annuitant in accordance with subparagraph 1.

1586 (e) The election of an option shall be null and void if
1587 the member dies before the effective date of retirement.

1588 (f) A member who elects to receive benefits under the
1589 option in subparagraph (a)3. may designate one or more qualified
1590 persons, either a spouse or other dependent, as his or her joint
1591 annuitant to receive the benefits after the member's death in
1592 whatever proportion he or she so assigns to each person named as
1593 joint annuitant. The division shall adopt appropriate actuarial
1594 tables and calculations necessary to ensure that the benefit
1595 paid is the actuarial equivalent of the benefit to which the
1596 member is otherwise entitled under the option in subparagraph
1597 (a)1.

1598 (g) Upon the death of a retired member or beneficiary
1599 receiving monthly benefits under this chapter, the monthly
1600 benefits shall be paid through the last day of the month of
1601 death and shall terminate, or be adjusted, if applicable, as of
1602 that date in accordance with the optional form of benefit
1603 selected at the time of retirement.

1604 (h) The option selected or determined for payment of
1605 benefits as provided in this section shall be final and
1606 irrevocable at the time a benefit payment is cashed or deposited
1607 or credited to the Deferred Retirement Option Program as
1608 provided in subsection (13).



1609 (7) DEATH BENEFITS.--

1610 (a) If the employment of a member is terminated by reason
1611 of his or her death prior to being vested, except as provided in
1612 paragraph (f), there shall be payable to his or her designated
1613 beneficiary the member's accumulated contributions.

1614 (b) If the employment of an active member who may or may
1615 not have applied for retirement is terminated by reason of his
1616 or her death subsequent to becoming vested and prior to his or
1617 her effective date of retirement, if established, it shall be
1618 assumed that the member retired as of the date of death in
1619 accordance with subsection (1) if eligible for normal retirement
1620 benefits, subsection (2) if eligible for benefits payable for
1621 dual normal retirement, or subsection (3) if eligible for early
1622 retirement benefits. Benefits payable to the designated
1623 beneficiary shall be as follows:

1624 1. For a beneficiary who qualifies as a joint annuitant,
1625 the optional form of payment provided in accordance with
1626 subparagraph (6)(a)3. shall be paid for the joint annuitant's
1627 lifetime.

1628 2. For a beneficiary who does not qualify as a joint
1629 annuitant, no continuing monthly benefit shall be paid and the
1630 beneficiary shall be entitled only to the return of the member's
1631 personal contributions. If there is no monetary interest in the
1632 member's retirement account for which such beneficiary is
1633 eligible, the beneficiary shall be the next named beneficiary
1634 or, if no other beneficiary is named, the beneficiary shall be
1635 the next eligible beneficiary according to subsection (8).



1636 (c) If a retiring member dies on or after the effective
1637 date of retirement, but prior to a benefit payment being cashed
1638 or deposited, or credited to the Deferred Retirement Option
1639 Program, benefits shall be paid as follows:

1640 1. For a designated beneficiary who qualifies as a joint
1641 annuitant, benefits shall be paid in the optional form of
1642 payment provided in subparagraph (6)(a)3. for the joint
1643 annuitant's lifetime or, if the member chose the optional form
1644 of payment provided in subparagraph (6)(a)2., the joint
1645 annuitant may select the form provided in either subparagraph
1646 (6)(a)2. or subparagraph (6)(a)3.

1647 2. For a designated beneficiary who does not qualify as a
1648 joint annuitant, any benefits payable shall be paid as provided
1649 in the option selected by the member; or if the member has not
1650 selected an option, benefits shall be paid in the optional form
1651 of payment provided in subparagraph (6)(a)1.

1652 (d) Notwithstanding any other provision in this chapter to
1653 the contrary, with the exception of the Deferred Retirement
1654 Option Program, as provided in subsection (13):

1655 1. The surviving spouse of any member killed in the line
1656 of duty may receive a monthly pension equal to one-half of the
1657 monthly salary being received by the member at the time of death
1658 for the rest of the surviving spouse's lifetime or, if the
1659 member was vested, such surviving spouse may elect to receive a
1660 benefit as provided in paragraph (b). Benefits provided by this
1661 paragraph shall supersede any other distribution that may have
1662 been provided by the member's designation of beneficiary.



1663 2. If the surviving spouse of a member killed in the line
1664 of duty dies, the monthly payments which would have been payable
1665 to such surviving spouse had such surviving spouse lived shall
1666 be paid for the use and benefit of such member's child or
1667 children under 18 years of age and unmarried until the 18th
1668 birthday of the member's youngest child.

1669 3. If a member killed in the line of duty leaves no
1670 surviving spouse but is survived by a child or children under 18
1671 years of age, the benefits provided by subparagraph 1., normally
1672 payable to a surviving spouse, shall be paid for the use and
1673 benefit of such member's child or children under 18 years of age
1674 and unmarried until the 18th birthday of the member's youngest
1675 child.

1676 4. The surviving spouse of a member whose benefit
1677 terminated because of remarriage shall have the benefit
1678 reinstated beginning July 1, 1993, at an amount that would have
1679 been payable had the benefit not been terminated.

1680 (e) The surviving spouse or other dependent of any member,
1681 except a member who participated in the Deferred Retirement
1682 Option Program, whose employment is terminated by death shall,
1683 upon application to the administrator, be permitted to pay the
1684 required contributions for any service performed by the member
1685 which could have been claimed by the member at the time of his
1686 or her death. Such service shall be added to the creditable
1687 service of the member and shall be used in the calculation of
1688 any benefits which may be payable to the surviving spouse or
1689 other surviving dependent.



1690 (f) Notwithstanding any other provisions in this chapter
1691 to the contrary and upon application to the administrator, an
1692 eligible joint annuitant, of a member whose employment is
1693 terminated by death within 1 year of such member satisfying the
1694 service requirements for vesting and retirement eligibility,
1695 shall be permitted to purchase only the additional service
1696 credit necessary to vest and qualify for retirement benefits,
1697 not to exceed a total of 1 year of credit, by one or a
1698 combination of the following methods:

1699 1. Such eligible joint annuitant may use the deceased
1700 member's accumulated hours of annual, sick, and compensatory
1701 leave to purchase additional creditable service, on an hour by
1702 hour basis, provided that such deceased member's accumulated
1703 leave is sufficient to cover the additional months required. For
1704 each month of service credit needed prior to the final month,
1705 credit for the total number of work hours in that month must be
1706 purchased, using an equal number of the deceased member's
1707 accumulated leave hours. Service credit required for the final
1708 month in which the deceased member would have become vested
1709 shall be awarded upon the purchase of 1 hour of credit. Such
1710 eligible joint annuitant shall pay the contribution rate in
1711 effect for the period of time being claimed for the deceased
1712 member's class of membership, multiplied by such member's
1713 monthly salary at the time of death, plus 6.5 percent interest
1714 compounded annually. The accumulated leave payment used in the
1715 average final compensation shall not include that portion of the
1716 payment that represents any leave hours used in the purchase of
1717 such creditable service.



1718 2. Such eligible joint annuitant may purchase additional
1719 months of creditable service for any periods of out-of-state
1720 service as provided in s. 121.1115, and in-state service as
1721 provided in s. 121.1122, that the deceased member would have
1722 been eligible to purchase prior to his or her death.

1723

1724 Service purchased under this paragraph shall be added to the
1725 creditable service of the member and used to vest for retirement
1726 eligibility, and shall be used in the calculation of any
1727 benefits which may be payable to the eligible joint annuitant.
1728 Any benefits paid in accordance with this paragraph shall only
1729 be made prospectively.

1730 (g) Notwithstanding any other provisions in this chapter
1731 to the contrary, if any member who is vested dies and the
1732 surviving spouse receives a refund of the accumulated
1733 contributions made to the retirement trust fund, such spouse may
1734 pay to the Division of Retirement an amount equal to the sum of
1735 the amount of the deceased member's accumulated contributions
1736 previously refunded plus interest at 4 percent compounded
1737 annually each June 30 from the date of refund until July 1,
1738 1975, and 6.5 percent interest compounded annually thereafter,
1739 until full payment is made, and receive the monthly retirement
1740 benefit as provided in paragraph (b).

1741 (h) The designated beneficiary who is the surviving spouse
1742 or other dependent of a member whose employment is terminated by
1743 death subsequent to becoming vested, but prior to actual
1744 retirement, may elect to receive a deferred monthly benefit as
1745 if the member had lived and had elected a deferred monthly



1746 benefit, as provided in paragraph (5)(b), calculated on the
1747 basis of the average final compensation and creditable service
1748 of the member at his or her death and the age the member would
1749 have attained on the commencement date of the deferred benefit
1750 elected by the beneficiary, paid in accordance with option 3 of
1751 paragraph (6)(a).

1752 (8) DESIGNATION OF BENEFICIARIES.--

1753 (a) Each member may, on a form provided for that purpose,
1754 signed and filed with the division, designate a choice of one or
1755 more persons, named sequentially or jointly, as his or her
1756 beneficiary who shall receive the benefits, if any, which may be
1757 payable in the event of the member's death pursuant to the
1758 provisions of this chapter. If no beneficiary is named in the
1759 manner provided above, or if no beneficiary designated by the
1760 member survives the member, the beneficiary shall be the spouse
1761 of the deceased, if living. If the member's spouse is not alive
1762 at his or her death, the beneficiary shall be the living
1763 children of the member. If no children survive, the beneficiary
1764 shall be the member's father or mother, if living; otherwise,
1765 the beneficiary shall be the member's estate. The beneficiary
1766 most recently designated by a member on a form or letter filed
1767 with the division shall be the beneficiary entitled to any
1768 benefits payable at the time of the member's death, except that
1769 benefits shall be paid as provided in paragraph (7)(d) when
1770 death occurs in the line of duty. Notwithstanding any other
1771 provisions in this subsection to the contrary, for a member who
1772 dies prior to his or her effective date of retirement on or
1773 after January 1, 1999, the spouse at the time of death shall be



1774 the member's beneficiary unless such member designates a
 1775 different beneficiary as provided herein subsequent to the
 1776 member's most recent marriage.

1777 (b) A designated beneficiary of a retirement account for
 1778 whom there is a monetary interest may disclaim his or her
 1779 monetary interest as provided in s. 689.21, and in accordance
 1780 with division rules governing such disclaimers. Such disclaimer
 1781 must be filed within 24 months after the event that created the
 1782 interest, that is, the death of the member or annuitant.

1783 (c) Notwithstanding the member's designation of benefits
 1784 to be paid through a trust to a beneficiary that is a natural
 1785 person as provided in s. 121.021(46), and notwithstanding the
 1786 provisions of the trust, benefits shall be paid directly to the
 1787 beneficiary if such person is no longer a minor or incapacitated
 1788 as defined in s. 744.102(10) and (11).

1789 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

1790 (a) Any person who is retired under this chapter, except
 1791 under the disability retirement provisions of subsection (4),
 1792 may be employed by an employer that does not participate in a
 1793 state-administered retirement system and may receive
 1794 compensation from that employment without limiting or
 1795 restricting in any way the retirement benefits payable to that
 1796 person.

1797 (b)1. Any person who is retired under this chapter, except
 1798 under the disability retirement provisions of subsection (4),
 1799 may be reemployed by any private or public employer after
 1800 retirement and receive retirement benefits and compensation from
 1801 his or her employer without any limitations, except that a



1802 person may not receive both a salary from reemployment with any
1803 agency participating in the Florida Retirement System and
1804 retirement benefits under this chapter for a period of 12 months
1805 immediately subsequent to the date of retirement. However, a
1806 DROP participant shall continue employment and receive a salary
1807 during the period of participation in the Deferred Retirement
1808 Option Program, as provided in subsection (13).

1809 2. Any person to whom the limitation in subparagraph 1.
1810 applies who violates such reemployment limitation and who is
1811 reemployed with any agency participating in the Florida
1812 Retirement System before completion of the 12-month limitation
1813 period shall give timely notice of this fact in writing to the
1814 employer and to the division and shall have his or her
1815 retirement benefits suspended for the balance of the 12-month
1816 limitation period. Any person employed in violation of this
1817 paragraph and any employing agency which knowingly employs or
1818 appoints such person without notifying the Division of
1819 Retirement to suspend retirement benefits shall be jointly and
1820 severally liable for reimbursement to the retirement trust fund
1821 of any benefits paid during the reemployment limitation period.
1822 To avoid liability, such employing agency shall have a written
1823 statement from the retiree that he or she is not retired from a
1824 state-administered retirement system. Any retirement benefits
1825 received while reemployed during this reemployment limitation
1826 period shall be repaid to the retirement trust fund, and
1827 retirement benefits shall remain suspended until such repayment
1828 has been made. Benefits suspended beyond the reemployment



1829 limitation shall apply toward repayment of benefits received in
1830 violation of the reemployment limitation.

1831 3. A district school board may reemploy a retired member
1832 as a substitute or hourly teacher, education paraprofessional,
1833 transportation assistant, bus driver, or food service worker on
1834 a noncontractual basis after he or she has been retired for 1
1835 calendar month, in accordance with s. 121.021(39). Any retired
1836 member who is reemployed within 1 calendar month after
1837 retirement shall void his or her application for retirement
1838 benefits. District school boards reemploying such teachers,
1839 education paraprofessionals, transportation assistants, bus
1840 drivers, or food service workers are subject to the retirement
1841 contribution required by subparagraph 7. Reemployment of a
1842 retired member as a substitute or hourly teacher, education
1843 paraprofessional, transportation assistant, bus driver, or food
1844 service worker is limited to 780 hours during the first 12
1845 months of his or her retirement. Any retired member reemployed
1846 for more than 780 hours during his or her first 12 months of
1847 retirement shall give timely notice in writing to the employer
1848 and to the division of the date he or she will exceed the
1849 limitation. The division shall suspend his or her retirement
1850 benefits for the remainder of the first 12 months of retirement.
1851 Any person employed in violation of this subparagraph and any
1852 employing agency which knowingly employs or appoints such person
1853 without notifying the Division of Retirement to suspend
1854 retirement benefits shall be jointly and severally liable for
1855 reimbursement to the retirement trust fund of any benefits paid
1856 during the reemployment limitation period. To avoid liability,



1857 such employing agency shall have a written statement from the
1858 retiree that he or she is not retired from a state-administered
1859 retirement system. Any retirement benefits received by a retired
1860 member while reemployed in excess of 780 hours during the first
1861 12 months of retirement shall be repaid to the Retirement System
1862 Trust Fund, and his or her retirement benefits shall remain
1863 suspended until repayment is made. Benefits suspended beyond the
1864 end of the retired member's first 12 months of retirement shall
1865 apply toward repayment of benefits received in violation of the
1866 780-hour reemployment limitation.

1867 4. A community college board of trustees may reemploy a
1868 retired member as an adjunct instructor, that is, an instructor
1869 who is noncontractual and part-time, or as a participant in a
1870 phased retirement program within the Florida Community College
1871 System, after he or she has been retired for 1 calendar month,
1872 in accordance with s. 121.021(39). Any retired member who is
1873 reemployed within 1 calendar month after retirement shall void
1874 his or her application for retirement benefits. Boards of
1875 trustees reemploying such instructors are subject to the
1876 retirement contribution required in subparagraph 7. A retired
1877 member may be reemployed as an adjunct instructor for no more
1878 than 780 hours during the first 12 months of retirement. Any
1879 retired member reemployed for more than 780 hours during the
1880 first 12 months of retirement shall give timely notice in
1881 writing to the employer and to the division of the date he or
1882 she will exceed the limitation. The division shall suspend his
1883 or her retirement benefits for the remainder of the first 12
1884 months of retirement. Any person employed in violation of this



1885 subparagraph and any employing agency which knowingly employs or
1886 appoints such person without notifying the Division of
1887 Retirement to suspend retirement benefits shall be jointly and
1888 severally liable for reimbursement to the retirement trust fund
1889 of any benefits paid during the reemployment limitation period.
1890 To avoid liability, such employing agency shall have a written
1891 statement from the retiree that he or she is not retired from a
1892 state-administered retirement system. Any retirement benefits
1893 received by a retired member while reemployed in excess of 780
1894 hours during the first 12 months of retirement shall be repaid
1895 to the Retirement System Trust Fund, and retirement benefits
1896 shall remain suspended until repayment is made. Benefits
1897 suspended beyond the end of the retired member's first 12 months
1898 of retirement shall apply toward repayment of benefits received
1899 in violation of the 780-hour reemployment limitation.

1900 5. The State University System may reemploy a retired
1901 member as an adjunct faculty member or as a participant in a
1902 phased retirement program within the State University System
1903 after the retired member has been retired for 1 calendar month,
1904 in accordance with s. 121.021(39). Any retired member who is
1905 reemployed within 1 calendar month after retirement shall void
1906 his or her application for retirement benefits. The State
1907 University System is subject to the retired contribution
1908 required in subparagraph 7., as appropriate. A retired member
1909 may be reemployed as an adjunct faculty member or a participant
1910 in a phased retirement program for no more than 780 hours during
1911 the first 12 months of his or her retirement. Any retired member
1912 reemployed for more than 780 hours during the first 12 months of



1913 retirement shall give timely notice in writing to the employer
1914 and to the division of the date he or she will exceed the
1915 limitation. The division shall suspend his or her retirement
1916 benefits for the remainder of the first 12 months of retirement.
1917 Any person employed in violation of this subparagraph and any
1918 employing agency which knowingly employs or appoints such person
1919 without notifying the Division of Retirement to suspend
1920 retirement benefits shall be jointly and severally liable for
1921 reimbursement to the retirement trust fund of any benefits paid
1922 during the reemployment limitation period. To avoid liability,
1923 such employing agency shall have a written statement from the
1924 retiree that he or she is not retired from a state-administered
1925 retirement system. Any retirement benefits received by a retired
1926 member while reemployed in excess of 780 hours during the first
1927 12 months of retirement shall be repaid to the Retirement System
1928 Trust Fund, and retirement benefits shall remain suspended until
1929 repayment is made. Benefits suspended beyond the end of the
1930 retired member's first 12 months of retirement shall apply
1931 toward repayment of benefits received in violation of the 780-
1932 hour reemployment limitation.

1933 6. The Board of Trustees of the Florida School for the
1934 Deaf and the Blind may reemploy a retired member as a substitute
1935 teacher, substitute residential instructor, or substitute nurse
1936 on a noncontractual basis after he or she has been retired for 1
1937 calendar month, in accordance with s. 121.021(39). Any retired
1938 member who is reemployed within 1 calendar month after
1939 retirement shall void his or her application for retirement
1940 benefits. The Board of Trustees of the Florida School for the



1941 Deaf and the Blind reemploying such teachers, residential
1942 instructors, or nurses is subject to the retirement contribution
1943 required by subparagraph 7. Reemployment of a retired member as
1944 a substitute teacher, substitute residential instructor, or
1945 substitute nurse is limited to 780 hours during the first 12
1946 months of his or her retirement. Any retired member reemployed
1947 for more than 780 hours during the first 12 months of retirement
1948 shall give timely notice in writing to the employer and to the
1949 division of the date he or she will exceed the limitation. The
1950 division shall suspend his or her retirement benefits for the
1951 remainder of the first 12 months of retirement. Any person
1952 employed in violation of this subparagraph and any employing
1953 agency which knowingly employs or appoints such person without
1954 notifying the Division of Retirement to suspend retirement
1955 benefits shall be jointly and severally liable for reimbursement
1956 to the retirement trust fund of any benefits paid during the
1957 reemployment limitation period. To avoid liability, such
1958 employing agency shall have a written statement from the retiree
1959 that he or she is not retired from a state-administered
1960 retirement system. Any retirement benefits received by a retired
1961 member while reemployed in excess of 780 hours during the first
1962 12 months of retirement shall be repaid to the Retirement System
1963 Trust Fund, and his or her retirement benefits shall remain
1964 suspended until payment is made. Benefits suspended beyond the
1965 end of the retired member's first 12 months of retirement shall
1966 apply toward repayment of benefits received in violation of the
1967 780-hour reemployment limitation.



1968 7. The employment by an employer of any retiree or DROP
 1969 participant of any state-administered retirement system shall
 1970 have no effect on the average final compensation or years of
 1971 creditable service of the retiree or DROP participant. Prior to
 1972 July 1, 1991, upon employment of any person, other than an
 1973 elected officer as provided in s. 121.053, who has been retired
 1974 under any state-administered retirement program, the employer
 1975 shall pay retirement contributions in an amount equal to the
 1976 unfunded actuarial liability portion of the employer
 1977 contribution which would be required for regular members of the
 1978 Florida Retirement System. Effective July 1, 1991, contributions
 1979 shall be made as provided in s. 121.122 for retirees with
 1980 renewed membership or subsection (13) with respect to DROP
 1981 participants.

1982 8. Any person who has previously retired and who is
 1983 holding an elective public office or an appointment to an
 1984 elective public office eligible for the Elected Officers' Class
 1985 on or after July 1, 1990, shall be enrolled in the Florida
 1986 Retirement System as provided in s. 121.053(1)(b) or, if holding
 1987 an elective public office that does not qualify for the Elected
 1988 Officers' Class on or after July 1, 1991, shall be enrolled in
 1989 the Florida Retirement System as provided in s. 121.122, and
 1990 shall continue to receive retirement benefits as well as
 1991 compensation for the elected officer's service for as long as he
 1992 or she remains in elective office. However, any retired member
 1993 who served in an elective office prior to July 1, 1990,
 1994 suspended his or her retirement benefit, and had his or her
 1995 Florida Retirement System membership reinstated shall, upon



1996 retirement from such office, have his or her retirement benefit
 1997 recalculated to include the additional service and compensation
 1998 earned.

1999 9. Any person who is holding an elective public office
 2000 which is covered by the Florida Retirement System and who is
 2001 concurrently employed in nonelected covered employment may elect
 2002 to retire while continuing employment in the elective public
 2003 office, provided that he or she shall be required to terminate
 2004 his or her nonelected covered employment. Any person who
 2005 exercises this election shall receive his or her retirement
 2006 benefits in addition to the compensation of the elective office
 2007 without regard to the time limitations otherwise provided in
 2008 this subsection. No person who seeks to exercise the provisions
 2009 of this subparagraph, as the same existed prior to May 3, 1984,
 2010 shall be deemed to be retired under those provisions, unless
 2011 such person is eligible to retire under the provisions of this
 2012 subparagraph, as amended by chapter 84-11, Laws of Florida.

2013 10. The limitations of this paragraph apply to
 2014 reemployment in any capacity with an "employer" as defined in s.
 2015 121.021(10), irrespective of the category of funds from which
 2016 the person is compensated.

2017 11. An employing agency may reemploy a retired member as a
 2018 firefighter or paramedic after the retired member has been
 2019 retired for 1 calendar month, in accordance with s. 121.021(39).
 2020 Any retired member who is reemployed within 1 calendar month
 2021 after retirement shall void his or her application for
 2022 retirement benefits. The employing agency reemploying such
 2023 firefighter or paramedic is subject to the retired contribution



2024 required in subparagraph 8. Reemployment of a retired
 2025 firefighter or paramedic is limited to no more than 780 hours
 2026 during the first 12 months of his or her retirement. Any retired
 2027 member reemployed for more than 780 hours during the first 12
 2028 months of retirement shall give timely notice in writing to the
 2029 employer and to the division of the date he or she will exceed
 2030 the limitation. The division shall suspend his or her retirement
 2031 benefits for the remainder of the first 12 months of retirement.
 2032 Any person employed in violation of this subparagraph and any
 2033 employing agency which knowingly employs or appoints such person
 2034 without notifying the Division of Retirement to suspend
 2035 retirement benefits shall be jointly and severally liable for
 2036 reimbursement to the Retirement System Trust Fund of any
 2037 benefits paid during the reemployment limitation period. To
 2038 avoid liability, such employing agency shall have a written
 2039 statement from the retiree that he or she is not retired from a
 2040 state-administered retirement system. Any retirement benefits
 2041 received by a retired member while reemployed in excess of 780
 2042 hours during the first 12 months of retirement shall be repaid
 2043 to the Retirement System Trust Fund, and retirement benefits
 2044 shall remain suspended until repayment is made. Benefits
 2045 suspended beyond the end of the retired member's first 12 months
 2046 of retirement shall apply toward repayment of benefits received
 2047 in violation of the 780-hour reemployment limitation.

2048 (10) FUTURE BENEFITS BASED ON ACTUARIAL DATA.--It is the
 2049 intent of the Legislature that future benefit increases enacted
 2050 into law in this chapter shall be financed concurrently by
 2051 increased contributions or other adequate funding, and such



2052 funding shall be based on sound actuarial data as developed by
 2053 the actuary or state retirement actuary, as provided in ss.
 2054 121.021(6) and 121.192.

2055 (11) A member who becomes eligible to retire and has
 2056 accumulated the maximum benefit of 100 percent of average final
 2057 compensation may continue in active service, and, if upon the
 2058 member's retirement the member elects to receive a retirement
 2059 compensation pursuant to subsection (2), subsection (6), or
 2060 subsection (7), the actuarial equivalent percentage factor
 2061 applicable to the age of such member at the time the member
 2062 reached the maximum benefit and to the age, at that time, of the
 2063 member's spouse shall determine the amount of benefits to be
 2064 paid.

2065 (12) SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN SURVIVOR
 2066 BENEFITS.--Notwithstanding any provision of this chapter to the
 2067 contrary, for members with an effective date of retirement, or
 2068 date of death if prior to retirement, on or after January 1,
 2069 1996, the named joint annuitant, as defined in s.
 2070 121.021(28)(b), who is eligible to receive benefits under
 2071 subparagraph (6)(a)3. or subparagraph (6)(a)4., shall receive
 2072 the maximum monthly retirement benefit that would have been
 2073 payable to the member under subparagraph (6)(a)1.; however,
 2074 payment of such benefit shall cease the month the joint
 2075 annuitant attains age 25 unless such joint annuitant is disabled
 2076 and incapable of self-support, in which case, benefits shall
 2077 cease when the joint annuitant is no longer disabled. The
 2078 administrator may require proof of disability or continued
 2079 disability in the same manner as is provided for a member



2080 seeking or receiving a disability retirement benefit under
2081 subsection (4).

2082 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
2083 subject to the provisions of this section, the Deferred
2084 Retirement Option Program, hereinafter referred to as the DROP,
2085 is a program under which an eligible member of the Florida
2086 Retirement System may elect to participate, deferring receipt of
2087 retirement benefits while continuing employment with his or her
2088 Florida Retirement System employer. The deferred monthly
2089 benefits shall accrue in the System Trust Fund on behalf of the
2090 participant, plus interest compounded monthly, for the specified
2091 period of the DROP participation, as provided in paragraph (c).
2092 Upon termination of employment, the participant shall receive
2093 the total DROP benefits and begin to receive the previously
2094 determined normal retirement benefits. Participation in the DROP
2095 does not guarantee employment for the specified period of DROP.

2096 (a) Eligibility of member to participate in the DROP.--All
2097 active Florida Retirement System members in a regularly
2098 established position, and all active members of either the
2099 Teachers' Retirement System established in chapter 238 or the
2100 State and County Officers' and Employees' Retirement System
2101 established in chapter 122 which systems are consolidated within
2102 the Florida Retirement System under s. 121.011, are eligible to
2103 elect participation in the DROP provided that:

2104 1. The member is not a renewed member of the Florida
2105 Retirement System under s. 121.122, or a member of the State
2106 Community College System Optional Retirement Program under s.
2107 121.051, the Senior Management Service Optional Annuity Program



2108 | under s. 121.055, or the optional retirement program for the
2109 | State University System under s. 121.35.

2110 | 2. Except as provided in subparagraph 6., election to
2111 | participate is made within 12 months immediately following the
2112 | date on which the member first reaches normal retirement date,
2113 | or, for a member who reaches normal retirement date based on
2114 | service before he or she reaches age 62, or age 55 for Special
2115 | Risk Class members, election to participate may be deferred to
2116 | the 12 months immediately following the date the member attains
2117 | 57, or age 52 for Special Risk Class members. For a member who
2118 | first reached normal retirement date or the deferred eligibility
2119 | date described above prior to the effective date of this
2120 | section, election to participate shall be made within 12 months
2121 | after the effective date of this section. A member who fails to
2122 | make an election within such 12-month limitation period shall
2123 | forfeit all rights to participate in the DROP. The member shall
2124 | advise his or her employer and the division in writing of the
2125 | date on which the DROP shall begin. Such beginning date may be
2126 | subsequent to the 12-month election period, but must be within
2127 | the 60-month limitation period as provided in subparagraph (b)1.
2128 | When establishing eligibility of the member to participate in
2129 | the DROP for the 60-month maximum participation period, the
2130 | member may elect to include or exclude any optional service
2131 | credit purchased by the member from the total service used to
2132 | establish the normal retirement date. A member with dual normal
2133 | retirement dates shall be eligible to elect to participate in
2134 | DROP within 12 months after attaining normal retirement date in
2135 | either class.



2136 3. The employer of a member electing to participate in the
2137 DROP, or employers if dually employed, shall acknowledge in
2138 writing to the division the date the member's participation in
2139 the DROP begins and the date the member's employment and DROP
2140 participation will terminate.

2141 4. Simultaneous employment of a participant by additional
2142 Florida Retirement System employers subsequent to the
2143 commencement of participation in the DROP shall be permissible
2144 provided such employers acknowledge in writing a DROP
2145 termination date no later than the participant's existing
2146 termination date or the 60-month limitation period as provided
2147 in subparagraph (b)1.

2148 5. A DROP participant may change employers while
2149 participating in the DROP, subject to the following:

2150 a. A change of employment must take place without a break
2151 in service so that the member receives salary for each month of
2152 continuous DROP participation. If a member receives no salary
2153 during a month, DROP participation shall cease unless the
2154 employer verifies a continuation of the employment relationship
2155 for such participant pursuant to s. 121.021(39)(b).

2156 b. Such participant and new employer shall notify the
2157 division on forms required by the division as to the identity of
2158 the new employer.

2159 c. The new employer shall acknowledge, in writing, the
2160 participant's DROP termination date, which may be extended but
2161 not beyond the original 60-month period provided in subparagraph
2162 (b)1., shall acknowledge liability for any additional retirement
2163 contributions and interest required if the participant fails to



2164 timely terminate employment, and shall be subject to the
2165 adjustment required in sub-subparagraph (c)5.d.

2166 6. Effective July 1, 2001, for instructional personnel as
2167 defined in s. 1012.01(2), election to participate in the DROP
2168 shall be made at any time following the date on which the member
2169 first reaches normal retirement date. The member shall advise
2170 his or her employer and the division in writing of the date on
2171 which the Deferred Retirement Option Program shall begin. When
2172 establishing eligibility of the member to participate in the
2173 DROP for the 60-month maximum participation period, as provided
2174 in subparagraph (b)1., the member may elect to include or
2175 exclude any optional service credit purchased by the member from
2176 the total service used to establish the normal retirement date.
2177 A member with dual normal retirement dates shall be eligible to
2178 elect to participate in either class.

2179 (b) Participation in the DROP.--

2180 1. An eligible member may elect to participate in the DROP
2181 for a period not to exceed a maximum of 60 calendar months
2182 immediately following the date on which the member first reaches
2183 his or her normal retirement date or the date to which he or she
2184 is eligible to defer his or her election to participate as
2185 provided in subparagraph (a)2. However, a member who has reached
2186 normal retirement date prior to the effective date of the DROP
2187 shall be eligible to participate in the DROP for a period of
2188 time not to exceed 60 calendar months immediately following the
2189 effective date of the DROP, except a member of the Special Risk
2190 Class who has reached normal retirement date prior to the
2191 effective date of the DROP and whose total accrued value exceeds



2192 75 percent of average final compensation as of his or her
2193 effective date of retirement shall be eligible to participate in
2194 the DROP for no more than 36 calendar months immediately
2195 following the effective date of the DROP.

2196 2. Upon deciding to participate in the DROP, the member
2197 shall submit, on forms required by the division:

2198 a. A written election to participate in the DROP;

2199 b. Selection of the DROP participation and termination
2200 dates, which satisfy the limitations stated in paragraph (a) and
2201 subparagraph 1. Such termination date shall be in a binding
2202 letter of resignation with the employer, establishing a deferred
2203 termination date. The member may change the termination date
2204 within the limitations of subparagraph 1., but only with the
2205 written approval of his or her employer;

2206 c. A properly completed DROP application for service
2207 retirement as provided in this section; and

2208 d. Any other information required by the division.

2209 3. The DROP participant shall be a retiree under the
2210 Florida Retirement System for all purposes, except for paragraph
2211 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
2212 and 121.122. However, participation in the DROP does not alter
2213 the participant's employment status and such employee shall not
2214 be deemed retired from employment until his or her deferred
2215 resignation is effective and termination occurs as provided in
2216 s. 121.021(39).

2217 4. Elected officers shall be eligible to participate in
2218 the DROP subject to the following:



2219 a. An elected officer who reaches normal retirement date
 2220 during a term of office may defer the election to participate in
 2221 the DROP until the next succeeding term in that office. Such
 2222 elected officer who exercises this option may participate in the
 2223 DROP for up to 60 calendar months or a period of no longer than
 2224 such succeeding term of office, whichever is less.

2225 b. An elected or a nonelected participant may run for a
 2226 term of office while participating in DROP and, if elected,
 2227 extend the DROP termination date accordingly, except, however,
 2228 if such additional term of office exceeds the 60-month
 2229 limitation established in subparagraph 1., and the officer does
 2230 not resign from office within such 60-month limitation, the
 2231 retirement and the participant' s DROP shall be null and void as
 2232 provided in sub-subparagraph (c)5.d.

2233 c. An elected officer who is dually employed and elects to
 2234 participate in DROP shall be required to satisfy the definition
 2235 of termination within the 60-month limitation period as provided
 2236 in subparagraph 1. for the nonelected position and may continue
 2237 employment as an elected officer as provided in s. 121.053. The
 2238 elected officer will be enrolled as a renewed member in the
 2239 Elected Officers' Class or the Regular Class, as provided in ss.
 2240 121.053 and 121.22, on the first day of the month after
 2241 termination of employment in the nonelected position and
 2242 termination of DROP. Distribution of the DROP benefits shall be
 2243 made as provided in paragraph (c).

2244 (c) Benefits payable under the DROP.--

2245 1. Effective with the date of DROP participation, the
 2246 member's initial normal monthly benefit, including creditable



2247 service, optional form of payment, and average final
2248 compensation, and the effective date of retirement shall be
2249 fixed. The beneficiary established under the Florida Retirement
2250 System shall be the beneficiary eligible to receive any DROP
2251 benefits payable if the DROP participant dies prior to the
2252 completion of the period of DROP participation. In the event a
2253 joint annuitant predeceases the member, the member may name a
2254 beneficiary to receive accumulated DROP benefits payable. Such
2255 retirement benefit, the annual cost of living adjustments
2256 provided in s. 121.101, and interest shall accrue monthly in the
2257 System Trust Fund. Such interest shall accrue at an effective
2258 annual rate of 6.5 percent compounded monthly, on the prior
2259 month's accumulated ending balance, up to the month of
2260 termination or death.

2261 2. Each employee who elects to participate in the DROP
2262 shall be allowed to elect to receive a lump-sum payment for
2263 accrued annual leave earned in accordance with agency policy
2264 upon beginning participation in the DROP. Such accumulated leave
2265 payment certified to the division upon commencement of DROP
2266 shall be included in the calculation of the member's average
2267 final compensation. The employee electing such lump-sum payment
2268 upon beginning participation in DROP will not be eligible to
2269 receive a second lump-sum payment upon termination, except to
2270 the extent the employee has earned additional annual leave which
2271 combined with the original payment does not exceed the maximum
2272 lump-sum payment allowed by the employing agency's policy or
2273 rules. Such early lump-sum payment shall be based on the hourly
2274 wage of the employee at the time he or she begins participation



2275 in the DROP. If the member elects to wait and receive such lump-
2276 sum payment upon termination of DROP and termination of
2277 employment with the employer, any accumulated leave payment made
2278 at that time cannot be included in the member's retirement
2279 benefit, which was determined and fixed by law when the employee
2280 elected to participate in the DROP.

2281 3. The effective date of DROP participation and the
2282 effective date of retirement of a DROP participant shall be the
2283 first day of the month selected by the member to begin
2284 participation in the DROP, provided such date is properly
2285 established, with the written confirmation of the employer, and
2286 the approval of the division, on forms required by the division.

2287 4. Normal retirement benefits and interest thereon shall
2288 continue to accrue in the DROP until the established termination
2289 date of the DROP, or until the participant terminates employment
2290 or dies prior to such date. Although individual DROP accounts
2291 shall not be established, a separate accounting of each
2292 participant's accrued benefits under the DROP shall be
2293 calculated and provided to participants.

2294 5. At the conclusion of the participant's DROP, the
2295 division shall distribute the participant's total accumulated
2296 DROP benefits, subject to the following provisions:

2297 a. The division shall receive verification by the
2298 participant's employer or employers that such participant has
2299 terminated employment as provided in s. 121.021(39)(b).

2300 b. The terminated DROP participant or, if deceased, such
2301 participant's named beneficiary, shall elect on forms provided
2302 by the division to receive payment of the DROP benefits in



2303 accordance with one of the options listed below. For a
2304 participant or beneficiary who fails to elect a method of
2305 payment within 60 days of termination of the DROP, the division
2306 will pay a lump sum as provided in sub-sub-subparagraph (I).

2307 (I) Lump sum.--All accrued DROP benefits, plus interest,
2308 less withholding taxes remitted to the Internal Revenue Service,
2309 shall be paid to the DROP participant or surviving beneficiary.

2310 (II) Direct rollover.--All accrued DROP benefits, plus
2311 interest, shall be paid from the DROP directly to the custodian
2312 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
2313 the Internal Revenue Code. However, in the case of an eligible
2314 rollover distribution to the surviving spouse of a deceased
2315 participant, an eligible retirement plan is an individual
2316 retirement account or an individual retirement annuity as
2317 described in s. 402(c)(9) of the Internal Revenue Code.

2318 (III) Partial lump sum.--A portion of the accrued DROP
2319 benefits shall be paid to the DROP participant or surviving
2320 spouse, less withholding taxes remitted to the Internal Revenue
2321 Service, and the remaining DROP benefits shall be transferred
2322 directly to the custodian of an eligible retirement plan as
2323 defined in s. 402(c)(8)(B) of the Internal Revenue Code.
2324 However, in the case of an eligible rollover distribution to the
2325 surviving spouse of a deceased participant, an eligible
2326 retirement plan is an individual retirement account or an
2327 individual retirement annuity as described in s. 402(c)(9) of
2328 the Internal Revenue Code. The proportions shall be specified by
2329 the DROP participant or surviving beneficiary.



2330 c. The form of payment selected by the DROP participant or
 2331 surviving beneficiary complies with the minimum distribution
 2332 requirements of the Internal Revenue Code.

2333 d. A DROP participant who fails to terminate employment as
 2334 defined in s. 121.021(39)(b) shall be deemed not to be retired,
 2335 and the DROP election shall be null and void. Florida Retirement
 2336 System membership shall be reestablished retroactively to the
 2337 date of the commencement of the DROP, and each employer with
 2338 whom the participant continues employment shall be required to
 2339 pay to the System Trust Fund the difference between the DROP
 2340 contributions paid in paragraph (i) and the contributions
 2341 required for the applicable Florida Retirement System class of
 2342 membership during the period the member participated in the
 2343 DROP, plus 6.5 percent interest compounded annually.

2344 6. The accrued benefits of any DROP participant, and any
 2345 contributions accumulated under such program, shall not be
 2346 subject to assignment, execution, attachment, or to any legal
 2347 process whatsoever, except for qualified domestic relations
 2348 orders by a court of competent jurisdiction, income deduction
 2349 orders as provided in s. 61.1301, and federal income tax levies.

2350 7. DROP participants shall not be eligible for disability
 2351 retirement benefits as provided in subsection (4).

2352 (d) Death benefits under the DROP.--

2353 1. Upon the death of a DROP participant, the named
 2354 beneficiary shall be entitled to apply for and receive the
 2355 accrued benefits in the DROP as provided in sub-subparagraph
 2356 (c)5.b.



2357 2. The normal retirement benefit accrued to the DROP
2358 during the month of a participant's death shall be the final
2359 monthly benefit credited for such DROP participant.

2360 3. Eligibility to participate in the DROP terminates upon
2361 death of the participant. If the participant dies on or after
2362 the effective date of enrollment in the DROP, but prior to the
2363 first monthly benefit being credited to the DROP, Florida
2364 Retirement System benefits shall be paid in accordance with
2365 subparagraph (7)(c)1. or subparagraph 2.

2366 4. A DROP participants' survivors shall not be eligible to
2367 receive Florida Retirement System death benefits as provided in
2368 paragraph (7)(d).

2369 (e) Cost-of-living adjustment.--On each July 1, the
2370 participants' normal retirement benefit shall be increased as
2371 provided in s. 121.101.

2372 (f) Retiree health insurance subsidy.--DROP participants
2373 are not eligible to apply for the retiree health insurance
2374 subsidy payments as provided in s. 112.363 until such
2375 participants have terminated employment and participation in the
2376 DROP.

2377 (g) Renewed membership.--DROP participants shall not be
2378 eligible for renewed membership in the Florida Retirement System
2379 under ss. 121.053 and 121.122 until termination of employment is
2380 effectuated as provided in s. 121.021(39)(b).

2381 (h) Employment limitation after DROP participation.--Upon
2382 satisfying the definition of termination of employment as
2383 provided in s. 121.021(39)(b), DROP participants shall be
2384 subject to such reemployment limitations as other retirees.



2385 Reemployment restrictions applicable to retirees as provided in
2386 subsection (9) shall not apply to DROP participants until their
2387 employment and participation in the DROP are terminated.

2388 (i) Contributions.--

2389 1. All employers paying the salary of a DROP participant
2390 filling a regularly established position shall contribute 8.0
2391 percent of such participant's gross compensation for the period
2392 of July 1, 2002, through June 30, 2003, and 11.56 percent of
2393 such compensation thereafter, which shall constitute the entire
2394 employer DROP contribution with respect to such participant.
2395 Such contributions, payable to the System Trust Fund in the same
2396 manner as required in s. 121.071, shall be made as appropriate
2397 for each pay period and are in addition to contributions
2398 required for social security and the Retiree Health Insurance
2399 Subsidy Trust Fund. Such employer, social security, and health
2400 insurance subsidy contributions are not included in the DROP.

2401 2. The employer shall, in addition to subparagraph 1.,
2402 also withhold one-half of the entire social security
2403 contribution required for the participant. Contributions for
2404 social security by each participant and each employer, in the
2405 amount required for social security coverage as now or hereafter
2406 provided by the federal Social Security Act, shall be in
2407 addition to contributions specified in subparagraph 1.

2408 3. All employers paying the salary of a DROP participant
2409 filling a regularly established position shall contribute the
2410 percent of such participant's gross compensation required in s.
2411 121.071(4), which shall constitute the employer's health
2412 insurance subsidy contribution with respect to such participant.



2413 Such contributions shall be deposited by the administrator in
2414 the Retiree Health Insurance Subsidy Trust Fund.

2415 (j) Forfeiture of retirement benefits.--Nothing in this
2416 section shall be construed to remove DROP participants from the
2417 scope of s. 8(d), Art. II of the State Constitution, s.
2418 112.3173, and paragraph (5)(f). DROP participants who commit a
2419 specified felony offense while employed will be subject to
2420 forfeiture of all retirement benefits, including DROP benefits,
2421 pursuant to those provisions of law.

2422 (k) Administration of program.--The division shall make
2423 such rules as are necessary for the effective and efficient
2424 administration of this subsection. The division shall not be
2425 required to advise members of the federal tax consequences of an
2426 election related to the DROP but may advise members to seek
2427 independent advice.

2428 (14) PAYMENT OF BENEFITS.--This subsection applies to the
2429 payment of benefits to a payee (retiree or beneficiary) under
2430 the Florida Retirement System:

2431 (a) Federal income tax shall be withheld in accordance
2432 with federal law, unless the payee elects otherwise on Form W-
2433 4P. The division shall prepare and distribute to each recipient
2434 of monthly retirement benefits an appropriate income tax form
2435 that reflects the recipient's income and federal income tax
2436 withheld for the calendar year just ended.

2437 (b) Subject to approval by the division in accordance with
2438 rule 60S-4.015, Florida Administrative Code, a payee receiving
2439 retirement benefits under the Florida Retirement System may also



2440 have the following payments deducted from his or her monthly
2441 benefit:

2442 1. Premiums for life and health-related insurance policies
2443 from approved companies.

2444 2. Life insurance premiums for the State Group Life
2445 Insurance Plan, if authorized in writing by the payee and by the
2446 Department of Management Services.

2447 3. Repayment of overpayments from the Florida Retirement
2448 System Trust Fund, the State Employees' Health Insurance Trust
2449 Fund, or the State Employees' Life Insurance Trust Fund, upon
2450 notification of the payee.

2451 4. Payments to an alternate payee for alimony, child
2452 support, or division of marital assets pursuant to a qualified
2453 domestic relations order under s. 222.21 or an income deduction
2454 order under s. 61.1301.

2455 5. Payments to the Internal Revenue Service for federal
2456 income tax levies, upon notification of the division by the
2457 Internal Revenue Service.

2458 (c) A payee shall notify the division of any change in his
2459 or her address. The division may suspend benefit payments to a
2460 payee if correspondence sent to the payee's mailing address is
2461 returned due to an incorrect address. Benefit payments shall be
2462 resumed upon notification to the division of the payee's new
2463 address.

2464 (d) A payee whose retirement benefits are reduced by the
2465 application of maximum benefit limits under s. 415(b) of the
2466 Internal Revenue Code, as specified in s. 121.30(5), shall have
2467 the portion of his or her calculated benefit in the Florida



2468 Retirement System defined benefit plan which exceeds such
 2469 federal limitation paid through the Florida Retirement System
 2470 Preservation of Benefits Plan, as provided in s. 121.1001.

2471 (e) No benefit may be reduced for the purpose of
 2472 preserving the member's eligibility for a federal program.

2473 (f) The division shall adopt rules establishing procedures
 2474 for determining that the persons to whom benefits are being paid
 2475 are still living. The division shall suspend the benefits being
 2476 paid to any payee when it is unable to contact such payee and to
 2477 confirm that he or she is still living.

2478 Section 25. Subsection (1) of section 121.095, Florida
 2479 Statutes, is amended to read:

2480 121.095 Florida Retirement System Preservation of Benefits
 2481 Plan Trust Fund.--

2482 (1) The Florida Retirement System Preservation of Benefits
 2483 Plan Trust Fund is created in the State Treasury to be
 2484 administered by the State Board of Administration ~~within the~~
 2485 ~~Division of Retirement.~~

2486 (a) Funds to be credited to the trust fund shall consist
 2487 of Florida Retirement System monthly retirement contributions
 2488 required to meet the requirements for payment of restored
 2489 benefits under the Florida Retirement System Preservation of
 2490 Benefits Plan, as specified in s. 121.1001.

2491 (b) The trust fund shall be maintained and utilized solely
 2492 for the purpose of providing benefits under the Preservation of
 2493 Benefits Plan, as specified in s. 121.1001.

2494 (c) The trust fund shall be separate and apart from the
 2495 Florida Retirement System Trust Fund. The trust fund moneys and



2496 assets shall not be commingled with nor ever receive a transfer
2497 of moneys and assets from the remainder of the Florida
2498 Retirement System, including, but not limited to, the Florida
2499 Retirement System Trust Fund, or any other qualified retirement
2500 plan administered by the Division of Retirement.

2501 (d) The trust fund shall be funded on a month-to-month
2502 basis. Trust fund assets shall not be accumulated to pay future
2503 benefits.

2504 Section 26. Paragraph (b) of subsection (7) of section
2505 121.101, Florida Statutes, is amended to read:

2506 121.101 Cost-of-living adjustment of benefits.--

2507 (7) The purpose of this subsection is to establish a
2508 supplemental cost-of-living adjustment for certain retirees and
2509 beneficiaries who receive monthly retirement benefits under the
2510 provisions of this chapter and the existing systems consolidated
2511 therein, s. 112.05 for certain state officers and employees, and
2512 s. 238.171 for certain elderly incapacitated teachers.

2513 (b) Application for the supplemental cost-of-living
2514 adjustment provided by this subsection shall include
2515 certification by the retiree or annuitant that he or she is not
2516 receiving, and is not eligible to receive, social security
2517 benefits and shall include written authorization for the
2518 division ~~department~~ to have access to information from the
2519 Social Security Administration concerning his or her entitlement
2520 to, or eligibility for, social security benefits. Such
2521 supplemental cost-of-living adjustment shall not be paid unless
2522 and until the application requirements of this paragraph are
2523 met.



2524 Section 27. Paragraph (e) of subsection (2) of section
 2525 121.111, Florida Statutes, is amended to read:

2526 121.111 Credit for military service.--

2527 (2) Any member whose initial date of employment is before
 2528 January 1, 1987, who has military service as defined in s.
 2529 121.021(20)(b), and who does not claim such service under
 2530 subsection (1) may receive creditable service for such military
 2531 service if:

2532 (e) Any member claiming credit under this subsection must
 2533 certify on the form prescribed by the division ~~department~~ that
 2534 credit for such service has not and will not be claimed for
 2535 retirement purposes under any other federal, state, or local
 2536 retirement or pension system where "length of service" is a
 2537 factor in determining the amount of compensation received,
 2538 except where credit for such service has been granted in a
 2539 pension system providing retired pay for nonregular service as
 2540 provided in paragraph(d). If the member dies prior to
 2541 retirement, the member's beneficiary must make the required
 2542 certification before credit may be claimed. If such
 2543 certification is not made by the member or the member's
 2544 beneficiary, credit for wartime military service shall not be
 2545 allowed.

2546 Section 28. Section 121.133, Florida Statutes, is amended
 2547 to read:

2548 121.133 Cancellation of uncashed
 2549 warrants.--Notwithstanding the provisions of s. 17.26 or s.
 2550 717.123 to the contrary, effective July 1, 1998, if any state
 2551 warrant issued by the Comptroller for the payment of retirement



2552 benefits from the Florida Retirement System Trust Fund, or any
 2553 other pension trust fund administered by the division
 2554 ~~department~~, is not presented for payment within 1 year after the
 2555 last day of the month in which it was originally issued, the
 2556 Comptroller shall cancel the benefit warrant and credit the
 2557 amount of the warrant to the Florida Retirement System Trust
 2558 Fund or other pension trust fund administered by the division
 2559 ~~department~~, as appropriate. The division ~~department~~ may provide
 2560 for issuance of a replacement warrant when deemed appropriate.

2561 Section 29. Section 121.135, Florida Statutes, is amended
 2562 to read:

2563 121.135 Annual report to Legislature concerning the
 2564 Florida Retirement System ~~state-administered retirement~~
 2565 ~~systems~~.--The board ~~department~~ shall make to each regular
 2566 session of the Legislature a written report on the operation and
 2567 condition of the Florida Retirement System ~~the state-~~
 2568 ~~administered retirement systems~~.

2569 Section 30. Section 121.136, Florida Statutes, is amended
 2570 to read:

2571 121.136 Annual benefit statement to members.--Beginning
 2572 January 1, 1993, and each January thereafter, the board
 2573 ~~department~~ shall provide each active member of the Florida
 2574 Retirement System with 5 or more years of creditable service an
 2575 annual statement of benefits. Such statement should provide the
 2576 member with basic data about the member's retirement account.
 2577 Minimally, it shall include the member's retirement plan, the
 2578 amount of funds on deposit in the retirement account, and an
 2579 estimate of retirement benefits.



2580 Section 31. Section 121.1905, Florida Statutes, is amended
 2581 to read:

2582 121.1905 Division of Retirement; mission creation.--

2583 ~~(1) There is created the Division of Retirement within the~~
 2584 ~~Department of Management Services.~~

2585 ~~(2)~~ The mission of the Division of Retirement is to
 2586 provide quality and cost-effective retirement services as
 2587 measured by member satisfaction and by comparison with
 2588 administrative costs of comparable retirement systems.

2589 Section 32. Section 121.192, Florida Statutes, is amended
 2590 to read:

2591 121.192 State retirement actuary.--The division ~~department~~
 2592 may employ an actuary. Such actuary shall, together with such
 2593 other duties as the administrator assigns ~~secretary may assign~~,
 2594 be responsible for:

2595 (1) Advising the administrator ~~secretary~~ on actuarial
 2596 matters of the state retirement systems.

2597 (2) Making periodic valuations of the retirement systems.

2598 (3) Providing actuarial analyses to the Legislature
 2599 concerning proposed changes in the retirement systems.

2600 (4) Assisting the administrator ~~secretary~~ in developing a
 2601 sound and modern retirement system.

2602 Section 33. Section 121.193, Florida Statutes, is amended
 2603 to read:

2604 121.193 External compliance audits.--

2605 (1) The division ~~department~~ shall conduct audits of the
 2606 payroll and personnel records of participating agencies. These
 2607 audits shall be made to determine the accuracy of reports



2608 submitted to the division ~~department~~ and to assess the degree of
2609 compliance with applicable statutes, rules, and coverage
2610 agreements. Audits shall be scheduled on a regular basis, as the
2611 result of concerns known to exist at an agency, or as a followup
2612 to ensure agency action was taken to correct deficiencies found
2613 in an earlier audit.

2614 (2) Upon request, participating agencies shall furnish the
2615 division ~~department~~ with information and documents that the
2616 division ~~department~~ requires to conduct the audit. The division
2617 ~~department~~ may prescribe by rule the documents that may be
2618 requested.

2619 (3) The division ~~department~~ shall review the agency's
2620 operations concerning retirement and social security coverage.
2621 Preliminary findings shall be discussed with agency personnel at
2622 the close of the audit. An audit report of findings and
2623 recommendations shall be submitted to division ~~department~~
2624 management and an audit summary letter shall be submitted to the
2625 agency noting any concerns and necessary corrective action.

2626 Section 34. Subsection (1) of section 121.22, Florida
2627 Statutes, is amended to read:

2628 121.22 State Retirement Commission; creation; membership;
2629 compensation.--

2630 (1) There is created within the Division of Retirement
2631 ~~Department of Management Services~~ a State Retirement Commission
2632 composed of three members: One member who is retired under a
2633 state-supported retirement system administered by the division
2634 ~~department~~; one member who is an active member of a state-
2635 supported retirement system that is administered by the division



2636 ~~department~~; and one member who is neither a retiree,
 2637 beneficiary, or member of a state-supported retirement system
 2638 administered by the division ~~department~~. Each member shall have
 2639 a different occupational background from the other members.

2640 Section 35. Subsection (1) of section 121.23, Florida
 2641 Statutes, is amended to read:

2642 121.23 Disability retirement and special risk membership
 2643 applications; Retirement Commission; powers and duties; judicial
 2644 review.--The provisions of this section apply to all proceedings
 2645 in which the administrator has made a written final decision on
 2646 the merits respecting applications for disability retirement,
 2647 reexamination of retired members receiving disability benefits,
 2648 applications for special risk membership, and reexamination of
 2649 special risk members in the Florida Retirement System. The
 2650 jurisdiction of the State Retirement Commission under this
 2651 section shall be limited to written final decisions of the
 2652 administrator on the merits.

2653 (1) In accordance with the rules of procedure adopted by
 2654 the division ~~Department of Management Services~~, the
 2655 administrator shall:

2656 (a) Give reasonable notice of his or her proposed action,
 2657 or decision to refuse action, together with a summary of the
 2658 factual, legal, and policy grounds therefor.

2659 (b) Give affected members, or their counsel, an
 2660 opportunity to present to the division written evidence in
 2661 opposition to the proposed action or refusal to act or a written
 2662 statement challenging the grounds upon which the administrator
 2663 has chosen to justify his or her action or inaction.



2664 (c) If the objections of the member are overruled, provide
2665 a written explanation within 21 days.

2666 Section 36. Subsections (2), (3), and (4) of section
2667 121.24, Florida Statutes, are amended to read:

2668 121.24 Conduct of commission business; legal and other
2669 assistance; compensation.--

2670 (2) Legal counsel for the commission may be provided by
2671 the Department of Legal Affairs or by the division ~~Department of~~
2672 ~~Management Services~~, with the concurrence of the commission, and
2673 shall be paid by the division ~~Department of Management Services~~
2674 from the appropriate funds.

2675 (3) The division ~~Department of Management Services~~ shall
2676 provide timely and appropriate training for newly appointed
2677 members of the commission. Such training shall be designed to
2678 acquaint new members of the commission with the duties and
2679 responsibilities of the commission.

2680 (4) The division ~~Department of Management Services~~ shall
2681 furnish administrative and secretarial assistance to the
2682 commission and shall provide a place where the commission may
2683 hold its meetings.

2684 Section 37. Subsection (9) of section 121.30, Florida
2685 Statutes, is amended to read:

2686 121.30 Statements of purpose and intent and other
2687 provisions required for qualification under the Internal Revenue
2688 Code of the United States.--Any other provisions in this chapter
2689 to the contrary notwithstanding, it is specifically provided
2690 that:



2691 (9) The division ~~department~~ may adopt any rule necessary
2692 to accomplish the purpose of the section which is not
2693 inconsistent with this chapter.

2694 Section 38. Paragraph (c) of subsection (2), paragraphs
2695 (c) and (e) of subsection (3), paragraphs (a), (b), and (c) of
2696 subsection (4), and subsection (6) of section 121.35, Florida
2697 Statutes, are amended to read:

2698 121.35 Optional retirement program for the State
2699 University System.--

2700 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL PROGRAM.--

2701 (c) For purposes of this section, the State Board of
2702 Administration ~~Department of Management Services~~ is referred to
2703 as the "board ~~department~~."

2704 (3) ELECTION OF OPTIONAL PROGRAM.--

2705 (c) Any employee who becomes eligible to participate in
2706 the optional retirement program on or after January 1, 1993,
2707 shall be a compulsory participant of the program unless such
2708 employee elects membership in the Florida Retirement System.
2709 Such election shall be made in writing and filed with the
2710 personnel officer of the employer. Any eligible employee who
2711 fails to make such election within the prescribed time period
2712 shall be deemed to have elected to participate in the optional
2713 retirement program.

2714 1. Any employee whose optional retirement program
2715 eligibility results from initial employment shall be enrolled in
2716 the program at the commencement of employment. If, within 90
2717 days after commencement of employment, the employee elects
2718 membership in the Florida Retirement System, such membership



2719 | shall be effective retroactive to the date of commencement of
2720 | employment.

2721 | 2. Any employee whose optional retirement program
2722 | eligibility results from a change in status due to the
2723 | subsequent designation of the employee's position as one of
2724 | those specified in paragraph (2)(a) or due to the employee's
2725 | appointment, promotion, transfer, or reclassification to a
2726 | position specified in paragraph (2)(a) shall be enrolled in the
2727 | optional retirement program upon such change in status and shall
2728 | be notified by the employer of such action. If, within 90 days
2729 | after the date of such notification, the employee elects to
2730 | retain membership in the Florida Retirement System, such
2731 | continuation of membership shall be retroactive to the date of
2732 | the change in status.

2733 | 3. Notwithstanding the provisions of this paragraph,
2734 | effective July 1, 1997, any employee who is eligible to
2735 | participate in the Optional Retirement Program and who fails to
2736 | execute a contract with one of the approved companies and to
2737 | notify the board ~~department~~ in writing as provided in subsection
2738 | (4) within 90 days after the date of eligibility shall be deemed
2739 | to have elected membership in the Florida Retirement System,
2740 | except as provided in s. 121.051(1)(a). This provision shall
2741 | also apply to any employee who terminates employment in an
2742 | eligible position before executing the required annuity contract
2743 | and notifying the board ~~department~~. Such membership shall be
2744 | retroactive to the date of eligibility, and all appropriate
2745 | contributions shall be transferred to the Florida Retirement
2746 | System Trust Fund and the Health Insurance Subsidy Trust Fund.



2747 (e) The election by an eligible employee to participate in
2748 the optional retirement program shall be irrevocable for so long
2749 as the employee continues to meet the eligibility requirements
2750 specified in subsection (2), except as provided in paragraph
2751 (h). In the event that an employee participates in the optional
2752 retirement program for 90 days or more and is subsequently
2753 employed in an administrative or professional position which has
2754 been determined by the board ~~department~~, under subparagraph
2755 (2)(a)2., to be not otherwise eligible for participation in the
2756 optional retirement program, the employee shall continue
2757 participation in the optional program so long as the employee
2758 meets the other eligibility requirements for the program, except
2759 as provided in paragraph (h).

2760 (4) CONTRIBUTIONS.--

2761 (a) Through June 30, 2001, each employer shall contribute
2762 on behalf of each participant in the optional retirement program
2763 an amount equal to the normal cost portion of the employer
2764 retirement contribution which would be required if the
2765 participant were a regular member of the Florida Retirement
2766 System defined benefit program, plus the portion of the
2767 contribution rate required in s. 112.363(8) that would otherwise
2768 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
2769 Effective July 1, 2001, each employer shall contribute on behalf
2770 of each participant in the optional program an amount equal to
2771 10.43 percent of the participant's gross monthly compensation.
2772 The board, pursuant to s. 215.44(4), ~~department~~ shall deduct an
2773 amount ~~approved by the Legislature~~ to provide for the
2774 administration of this program. The payment of the contributions



2775 to the optional program which is required by this paragraph for
2776 each participant shall be made by the employer to the board
2777 ~~department~~, which shall forward the contributions to the
2778 designated company or companies contracting for payment of
2779 benefits for the participant under the program. However, such
2780 contributions paid on behalf of an employee described in
2781 paragraph (3)(c) shall not be forwarded to a company and shall
2782 not begin to accrue interest until the employee has executed an
2783 annuity contract and notified the board ~~department~~.

2784 (b) Each employer shall contribute on behalf of each
2785 participant in the optional retirement program an amount equal
2786 to the unfunded actuarial accrued liability portion of the
2787 employer contribution which would be required for members of the
2788 Florida Retirement System. This contribution shall be paid to
2789 the board ~~department~~ for transfer to the Florida Retirement
2790 System Trust Fund.

2791 (c) An Optional Retirement Program Trust Fund shall be
2792 established in the State Treasury and administered by the board
2793 ~~department~~ to make payments to the provider companies on behalf
2794 of the optional retirement program participants, and to transfer
2795 the unfunded liability portion of the state optional retirement
2796 program contributions to the Florida Retirement System Trust
2797 Fund.

2798 (6) ADMINISTRATION OF PROGRAM.--

2799 (a) The optional retirement program authorized by this
2800 section shall be administered by the board ~~department~~. The board
2801 ~~department~~ shall adopt rules establishing the responsibilities
2802 of the State Board of Education and institutions in the State



2803 University System in administering the optional retirement
2804 program. The State Board of Education shall, no more than 90
2805 days after July 1, 1983, submit to the board ~~department~~ its
2806 recommendations for the contracts to be offered by the companies
2807 chosen by the board ~~department~~. The recommendations of the State
2808 Board of Education shall include the following:

2809 1. The nature and extent of the rights and benefits in
2810 relation to the required contributions; and

2811 2. The suitability of the rights and benefits to the needs
2812 of the participants and the interests of the institutions in the
2813 recruitment and retention of eligible employees.

2814 (b) After receiving and considering the recommendations of
2815 the State Board of Education, the board ~~department~~ shall
2816 designate no more than four companies from which contracts may
2817 be purchased under the program and shall approve the form and
2818 content of the optional retirement program contracts. Upon
2819 application by a qualified Florida domestic company, the board
2820 ~~department~~ shall give reasonable notice to all other such
2821 companies that it intends to designate one of such companies as
2822 a fifth company from which contracts may be purchased pursuant
2823 to this section and that they may apply for such designation
2824 prior to the deadline established by said notice. At least 60
2825 days after giving such notice and upon receipt of the
2826 recommendation of the State Board of Education, the board
2827 ~~department~~ shall so designate one of such companies as the fifth
2828 company from which such contracts may be purchased.

2829 (c) ~~Effective July 1, 1997, the State Board of~~
2830 ~~Administration shall review and make recommendations to the~~



2831 ~~department on the acceptability of all investment products~~
2832 ~~proposed by provider companies of the optional retirement~~
2833 ~~program before they are offered through annuity contracts to the~~
2834 ~~participants and may advise the department of any changes~~
2835 ~~necessary to ensure that the optional retirement program offers~~
2836 ~~an acceptable mix of investment products. The board department~~
2837 ~~shall determine which make the final determination as to whether~~
2838 ~~an investment products ~~product~~ will be included in ~~approved for~~~~
2839 ~~the program.~~

2840 (d) The provisions of each contract applicable to a
2841 participant in the optional retirement program shall be
2842 contained in a written program description which shall include a
2843 report of pertinent financial and actuarial information on the
2844 solvency and actuarial soundness of the program and the benefits
2845 applicable to the participant. Such description shall be
2846 furnished by the companies to each participant in the program
2847 and to the board ~~department~~ upon commencement of participation
2848 in the program and annually thereafter.

2849 (e) The board ~~department~~ shall ensure that each
2850 participant in the optional retirement program is provided an
2851 accounting of the total contribution and the annual contribution
2852 made by and on behalf of such participant.

2853 Section 39. Paragraph (b) of subsection (3), paragraph (a)
2854 of subsection (12), and paragraphs (a) and (b) of subsection
2855 (14) of section 121.40, Florida Statutes, are amended to read:

2856 121.40 Cooperative extension personnel at the Institute of
2857 Food and Agricultural Sciences; supplemental retirement
2858 benefits.--



2859 (3) DEFINITIONS.--The definitions provided in s. 121.021
 2860 shall not apply to this section except when specifically cited.
 2861 For the purposes of this section, the following words or phrases
 2862 have the respective meanings set forth:

2863 (b) "Division ~~Department~~" means the Division of Retirement
 2864 of the State Board of Administration ~~Department of Management~~
 2865 ~~Services~~.

2866 (12) CONTRIBUTIONS.--

2867 (a) For the purposes of funding the supplemental benefits
 2868 provided by this section, the institute is authorized and
 2869 required to pay, commencing July 1, 1985, the necessary monthly
 2870 contributions from its appropriated budget. These amounts shall
 2871 be paid into the Institute of Food and Agricultural Sciences
 2872 Supplemental Retirement Trust Fund, which is hereby created in
 2873 the State Treasury to be administered by the State Board of
 2874 Administration.

2875 (14) ADMINISTRATION OF SYSTEM.--

2876 (a) The division ~~department~~ shall make such rules as are
 2877 necessary for the effective and efficient administration of this
 2878 system. The executive director of the State Board of
 2879 Administration ~~secretary of the department~~ shall be the
 2880 administrator of the system. The funds to pay the expenses for
 2881 such administration are ~~shall be~~ appropriated from the interest
 2882 earned on investments made for the trust fund.

2883 (b) The division ~~department~~ is authorized to require
 2884 oaths, by affidavit or otherwise, and acknowledgments from
 2885 persons in connection with the administration of its duties and
 2886 responsibilities under this section.



2887 Section 40. Subsection (3) of section 121.45, Florida
 2888 Statutes, is amended to read:

2889 121.45 Interstate compacts relating to pension
 2890 portability.--

2891 (3) ESTABLISHMENT OF COMPACTS.--

2892 (a) The division ~~Department of Management Services~~ is
 2893 authorized and directed to survey other state retirement systems
 2894 to determine if such retirement systems are interested in
 2895 developing an interstate compact with Florida.

2896 (b) If any such state is interested in pursuing the
 2897 matter, the division ~~department~~ shall confer with the other
 2898 state and the consulting actuaries of both states, and shall
 2899 present its findings to the committees having jurisdiction over
 2900 retirement matters in the Legislature, and to representatives of
 2901 affected certified bargaining units, in order to determine the
 2902 feasibility of developing a portability compact, what groups
 2903 should be covered, and the goals and priorities which should
 2904 guide such development.

2905 (c) Upon a determination that such a compact is feasible
 2906 and upon request of the Legislature, the division ~~department~~,
 2907 together with its consulting actuaries, shall, in accordance
 2908 with such ~~said~~ goals and priorities, develop a proposal under
 2909 which retirement credit may be transferred to or from Florida in
 2910 an actuarially sound manner.

2911 (d) Once a proposal has been developed, the division
 2912 ~~department~~ shall contract with its consulting actuaries to
 2913 conduct an actuarial study of the proposal to determine the cost



2914 to the Florida Retirement System Trust Fund and the State of
2915 Florida.

2916 (e) After the actuarial study has been completed, the
2917 division ~~department~~ shall present its findings and the actuarial
2918 study to the Legislature for consideration. If either house of
2919 the Legislature elects to enter into such a compact, it shall be
2920 introduced in the form of a proposed committee bill to the full
2921 Legislature during the same or next regular session.

2922 Section 41. Subsection (2), paragraph (a) of subsection
2923 (5), paragraphs (a), (b), (c), and(e) of subsection (8),
2924 paragraph (c) of subsection (9), paragraphs (a), (c), and (f) of
2925 subsection (10), subsection (11), and paragraph (b) of
2926 subsection (12) and subsection (19) of section 121.4501, Florida
2927 Statutes, are amended to read:

2928 121.4501 Public Employee Optional Retirement Program.--

2929 (2) DEFINITIONS.--As used in this part, the term:

2930 (a) "Approved provider" or "provider" means a private
2931 sector company that is selected and approved by the ~~state~~ board
2932 to offer one or more investment products or services to the
2933 Public Employee Optional Retirement Program. The term includes a
2934 bundled provider that offers participants a range of
2935 individually allocated or unallocated investment products and
2936 may offer a range of administrative and customer services, which
2937 may include accounting and administration of individual
2938 participant benefits and contributions; individual participant
2939 recordkeeping; asset purchase, control, and safekeeping; direct
2940 execution of the participant's instructions as to asset and
2941 contribution allocation; calculation of daily net asset values;



2942 direct access to participant account information; periodic
 2943 reporting to participants, at least quarterly, on account
 2944 balances and transactions; guidance, advice, and allocation
 2945 services directly relating to its own investment options or
 2946 products, but only if the bundled provider complies with the
 2947 standard of care of s. 404(a)(1)(A-B) of the Employee Retirement
 2948 Income Security Act of 1974 (ERISA) and if providing such
 2949 guidance, advice, or allocation services does not constitute a
 2950 prohibited transaction under s. 4975(c)(1) of the Internal
 2951 Revenue Code or s. 406 of ERISA, notwithstanding that such
 2952 prohibited transaction provisions do not apply to the optional
 2953 retirement program; a broad array of distribution options; asset
 2954 allocation; and retirement counseling and education. Private
 2955 sector companies include investment management companies,
 2956 insurance companies, depositories, and mutual fund companies.

2957 (b) "Average monthly compensation" means one-twelfth of
 2958 average final compensation as defined in s. 121.021(24).

2959 (c) "Covered employment" means employment in a regularly
 2960 established position as defined in s. 121.021(52).

2961 ~~(d) "Department" means the Department of Management~~
 2962 ~~Services.~~

2963 (d)(e) "Division" means the Division of Retirement of the
 2964 State Board of Administration ~~within the Department of~~
 2965 ~~Management Services.~~

2966 (e)(f) "Eligible employee" means an officer or employee,
 2967 as defined in s. 121.021(11), who:



2968 1. Is a member of, or is eligible for membership in, the
 2969 Florida Retirement System, including any renewed member of the
 2970 Florida Retirement System;

2971 2. Participates in, or is eligible to participate in, the
 2972 Senior Management Service Optional Annuity Program as
 2973 established under s. 121.055(6); or

2974 3. Is eligible to participate in, but does not participate
 2975 in, the State University System Optional Retirement Program
 2976 established under s. 121.35 or the State Community College
 2977 System Optional Retirement Program established under s.
 2978 121.051(2)(c).

2979
 2980 The term does not include any member participating in the
 2981 Deferred Retirement Option Program established under s.
 2982 121.091(13) or any employee participating in an optional
 2983 retirement program established under s. 121.051(2)(c) or s.
 2984 121.35.

2985 ~~(f)~~~~(g)~~ "Employer" means an employer, as defined in s.
 2986 121.021(10), of an eligible employee.

2987 ~~(g)~~~~(h)~~ "Participant" means an eligible employee who elects
 2988 to participate in the Public Employee Optional Retirement
 2989 Program and enrolls in such optional program as provided in
 2990 subsection (4).

2991 ~~(h)~~~~(i)~~ "Public Employee Optional Retirement Program,"
 2992 "optional program," or "optional retirement program" means the
 2993 alternative defined contribution retirement program established
 2994 under this section.



2995 | (i)~~(j)~~ "State board" or "board" means the State Board of
 2996 | Administration.

2997 | (j)~~(k)~~ "Trustees" means Trustees of the State Board of
 2998 | Administration.

2999 | (k)~~(l)~~ "Vested" or "vesting" means the guarantee that a
 3000 | participant is eligible to receive a retirement benefit upon
 3001 | completion of the required years of service under the Public
 3002 | Employee Optional Retirement Program.

3003 | (5) CONTRIBUTIONS.--

3004 | (a) Each employer shall contribute on behalf of each
 3005 | participant in the Public Employee Optional Retirement Program,
 3006 | as provided in part III of this chapter. The state board, acting
 3007 | as plan fiduciary, shall ensure that all plan assets are held in
 3008 | a trust, pursuant to s. 401 of the Internal Revenue Code. The
 3009 | fiduciary shall ensure that said contributions are allocated as
 3010 | follows:

3011 | 1. The portion earmarked for participant accounts shall be
 3012 | used to purchase interests in the appropriate investment
 3013 | vehicles for the accounts of each participant as specified by
 3014 | the participant, or in accordance with paragraph (4)(d).

3015 | 2. The portion earmarked for administrative and
 3016 | educational expenses shall be transferred to the board.

3017 | 3. The portion earmarked for disability benefits shall be
 3018 | transferred to the division ~~department~~ .

3019 | (8) ADMINISTRATION OF PROGRAM.--

3020 | (a) The Public Employee Optional Retirement Program shall
 3021 | be administered by the state board and affected employers. The
 3022 | board is authorized to require oaths, by affidavit or otherwise,



3023 and acknowledgments from persons in connection with the
3024 administration of its duties and responsibilities under this
3025 chapter. No oath, by affidavit or otherwise, shall be required
3026 of an employee participant at the time of election.
3027 Acknowledgment of an employee's election to participate in the
3028 program shall be no greater than necessary to confirm the
3029 employee's election. The board shall adopt rules establishing
3030 the role and responsibilities of affected state, local
3031 government, and education-related employers, the state board,
3032 ~~the department,~~ and third-party contractors in administering the
3033 Public Employee Optional Retirement Program. The division
3034 ~~department~~ shall adopt rules necessary to implement the optional
3035 program in coordination with the defined benefit retirement
3036 program and the disability benefits available under the optional
3037 program.

3038 (b)1. The state board shall select and contract with one
3039 third-party administrator to provide administrative services if
3040 those services cannot be competitively ~~and contractually~~
3041 provided by the ~~division of Retirement within the Department of~~
3042 ~~Management Services~~. With the approval of the state board, the
3043 third-party administrator may subcontract with other
3044 organizations or individuals to provide components of the
3045 administrative services. As a cost of administration, the board
3046 may compensate any such contractor for its services, in
3047 accordance with the terms of the contract, as is deemed
3048 necessary or proper by the board. The third-party administrator
3049 may not be an approved provider or be affiliated with an
3050 approved provider.



3051 2. These administrative services may include, but are not
3052 limited to, enrollment of eligible employees, collection of
3053 employer contributions, disbursement of such contributions to
3054 approved providers in accordance with the allocation directions
3055 of participants; services relating to consolidated billing;
3056 individual and collective recordkeeping and accounting; asset
3057 purchase, control, and safekeeping; and direct disbursement of
3058 funds to and from the third-party administrator, the division,
3059 the board, employers, participants, approved providers, and
3060 beneficiaries. This section does not prevent or prohibit a
3061 bundled provider from providing any administrative or customer
3062 service, including accounting and administration of individual
3063 participant benefits and contributions; individual participant
3064 recordkeeping; asset purchase, control, and safekeeping; direct
3065 execution of the participant's instructions as to asset and
3066 contribution allocation; calculation of daily net asset values;
3067 direct access to participant account information; or periodic
3068 reporting to participants, at least quarterly, on account
3069 balances and transactions, if these services are authorized by
3070 the board as part of the contract.

3071 3. The state board shall select and contract with one or
3072 more organizations to provide educational services. With
3073 approval of the board, the organizations may subcontract with
3074 other organizations or individuals to provide components of the
3075 educational services. As a cost of administration, the board may
3076 compensate any such contractor for its services in accordance
3077 with the terms of the contract, as is deemed necessary or proper



3078 | by the board. The education organization may not be an approved
3079 | provider or be affiliated with an approved provider.

3080 | 4. Educational services shall be designed by the board ~~and~~
3081 | ~~department~~ to assist employers, eligible employees,
3082 | participants, and beneficiaries in order to maintain compliance
3083 | with United States Department of Labor regulations under s.
3084 | 404(c) of the Employee Retirement Income Security Act of 1974
3085 | and to assist employees in their choice of defined benefit or
3086 | defined contribution retirement alternatives. Educational
3087 | services include, but are not limited to, disseminating
3088 | educational materials; providing retirement planning education;
3089 | explaining the differences between the defined benefit
3090 | retirement plan and the defined contribution retirement plan;
3091 | and offering financial planning guidance on matters such as
3092 | investment diversification, investment risks, investment costs,
3093 | and asset allocation. An approved provider may also provide
3094 | educational information, including retirement planning and
3095 | investment allocation information concerning its products and
3096 | services.

3097 | (c)1. In evaluating and selecting a third-party
3098 | administrator, the board shall establish criteria under which it
3099 | shall consider the relative capabilities and qualifications of
3100 | each proposed administrator. In developing such criteria, the
3101 | board shall consider:

3102 | a. The administrator's demonstrated experience in
3103 | providing administrative services to public or private sector
3104 | retirement systems.



3105 b. The administrator's demonstrated experience in
 3106 providing daily valued recordkeeping to defined contribution
 3107 plans.

3108 c. The administrator's ability and willingness to
 3109 coordinate its activities with the Florida Retirement System
 3110 employers, the board, and the division, and to supply to such
 3111 employers, the board, and the division the information and data
 3112 they require, including, but not limited to, monthly management
 3113 reports, quarterly participant reports, and ad hoc reports
 3114 requested by the ~~department~~ or board.

3115 d. The cost-effectiveness and levels of the administrative
 3116 services provided.

3117 e. The administrator's ability to interact with the
 3118 participants, the employers, the board, the division, and the
 3119 providers; the means by which participants may access account
 3120 information, direct investment of contributions, make changes to
 3121 their accounts, transfer moneys between available investment
 3122 vehicles, and transfer moneys between investment products; and
 3123 any fees that apply to such activities.

3124 f. Any other factor deemed necessary by the Trustees of
 3125 the State Board of Administration.

3126 g. The recommendations of the Public Employee Optional
 3127 Retirement Program Advisory Committee established in subsection
 3128 (12).

3129 2. In evaluating and selecting an educational provider,
 3130 the board shall establish criteria under which it shall consider
 3131 the relative capabilities and qualifications of each proposed



3132 educational provider. In developing such criteria, the board
3133 shall consider:

3134 a. Demonstrated experience in providing educational
3135 services to public or private sector retirement systems.

3136 b. Ability and willingness to coordinate its activities
3137 with the Florida Retirement System employers, the board, and the
3138 division, and to supply to such employers, the board, and the
3139 division the information and data they require, including, but
3140 not limited to, reports on educational contacts.

3141 c. The cost-effectiveness and levels of the educational
3142 services provided.

3143 d. Ability to provide educational services via different
3144 media, including, but not limited to, the Internet, personal
3145 contact, seminars, brochures, and newsletters.

3146 e. Any other factor deemed necessary by the Trustees of
3147 the State Board of Administration.

3148 f. The recommendations of the Public Employee Optional
3149 Retirement Program Advisory Committee established in subsection
3150 (12).

3151 3. The establishment of the criteria shall be solely
3152 within the discretion of the board.

3153 (e)~~1~~. The board may contract with any consultant for
3154 professional services, including legal, consulting, accounting,
3155 and actuarial services, deemed necessary to implement and
3156 administer the optional program by the Trustees of the State
3157 Board of Administration. The board may enter into a contract
3158 with one or more vendors to provide low-cost investment advice
3159 to participants, supplemental to education provided by the



3160 third-party administrator. All fees under any such contract
 3161 shall be paid by those participants who choose to use the
 3162 services of the vendor.

3163 ~~2. The department may contract with consultants for~~
 3164 ~~professional services, including legal, consulting, accounting,~~
 3165 ~~and actuarial services, deemed necessary to implement and~~
 3166 ~~administer the optional program in coordination with the defined~~
 3167 ~~benefit program of the Florida Retirement System. The~~
 3168 ~~department, in coordination with the board, may enter into a~~
 3169 ~~contract with the third party administrator in order to~~
 3170 ~~coordinate services common to the various programs within the~~
 3171 ~~Florida Retirement System.~~

3172 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.--

3173 (c) In evaluating and selecting approved providers and
 3174 products, the board shall establish criteria under which it
 3175 shall consider the relative capabilities and qualifications of
 3176 each proposed provider company and product. In developing such
 3177 criteria, the board shall consider the following to the extent
 3178 such factors may be applied in connection with investment
 3179 products, services, or providers:

3180 1. Experience in the United States providing retirement
 3181 products and related financial services under defined
 3182 contribution retirement plans.

3183 2. Financial strength and stability which shall be
 3184 evidenced by the highest ratings assigned by nationally
 3185 recognized rating services when comparing proposed providers
 3186 that are so rated.



3187 3. Intrastate and interstate portability of the product
3188 offered, including early withdrawal options.

3189 4. Compliance with the Internal Revenue Code.

3190 5. The cost-effectiveness of the product provided and the
3191 levels of service supporting the product relative to its
3192 benefits and its characteristics, including, without limitation,
3193 the level of risk borne by the provider.

3194 6. The provider company's ability and willingness to
3195 coordinate its activities with Florida Retirement System
3196 employers, the division ~~department~~ , and the board, and to
3197 supply to such employers, the division ~~department~~, and the board
3198 the information and data they require.

3199 7. The methods available to participants to interact with
3200 the provider company; the means by which participants may access
3201 account information, direct investment of contributions, make
3202 changes to their accounts, transfer moneys between available
3203 investment vehicles, and transfer moneys between provider
3204 companies; and any fees that apply to such activities.

3205 8. The provider company's policies with respect to the
3206 transfer of individual account balances, contributions, and
3207 earnings thereon, both internally among investment products
3208 offered by the provider company and externally between approved
3209 providers, as well as any fees, charges, reductions, or
3210 penalties that may be applied.

3211 9. An evaluation of specific investment products, taking
3212 into account each product's experience in meeting its investment
3213 return objectives net of all related fees, expenses, and
3214 charges, including, but not limited to, investment management



3215 fees, loads, distribution and marketing fees, custody fees,
3216 recordkeeping fees, education fees, annuity expenses, and
3217 consulting fees.

3218 10. Organizational factors, including, but not limited to,
3219 financial solvency, organizational depth, and experience in
3220 providing institutional and retail investment services.

3221 (10) EDUCATION COMPONENT.--

3222 (a) The board, ~~in coordination with the department,~~ shall
3223 provide for an education component for system members in a
3224 manner consistent with the provisions of this section. The
3225 education component must be available to eligible employees at
3226 least 90 days prior to the beginning date of the election period
3227 for the employees of the respective types of employers.

3228 (c) The board, ~~in coordination with the department,~~ shall
3229 provide for an initial and ongoing transfer education component
3230 to provide system members with information necessary to make
3231 informed plan choice decisions. The transfer education component
3232 must include, but is not limited to, information on:

3233 1. The amount of money available to a member to transfer
3234 to the defined contribution program.

3235 2. The features of and differences between the defined
3236 benefit program and the defined contribution program, both
3237 generally and specifically, as those differences may affect the
3238 member.

3239 3. The expected benefit available if the member were to
3240 retire under each of the retirement programs, based on
3241 appropriate alternative sets of assumptions.



3242 4. The rate of return from investments in the defined
 3243 contribution program and the period of time over which such rate
 3244 of return must be achieved to equal or exceed the expected
 3245 monthly benefit payable to the member under the defined benefit
 3246 program.

3247 5. The historical rates of return for the investment
 3248 alternatives available in the defined contribution programs.

3249 6. The benefits and historical rates of return on
 3250 investments available in a typical deferred compensation plan or
 3251 a typical plan under s. 403(b) of the Internal Revenue Code for
 3252 which the employee may be eligible.

3253 7. The program choices available to employees of the State
 3254 University System and the comparative benefits of each available
 3255 program, if applicable.

3256 8. Payout options available in each of the retirement
 3257 programs.

3258 (f) The board ~~and the department~~ shall also establish a
 3259 communication component to provide program information to
 3260 participating employers and the employers' personnel and payroll
 3261 officers and to explain their respective responsibilities in
 3262 conjunction with the retirement programs.

3263 (11) PARTICIPANT INFORMATION REQUIREMENTS.--The board
 3264 shall ensure that each participant is provided a quarterly
 3265 statement that accounts for the contributions made on behalf of
 3266 such participant; the interest and investment earnings thereon;
 3267 and any fees, penalties, or other deductions that apply thereto.
 3268 At a minimum, such statements must:

3269 (a) Indicate the participant's investment options.



3270 (b) State the market value of the account at the close of
 3271 the current quarter and previous quarter.

3272 (c) Show account gains and losses for the period and
 3273 changes in account accumulation unit values for the period.

3274 (d) Itemize account contributions for the quarter.

3275 (e) Indicate any account changes due to adjustment of
 3276 contribution levels, reallocation of contributions, balance
 3277 transfers, or withdrawals.

3278 (f) Set forth any fees, charges, penalties, and deductions
 3279 that apply to the account.

3280 (g) Indicate the amount of the account in which the
 3281 participant is fully vested and the amount of the account in
 3282 which the participant is not vested.

3283 (h) Indicate each investment product's performance
 3284 relative to an appropriate market benchmark.

3285

3286 The third-party administrator shall provide quarterly and annual
 3287 summary reports to the board and any other reports requested by
 3288 ~~the department or~~ the board. In any solicitation or offer of
 3289 coverage under an optional retirement program, a provider
 3290 company shall be governed by the contract readability provisions
 3291 of s. 627.4145, notwithstanding s. 627.4145(6)(c). In addition,
 3292 all descriptive materials must be prepared under the assumption
 3293 that the participant is an unsophisticated investor. Provider
 3294 companies must maintain an internal system of quality assurance,
 3295 have proven functional systems that are date-calculation
 3296 compliant, and be subject to a due-diligence inquiry that proves



3297 their capacity and fitness to undertake service
3298 responsibilities.

3299 (12) ADVISORY COMMITTEES TO PROVIDE ADVICE AND
3300 ASSISTANCE.--The Investment Advisory Council and the Public
3301 Employee Optional Retirement Program Advisory Committee shall
3302 assist the board in implementing and administering the Public
3303 Employee Optional Retirement Program.

3304 (b)1. The Public Employee Optional Retirement Program
3305 Advisory Committee shall be composed of seven members. The
3306 President of the Senate shall appoint two members, the Speaker
3307 of the House of Representatives shall appoint two members, the
3308 Governor shall appoint one member, the Treasurer shall appoint
3309 one member, and the Comptroller shall appoint one member. The
3310 members of the advisory committee shall elect a member as chair.
3311 The appointments shall be made by September 1, 2000, and the
3312 committee shall meet to organize by October 1, 2000. The initial
3313 appointments shall be for a term of 24 months. Each appointing
3314 authority shall fill any vacancy occurring among its appointees
3315 for the remainder of the original term.

3316 2. The advisory committee shall make recommendations on
3317 the selection of the third-party administrator, the education
3318 providers, and the investment products and providers. The
3319 committee's recommendations on the third-party administrator
3320 must be forwarded to the Trustees of the State Board of
3321 Administration by January 1, 2001. The recommendations on the
3322 education providers must be forwarded to the trustees by April
3323 1, 2001.



3324 3. The advisory committee's recommendations and activities
3325 shall be guided by the best interests of the employees,
3326 considering the interests of employers, and the intent of the
3327 Legislature in establishing the Public Employee Optional
3328 Retirement Program.

3329 4. The staff of the ~~state board and the department~~ shall
3330 assist the advisory committee.

3331 (19) PARTICIPANT RECORDS.--All personal identifying
3332 information regarding a participant in the Public Employee
3333 Optional Retirement Program contained in Florida Retirement
3334 System records held by the State Board of Administration ~~or the~~
3335 ~~Department of Management Services~~, or its ~~their~~ agents,
3336 employees, or contractors is exempt from the provisions of s.
3337 119.07(1) and s. 24(a), Art. I of the State Constitution. The
3338 ~~department or~~ board may use such exempt information as necessary
3339 in any legal or administrative proceeding. This subsection is
3340 subject to the Open Government Sunset Review Act of 1995 in
3341 accordance with s. 119.15, and shall stand repealed October 2,
3342 2007, unless reviewed and saved from repeal through reenactment
3343 by the Legislature.

3344 Section 42. Section 121.4503, Florida Statutes, is amended
3345 to read:

3346 121.4503 Florida Retirement System Contributions Clearing
3347 Trust Fund.--

3348 (1) The Florida Retirement System Contributions Clearing
3349 Trust Fund is created in the State Treasury as a clearing fund
3350 for disbursing employer contributions to the component plans of
3351 the Florida Retirement System and shall be administered by the



3352 State Board of Administration ~~Department of Management Services~~.
3353 Funds shall be credited to the trust fund as provided in this
3354 chapter and shall be held in trust for the contributing
3355 employers until such time as the assets are transferred by the
3356 board ~~department~~ to the Florida Retirement System Trust Fund,
3357 the Public Employee Optional Retirement Program Trust Fund, or
3358 other trust funds as authorized by law, to be used for the
3359 purposes of this chapter. The trust fund is exempt from the
3360 service charges imposed by s. 215.20.

3361 (2) The Florida Retirement System Contributions Clearing
3362 Trust Fund is a clearing trust fund of the State Board of
3363 Administration ~~Department of Management Services~~ pursuant to s.
3364 19(f), Art. III of the State Constitution, and is not subject to
3365 termination.

3366 (3) The State Board of Administration ~~Department of~~
3367 ~~Management Services~~ may adopt rules governing the receipt and
3368 disbursement of amounts received by the Florida Retirement
3369 System Contributions Clearing Trust Fund from employers
3370 contributing to the component plans of the Florida Retirement
3371 System.

3372 Section 43. Section 121.591, Florida Statutes, is amended
3373 to read:

3374 121.591 Benefits payable under the Public Employee
3375 Optional Retirement Program of the Florida Retirement
3376 System.--Benefits may not be paid under this section unless the
3377 member has terminated employment as provided in s.
3378 121.021(39)(a) or is deceased and a proper application has been
3379 filed in the manner prescribed by the state board or the



3380 division ~~department~~. The state board or division ~~department~~, as
 3381 appropriate, may cancel an application for retirement benefits
 3382 when the member or beneficiary fails to timely provide the
 3383 information and documents required by this chapter and the rules
 3384 of the state board and division ~~department~~. In accordance with
 3385 their respective responsibilities as provided herein, the State
 3386 Board of Administration and the division ~~Department~~ of
 3387 ~~Management Services~~ shall adopt rules establishing procedures
 3388 for application for retirement benefits and for the cancellation
 3389 of such application when the required information or documents
 3390 are not received.

3391 (1) NORMAL BENEFITS.--Under the Public Employee Optional
 3392 Retirement Program:

3393 (a) Benefits in the form of vested accumulations as
 3394 described in s. 121.4501(6) shall be payable under this
 3395 subsection in accordance with the following terms and
 3396 conditions:

3397 1. To the extent vested, benefits shall be payable only to
 3398 a participant.

3399 2. Benefits shall be paid by the third-party administrator
 3400 or designated approved providers in accordance with the law, the
 3401 contracts, and any applicable board rule or policy.

3402 3. To receive benefits under this subsection, the
 3403 participant must be terminated from all employment with all
 3404 Florida Retirement System employers, as provided in s.
 3405 121.021(39).

3406 (b) If a participant elects to receive his or her benefits
 3407 upon termination of employment, the participant must submit a



3408 written application to the third-party administrator indicating
3409 his or her preferred distribution date and selecting an
3410 authorized method of distribution as provided in paragraph (c).
3411 The participant may defer receipt of benefits until he or she
3412 chooses to make such application, subject to federal
3413 requirements.

3414 (c) Upon receipt by the third-party administrator of a
3415 properly executed application for distribution of benefits, the
3416 total accumulated benefit shall be payable to the participant,
3417 as:

- 3418 1. A lump-sum distribution to the participant;
- 3419 2. A lump-sum direct rollover distribution whereby all
3420 accrued benefits, plus interest and investment earnings, are
3421 paid from the participant's account directly to the custodian of
3422 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
3423 the Internal Revenue Code, on behalf of the participant; or
3424 3. Periodic distributions, as authorized by the state
3425 board.

3426 (2) DISABILITY RETIREMENT BENEFITS.--Benefits provided
3427 under this subsection are payable in lieu of the benefits which
3428 would otherwise be payable under the provisions of subsection
3429 (1). Such benefits shall be funded entirely from employer
3430 contributions made under s. 121.571, transferred participant
3431 funds accumulated pursuant to paragraph (a), and interest and
3432 earnings thereon. Pursuant thereto:

3433 (a) Transfer of funds.--To qualify to receive monthly
3434 disability benefits under this subsection:



3435 1. All moneys accumulated in the participant's Public
3436 Employee Optional Retirement Program accounts, including vested
3437 and nonvested accumulations as described in s. 121.4501(6),
3438 shall be transferred from such individual accounts to the
3439 Division of Retirement for deposit in the disability account of
3440 the Florida Retirement System Trust Fund. Such moneys shall be
3441 separately accounted for. Earnings shall be credited on an
3442 annual basis for amounts held in the disability accounts of the
3443 Florida Retirement System Trust Fund based on actual earnings of
3444 the Florida Retirement System Trust Fund.

3445 2. If the participant has retained retirement credit he or
3446 she had earned under the defined benefit program of the Florida
3447 Retirement System as provided in s. 121.4501(3)(b), a sum
3448 representing the actuarial present value of such credit within
3449 the Florida Retirement System Trust Fund shall be reassigned by
3450 the Division of Retirement from the defined benefit program to
3451 the disability program as implemented under this subsection and
3452 shall be deposited in the disability account of the Florida
3453 Retirement System Trust Fund. Such moneys shall be separately
3454 accounted for.

3455 (b) Disability retirement; entitlement.--

3456 1. A participant of the Public Employee Optional
3457 Retirement Program who becomes totally and permanently disabled,
3458 as defined in s. 121.091(4)(b), after completing 8 years of
3459 creditable service, or a participant who becomes totally and
3460 permanently disabled in the line of duty regardless of his or
3461 her length of service, shall be entitled to a monthly disability
3462 benefit as provided herein.



3463 2. In order for service to apply toward the 8 years of
3464 service required to vest for regular disability benefits, or
3465 toward the creditable service used in calculating a service-
3466 based benefit as provided for under paragraph (g), the service
3467 must be creditable service as described below:

3468 a. The participant's period of service under the Public
3469 Employee Optional Retirement Program will be considered
3470 creditable service, except as provided in subparagraph d.

3471 b. If the participant has elected to retain credit for his
3472 or her service under the defined benefit program of the Florida
3473 Retirement System as provided under s. 121.4501(3)(b), all such
3474 service will be considered creditable service.

3475 c. If the participant has elected to transfer to his or
3476 her participant accounts a sum representing the present value of
3477 his or her retirement credit under the defined benefit program
3478 as provided under s. 121.4501(3)(c), the period of service under
3479 the defined benefit program represented in the present value
3480 amounts transferred will be considered creditable service for
3481 purposes of vesting for disability benefits, except as provided
3482 in subparagraph d.

3483 d. Whenever a participant has terminated employment and
3484 has taken distribution of his or her funds as provided in
3485 subsection (1), all creditable service represented by such
3486 distributed funds is forfeited for purposes of this subsection.

3487 (c) Disability retirement effective date.--The effective
3488 retirement date for a participant who applies and is approved
3489 for disability retirement shall be established as provided under
3490 s. 121.091(4)(a)2. and 3.



3491 (d) Total and permanent disability.--A participant shall
3492 be considered totally and permanently disabled if, in the
3493 opinion of the division, he or she is prevented, by reason of a
3494 medically determinable physical or mental impairment, from
3495 rendering useful and efficient service as an officer or
3496 employee.

3497 (e) Proof of disability.--The division, before approving
3498 payment of any disability retirement benefit, shall require
3499 proof that the participant is totally and permanently disabled
3500 in the same manner as provided for members of the defined
3501 benefit program of the Florida Retirement System under s.
3502 121.091(4)(c).

3503 (f) Disability retirement benefit.--Upon the disability
3504 retirement of a participant under this subsection, the
3505 participant shall receive a monthly benefit that shall begin to
3506 accrue on the first day of the month of disability retirement,
3507 as approved by the division, and shall be payable on the last
3508 day of that month and each month thereafter during his or her
3509 lifetime and continued disability. All disability benefits
3510 payable to such member shall be paid out of the disability
3511 account of the Florida Retirement System Trust Fund established
3512 under this subsection.

3513 (g) Computation of disability retirement benefit.--The
3514 amount of each monthly payment shall be calculated in the same
3515 manner as provided for members of the defined benefit program of
3516 the Florida Retirement System under s. 121.091(4)(f). For such
3517 purpose, creditable service under both the defined benefit
3518 program and the Public Employee Optional Retirement Program of



3519 the Florida Retirement System shall be applicable as provided
3520 under paragraph (b).

3521 (h) Reapplication.--A participant whose initial
3522 application for disability retirement has been denied may
3523 reapply for disability benefits in the same manner, and under
3524 the same conditions, as provided for members of the defined
3525 benefit program of the Florida Retirement System under s.
3526 121.091(4)(g).

3527 (i) Membership.--Upon approval of an application for
3528 disability benefits under this subsection, the applicant shall
3529 be transferred to the defined benefit program of the Florida
3530 Retirement System, effective upon his or her disability
3531 retirement effective date.

3532 (j) Option to cancel.--Any participant whose application
3533 for disability benefits is approved may cancel his or her
3534 application for disability benefits, provided that the
3535 cancellation request is received by the division before a
3536 disability retirement warrant has been deposited, cashed, or
3537 received by direct deposit. Upon such cancellation:

3538 1. The participant's transfer to the defined benefit
3539 program under paragraph (i) shall be nullified;

3540 2. The participant shall be retroactively reinstated in
3541 the Public Employee Optional Retirement Program without hiatus;

3542 3. All funds transferred to the Florida Retirement System
3543 Trust Fund under paragraph (a) shall be returned to the
3544 participant accounts from which such funds were drawn; and



3545 4. The participant may elect to receive the benefit
3546 payable under the provisions of subsection (1) in lieu of
3547 disability benefits as provided under this subsection.

3548 (k) Recovery from disability.--

3549 1. The division may require periodic reexaminations at the
3550 expense of the disability program account of the Florida
3551 Retirement System Trust Fund. Except as otherwise provided in
3552 subparagraph 2., the requirements, procedures, and restrictions
3553 relating to the conduct and review of such reexaminations,
3554 discontinuation or termination of benefits, reentry into
3555 employment, disability retirement after reentry into covered
3556 employment, and all other matters relating to recovery from
3557 disability shall be the same as are set forth under s.

3558 121.091(4)(h).

3559 2. Upon recovery from disability, any recipient of
3560 disability retirement benefits under this subsection shall be a
3561 compulsory member of the Public Employee Optional Retirement
3562 Program of the Florida Retirement System. The net difference
3563 between the recipient's original account balance transferred to
3564 the Florida Retirement System Trust Fund, including earnings,
3565 under paragraph (a) and total disability benefits paid to such
3566 recipient, if any, shall be determined as provided in sub-
3567 subparagraph a.

3568 a. An amount equal to the total benefits paid shall be
3569 subtracted from that portion of the transferred account balance
3570 consisting of vested accumulations as described under s.

3571 121.4501(6), if any, and an amount equal to the remainder of
3572 benefit amounts paid, if any, shall then be subtracted from any



3573 remaining portion consisting of nonvested accumulations as
3574 described under s. 121.4501(6).

3575 b. Amounts subtracted under sub-subparagraph a. shall be
3576 retained within the disability account of the Florida Retirement
3577 System Trust Fund. Any remaining account balance shall be
3578 transferred to the third-party administrator for disposition as
3579 provided under sub-subparagraph c. or sub-subparagraph d., as
3580 appropriate.

3581 c. If the recipient returns to covered employment,
3582 transferred amounts shall be deposited in individual accounts
3583 under the Public Employee Optional Retirement Program, as
3584 directed by the participant. Vested and nonvested amounts shall
3585 be separately accounted for as provided in s. 121.4501(6).

3586 d. If the recipient fails to return to covered employment
3587 upon recovery from disability:

3588 (I) Any remaining vested amount shall be deposited in
3589 individual accounts under the Public Employee Optional
3590 Retirement Program, as directed by the participant, and shall be
3591 payable as provided in subsection (1).

3592 (II) Any remaining nonvested amount shall be held in a
3593 suspense account and shall be forfeitable after 5 years as
3594 provided in s. 121.4501(6).

3595 3. If present value was reassigned from the defined
3596 benefit program to the disability program of the Florida
3597 Retirement System as provided under subparagraph (a)2., the full
3598 present value amount shall be returned to the defined benefit
3599 account within the Florida Retirement System Trust Fund and the
3600 affected individual's associated retirement credit under the



3601 defined benefit program shall be reinstated in full. Any benefit
3602 based upon such credit shall be calculated as provided in s.
3603 121.091(4)(h)1.

3604 (l) Nonadmissible causes of disability.--A participant
3605 shall not be entitled to receive a disability retirement benefit
3606 if the disability results from any injury or disease sustained
3607 or inflicted as described in s. 121.091(4)(i).

3608 (m) Disability retirement of justice or judge by order of
3609 Supreme Court.--

3610 1. If a participant is a justice of the Supreme Court,
3611 judge of a district court of appeal, circuit judge, or judge of
3612 a county court who has served for 6 years or more as an elected
3613 constitutional judicial officer, including service as a judicial
3614 officer in any court abolished pursuant to Art. V of the State
3615 Constitution, and who is retired for disability by order of the
3616 Supreme Court upon recommendation of the Judicial Qualifications
3617 Commission pursuant to the provisions of Art. V of the State
3618 Constitution, the participant's Option 1 monthly disability
3619 benefit amount as provided in s. 121.091(6)(a)1. shall be two-
3620 thirds of his or her monthly compensation as of the
3621 participant's disability retirement date. Such a participant
3622 may alternatively elect to receive an actuarially adjusted
3623 disability retirement benefit under any other option as provided
3624 in s. 121.091(6)(a), or to receive the normal benefit payable
3625 under the Public Employee Optional Retirement Program as set
3626 forth in subsection (1).

3627 2. If any justice or judge who is a participant of the
3628 Public Employee Optional Retirement Program of the Florida



3629 Retirement System is retired for disability by order of the
 3630 Supreme Court upon recommendation of the Judicial Qualifications
 3631 Commission pursuant to the provisions of Art. V of the State
 3632 Constitution and elects to receive a monthly disability benefit
 3633 under the provisions of this paragraph:

3634 a. Any present value amount that was transferred to his or
 3635 her program account and all employer contributions made to such
 3636 account on his or her behalf, plus interest and earnings
 3637 thereon, shall be transferred to and deposited in the disability
 3638 account of the Florida Retirement System Trust Fund; and

3639 b. The monthly benefits payable under this paragraph for
 3640 any affected justice or judge retired from the Florida
 3641 Retirement System pursuant to Art. V of the State Constitution
 3642 shall be paid from the disability account of the Florida
 3643 Retirement System Trust Fund.

3644 (n) Death of retiree or beneficiary.--Upon the death of a
 3645 disabled retiree or beneficiary thereof who is receiving monthly
 3646 benefits under this subsection, the monthly benefits shall be
 3647 paid through the last day of the month of death and shall
 3648 terminate, or be adjusted, if applicable, as of that date in
 3649 accordance with the optional form of benefit selected at the
 3650 time of retirement. The deceased disabled retiree's beneficiary
 3651 shall also receive the amount of the participant's remaining
 3652 account balance, if any, in the Florida Retirement System Trust
 3653 Fund. The Division of Retirement ~~Department of Management~~
 3654 ~~Services~~ may adopt rules necessary to administer this paragraph.

3655 (3) DEATH BENEFITS.--Under the Public Employee Optional
 3656 Retirement Program:



3657 (a) Survivor benefits shall be payable in accordance with
 3658 the following terms and conditions:

3659 1. To the extent vested, benefits shall be payable only to
 3660 a participant's beneficiary or beneficiaries as designated by
 3661 the participant. If a participant designates a primary
 3662 beneficiary other than the participant's spouse, the
 3663 participant's spouse shall be notified of the designation. This
 3664 requirement shall not apply to the designation of one or more
 3665 contingent beneficiaries to receive any benefits remaining upon
 3666 the death of the primary beneficiary or beneficiaries.

3667 2. Benefits shall be paid by the third-party administrator
 3668 or designated approved providers in accordance with the law, the
 3669 contracts, and any applicable board rule or policy.

3670 3. To receive benefits under this subsection, the
 3671 participant must be deceased.

3672 (b) In the event of a participant's death, all vested
 3673 accumulations as described in s. 121.4501(6), less withholding
 3674 taxes remitted to the Internal Revenue Service, shall be
 3675 distributed, as provided in paragraph (c), to the participant's
 3676 designated beneficiary or beneficiaries, or to the participant's
 3677 estate, as if the participant retired on the date of death. No
 3678 other death benefits shall be available for survivors of
 3679 participants under the Public Employee Optional Retirement
 3680 Program, except for such benefits, or coverage for such
 3681 benefits, as are otherwise provided by law or are separately
 3682 afforded by the employer, at the employer's discretion.

3683 (c) Upon receipt by the third-party administrator of a
 3684 properly executed application for distribution of benefits, the



3685 total accumulated benefit shall be payable by the third-party
 3686 administrator to the participant's surviving beneficiary or
 3687 beneficiaries, as:

3688 1. A lump-sum distribution payable to the beneficiary or
 3689 beneficiaries, or to the deceased participant's estate;

3690 2. An eligible rollover distribution on behalf of the
 3691 surviving spouse of a deceased participant, whereby all accrued
 3692 benefits, plus interest and investment earnings, are paid from
 3693 the deceased participant's account directly to the custodian of
 3694 an eligible retirement plan, as described in s. 402(c)(8)(B) of
 3695 the Internal Revenue Code, on behalf of the surviving spouse; or

3696 3. A partial lump-sum payment whereby a portion of the
 3697 accrued benefit is paid to the deceased participant's surviving
 3698 spouse or other designated beneficiaries, less withholding taxes
 3699 remitted to the Internal Revenue Service, and the remaining
 3700 amount is transferred directly to the custodian of an eligible
 3701 retirement plan, as described in s. 402(c)(8)(B) of the Internal
 3702 Revenue Code, on behalf of the surviving spouse. The proportions
 3703 must be specified by the participant or the surviving
 3704 beneficiary.

3705
 3706 This paragraph does not abrogate other applicable provisions of
 3707 state or federal law providing for payment of death benefits.

3708 (4) LIMITATION ON LEGAL PROCESS.--The benefits payable to
 3709 any person under the Public Employee Optional Retirement
 3710 Program, and any contributions accumulated under such program,
 3711 are not subject to assignment, execution, attachment, or any
 3712 legal process, except for qualified domestic relations orders by



3713 a court of competent jurisdiction, income deduction orders as
3714 provided in s. 61.1301, and federal income tax levies.

3715 Section 44. Section 121.5911, Florida Statutes, is amended
3716 to read:

3717 121.5911 Disability retirement program; qualified status;
3718 rulemaking authority.--It is the intent of the Legislature that
3719 the disability retirement program for participants of the Public
3720 Employee Optional Retirement Program as created in this act must
3721 meet all applicable requirements of federal law for a qualified
3722 plan. The Department of Management Services or the Division of
3723 Retirement shall seek a private letter ruling from the Internal
3724 Revenue Service on the disability retirement program for
3725 participants of the Public Employee Optional Retirement Program.
3726 Consistent with the private letter ruling, the division
3727 ~~Department of Management Services~~ shall adopt any necessary
3728 rules required to maintain the qualified status of the
3729 disability retirement program and the Florida Retirement System
3730 defined benefit plan.

3731 Section 45. Subsection (1) of section 121.72, Florida
3732 Statutes, is amended to read:

3733 121.72 Allocations to optional retirement program
3734 participant accounts; percentage amounts.--

3735 (1) The allocations established in subsection (4) shall
3736 fund retirement benefits under the optional retirement program
3737 and shall be transferred monthly by the State Board of
3738 Administration ~~Division of Retirement~~ from the Florida
3739 Retirement System Contributions Clearing Trust Fund to the
3740 third-party administrator for deposit in each participating



3741 employee's individual account based on the membership class of
 3742 the participant.

3743 Section 46. Subsection (1) of section 121.73, Florida
 3744 Statutes, is amended to read:

3745 121.73 Allocations for optional retirement program
 3746 participant disability coverage; percentage amounts.--

3747 (1) The allocations established in subsection (3) shall be
 3748 used to provide disability coverage for participants in the
 3749 optional retirement program and shall be transferred monthly by
 3750 the State Board of Administration ~~Division of Retirement~~ from
 3751 the Florida Retirement System Contributions Clearing Trust Fund
 3752 to the disability account of the Florida Retirement System Trust
 3753 Fund.

3754 Section 47. Section 121.74, Florida Statutes, is amended
 3755 to read:

3756 121.74 Administrative and educational expenses.--Effective
 3757 July 1, 2002, in addition to contributions required under s.
 3758 121.71, employers participating in the Florida Retirement System
 3759 shall contribute an amount equal to 0.15 percent of the payroll
 3760 reported for each class or subclass of Florida Retirement System
 3761 membership, which amount shall be transferred by the State Board
 3762 of Administration ~~Division of Retirement~~ from the Florida
 3763 Retirement System Contributions Clearing Trust Fund to the
 3764 board's ~~State Board of Administration's~~ Administrative Trust
 3765 Fund to offset the costs of administering the optional
 3766 retirement program and the costs of providing educational
 3767 services to participants in the defined benefit program and the
 3768 optional retirement program. Approval of the Trustees of the



3769 State Board of Administration is required prior to the
 3770 expenditure of these funds. Payments for third-party
 3771 administrative or educational expenses shall be made only
 3772 pursuant to the terms of the approved contracts for such
 3773 services.

3774 Section 48. Subsection (6) of section 175.032, Florida
 3775 Statutes, is amended to read:

3776 175.032 Definitions.--For any municipality, special fire
 3777 control district, chapter plan, local law municipality, local
 3778 law special fire control district, or local law plan under this
 3779 chapter, the following words and phrases have the following
 3780 meanings:

3781 (6) "Division" means the Division of Retirement of the
 3782 State Board of Administration ~~Department of Management Services~~.

3783 Section 49. Subsection (1) of section 175.121, Florida
 3784 Statutes, is amended to read:

3785 175.121 Department of Revenue and Division of Retirement
 3786 to keep accounts of deposits; disbursements.--For any
 3787 municipality or special fire control district having a chapter
 3788 or local law plan established pursuant to this chapter:

3789 (1) The Department of Revenue shall keep a separate
 3790 account of all moneys collected for each municipality and each
 3791 special fire control district under the provisions of this
 3792 chapter. Seven and three-tenths percent of all moneys so
 3793 collected shall be transferred to the General Revenue Fund. The
 3794 balance of all moneys so collected shall ~~must~~ be transferred to
 3795 the Police and Firefighters' Premium Tax Trust Fund and shall be
 3796 separately accounted for by the division. The moneys budgeted as



3797 necessary to pay the expenses of the division for the daily
3798 oversight and monitoring of the firefighters' pension plans
3799 under this chapter and for the oversight and actuarial reviews
3800 conducted under part VII of chapter 112 are annually
3801 appropriated from the interest and investment income earned on
3802 the moneys collected for each municipality or special fire
3803 control district and deposited in the Police and Firefighters'
3804 Premium Tax Trust Fund. Interest and investment income
3805 remaining thereafter in the trust fund which is unexpended and
3806 otherwise unallocated by law shall be transferred ~~revert~~ to the
3807 General Revenue Fund on June 30 of each year.

3808 Section 50. Section 175.1215, Florida Statutes, is amended
3809 to read:

3810 175.1215 Police and Firefighters' Premium Tax Trust
3811 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
3812 created in the State Treasury, to be administered by the
3813 Division of Retirement ~~of the Department of Management Services~~.
3814 Funds credited to the trust fund, as provided in chapter 95-250,
3815 Laws of Florida, or similar legislation, shall be expended for
3816 the purposes set forth in that legislation.

3817 Section 51. Subsection (1) of section 175.341, Florida
3818 Statutes, is amended to read:

3819 175.341 Duties of Division of Retirement; rulemaking
3820 authority; investments by State Board of Administration.--

3821 (1) The division shall be responsible for the daily
3822 oversight and monitoring for actuarial soundness of the
3823 firefighters' pension plans, whether chapter or local law plans,
3824 established under this chapter, for receiving and holding the



3825 premium tax moneys collected under this chapter, and, upon
 3826 determining compliance with the provisions of this chapter, for
 3827 disbursing those moneys to the firefighters' pension plans. The
 3828 funds necessary to pay expenses for such administration are
 3829 ~~shall be~~ annually appropriated from the interest and investment
 3830 income earned on moneys deposited in the trust fund.

3831 Section 52. Subsection (7) of section 185.02, Florida
 3832 Statutes, is amended to read:

3833 185.02 Definitions.--For any municipality, chapter plan,
 3834 local law municipality, or local law plan under this chapter,
 3835 the following words and phrases as used in this chapter shall
 3836 have the following meanings, unless a different meaning is
 3837 plainly required by the context:

3838 (7) "Division" means the Division of Retirement of the
 3839 State Board of Administration ~~Department of Management Services~~.

3840 Section 53. Subsection (1) of section 185.10, Florida
 3841 Statutes, is amended to read:

3842 185.10 Department of Revenue and Division of Retirement to
 3843 keep accounts of deposits; disbursements.--For any municipality
 3844 having a chapter plan or local law plan under this chapter:

3845 (1) The Department of Revenue shall keep a separate
 3846 account of all moneys collected for each municipality under the
 3847 provisions of this chapter. Seven and three-tenths percent of
 3848 all moneys so collected shall be transferred to the General
 3849 Revenue Fund. The balance of all moneys so collected shall ~~must~~
 3850 be transferred to the Police and Firefighters' Premium Tax Trust
 3851 Fund and shall be separately accounted for by the division. The
 3852 moneys budgeted as necessary to pay the expenses of the division



3853 for the daily oversight and monitoring of the police officers'
 3854 retirement plans under this chapter and for the oversight and
 3855 actuarial reviews conducted under part VII of chapter 112 are
 3856 annually appropriated from the interest and investment income
 3857 earned on the moneys collected for each municipality or special
 3858 fire control district and deposited in the Police and
 3859 Firefighters' Premium Tax Trust Fund. Interest and investment
 3860 income remaining thereafter in the trust fund which is
 3861 unexpended and otherwise unallocated by law shall be transferred
 3862 ~~revert~~ to the General Revenue Fund on June 30 of each year.

3863 Section 54. Section 185.105, Florida Statutes, is amended
 3864 to read:

3865 185.105 Police and Firefighters' Premium Tax Trust
 3866 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
 3867 created in the State Treasury, to be administered by the
 3868 Division of Retirement ~~of the Department of Management Services~~.
 3869 Funds credited to the trust fund, as provided in chapter 95-250,
 3870 Laws of Florida, or similar legislation, shall be expended for
 3871 the purposes set forth in that legislation.

3872 Section 55. Subsection (1) of section 185.23, Florida
 3873 Statutes, is amended to read:

3874 185.23 Duties of Division of Retirement; rulemaking
 3875 authority; investments by State Board of Administration.--

3876 (1) The division shall be responsible for the daily
 3877 oversight and monitoring for actuarial soundness of the
 3878 municipal police officers' retirement plans, whether chapter or
 3879 local law plans, established under this chapter, for receiving
 3880 and holding the premium tax moneys collected under this chapter,



3881 and, upon determining compliance with the provisions of this
 3882 chapter, for disbursing those moneys to the municipal police
 3883 officers' retirement plans. The funds to pay the expenses for
 3884 such administration are ~~shall be annually~~ appropriated from the
 3885 interest and investment income earned on moneys deposited in the
 3886 trust fund.

3887 Section 56. Paragraph (ii) of subsection (4) of section
 3888 215.20, Florida Statutes, is amended to read:

3889 215.20 Certain income and certain trust funds to
 3890 contribute to the General Revenue Fund.--

3891 (4) The income of a revenue nature deposited in the
 3892 following described trust funds, by whatever name designated, is
 3893 that from which the deductions authorized by subsection (3)
 3894 shall be made:

3895 ~~(ii) The Police and Firefighters' Premium Tax Trust Fund~~
 3896 ~~established within the Department of Management Services.~~

3897
 3898 The enumeration of the foregoing moneys or trust funds shall not
 3899 prohibit the applicability thereto of s. 215.24 should the
 3900 Governor determine that for the reasons mentioned in s. 215.24
 3901 the money or trust funds should be exempt herefrom, as it is the
 3902 purpose of this law to exempt income from its force and effect
 3903 when, by the operation of this law, federal matching funds or
 3904 contributions or private grants to any trust fund would be lost
 3905 to the state.

3906 Section 57. Subsection (3) of section 215.28, Florida
 3907 Statutes, is amended to read:



3908 215.28 United States securities, purchase by state and
3909 county officers and employees; deductions from salary.--
3910 (3) All deductions so made by any such disbursing
3911 authority shall be deposited in a trust account separate and
3912 apart from the funds of the state, county, or subordinate
3913 agency. Such trust account shall be created in the State
3914 Treasury and shall be administered by the State Board of
3915 Administration. Such account will be subject to withdrawal only
3916 for the purchase of United States securities on behalf of
3917 officers and employees, or for refunds to such persons in
3918 accordance with the provisions of this law. Whenever the sum of
3919 \$18.75 or the purchase price of the security requested to be
3920 purchased is accumulated from deductions so made from the
3921 salaries or wages of an officer or employee, such disbursing
3922 agent shall arrange the purchase of the bond or security applied
3923 for and have it registered in the name or names requested in the
3924 deduction authorization. Securities so purchased will be
3925 delivered in such manner as may be convenient for the issuing
3926 agent and the purchaser. Any interest earned on moneys in such
3927 account while awaiting the accumulation of the purchase price of
3928 the security shall be transferred to the Florida Retirement
3929 System Trust Fund as reimbursement for administrative costs
3930 incurred by the Division of Retirement of the State Board of
3931 Administration ~~Department of Management Services~~ under this
3932 section.
3933 Section 58. Subsection (7) of section 215.44, Florida
3934 Statutes, is amended to read:



3935 215.44 Board of Administration; powers and duties in
 3936 relation to investment of trust funds.--

3937 (7) Investment and debt purchasing procedures and
 3938 contracts of funds held in trust by the State Board of
 3939 Administration, whether directly or incidentally related to the
 3940 investment or debt transactions, and purchases of commodities or
 3941 services related to the administration of pension benefits, are
 3942 exempt from the provisions of chapter 287.

3943 Section 59. Subsection (3) of section 215.50, Florida
 3944 Statutes, is amended to read:

3945 215.50 Custody of securities purchased; income.--

3946 (3) The Treasurer, as custodian of securities owned by the
 3947 Florida Retirement System Trust Fund and the Florida Survivor
 3948 Benefit Trust Fund, shall collect the interest, dividends,
 3949 prepayments, maturities, proceeds from sales, and other income
 3950 accruing from such assets. As such income is collected by the
 3951 Treasurer, it shall be deposited directly into a commercial bank
 3952 to the credit of the State Board of Administration. Such bank
 3953 accounts as may be required for this purpose shall offer
 3954 satisfactory collateral security as provided by chapter 280. In
 3955 the event funds so deposited according to the provisions of this
 3956 section are required for the purpose of paying benefits or other
 3957 operational needs, the State Board of Administration shall remit
 3958 to the Florida Retirement System Trust Fund in the State
 3959 Treasury such amounts as are required ~~may be requested by the~~
 3960 ~~Department of Management Services.~~

3961 Section 60. Section 215.52, Florida Statutes, is amended
 3962 to read:



3963 215.52 Rules and regulations.--The board may adopt ~~shall~~
 3964 ~~have the power and authority to make reasonable rules and~~
 3965 ~~regulations necessary to~~ implement general law conferring powers
 3966 and duties upon it ~~carry out the provisions of ss. 215.44-~~
 3967 ~~215.53.~~

3968 Section 61. Subsections (2), (3), (11), and (13) of
 3969 section 238.01, Florida Statutes, are amended to read:

3970 238.01 Definitions.--The following words and phrases as
 3971 used in this chapter shall have the following meanings unless a
 3972 different meaning is plainly required by the context:

3973 (2) "Division" means the Division of Retirement of the
 3974 State Board of Administration ~~"Department" means the Department~~
 3975 ~~of Management Services.~~

3976 (3) "Teacher" means any member of the teaching or
 3977 professional staff and any certificated employee of any public
 3978 free school, of any district school system and vocational
 3979 school, any member of the teaching or professional staff of the
 3980 Florida School for the Deaf and Blind, child training schools of
 3981 the Department of Juvenile Justice, the Department of
 3982 Corrections, and any tax-supported institution of higher
 3983 learning of the state, and any member and any certified employee
 3984 of the Department of Education, any certified employee of the
 3985 retirement system, any full-time employee of any nonprofit
 3986 professional association or corporation of teachers functioning
 3987 in Florida on a statewide basis, which seeks to protect and
 3988 improve public school opportunities for children and advance the
 3989 professional and welfare status of its members, any person now
 3990 serving as superintendent, or who was serving as county



3991 superintendent of public instruction on July 1, 1939, and any
3992 hereafter duly elected or appointed superintendent, who holds a
3993 valid Florida teachers' certificate. In all cases of doubt the
3994 division ~~Department of Management Services~~ shall determine
3995 whether any person is a teacher as defined herein.

3996 (11) "Regular interest" means interest at such rate as may
3997 be set from time to time by the division ~~Department of~~
3998 ~~Management Services~~.

3999 (13) "Earnable compensation" means the full compensation
4000 payable to a teacher working the full working time for his or
4001 her position. In respect to plans A, B, C, and D only, in cases
4002 where compensation includes maintenance, the division ~~Department~~
4003 ~~of Management Services~~ shall fix the value of that part of the
4004 compensation not paid in money; provided that all members shall
4005 from July 1, 1955, make contributions to the retirement system
4006 on the basis of "earnable compensation" as defined herein and
4007 all persons who are members on July 1, 1955, may, upon
4008 application, have their "earnable compensation" for the time
4009 during which they have been members prior to that date
4010 determined on the basis of "earnable compensation" as defined in
4011 this law, upon paying to the retirement system, on or before the
4012 date of retirement, a sum equal to the additional contribution
4013 with accumulated regular interest thereon they would have made
4014 if "earnable compensation" had been defined, at the time they
4015 became members, as it is now defined. However, earnable
4016 compensation for all plan years beginning on or after July 1,
4017 1990, shall not include any amounts in excess of the
4018 compensation limitation (originally \$200,000) established by s.



4019 401(a)(17) of the Internal Revenue Code prior to the Omnibus
 4020 Budget Reconciliation Act of 1993, which limitation shall be
 4021 adjusted for changes in the cost of living since 1989, in the
 4022 manner provided by s. 401(a)(17) of the Internal Revenue Code of
 4023 1991. This limitation, which has been part of the Teachers'
 4024 Retirement System since plan years beginning on or after July 1,
 4025 1990, shall be adjusted as required by federal law for qualified
 4026 government plans.

4027 Section 62. Section 238.02, Florida Statutes, is amended
 4028 to read:

4029 238.02 Name and date of establishment.--A retirement
 4030 system is established and placed under the management of the
 4031 division ~~Department of Management Services~~ for the purpose of
 4032 providing retirement allowances and other benefits for teachers
 4033 of the state. The retirement system shall begin operations on
 4034 July 1, 1939. It has such powers and privileges of a
 4035 corporation as may be necessary to carry out effectively the
 4036 provisions of this chapter and shall be known as the "Teachers'
 4037 Retirement System of the State," and by such name all of its
 4038 business shall be transacted, all of its funds invested, and all
 4039 of its cash and securities and other property held in trust for
 4040 the purpose for which received.

4041 Section 63. Section 238.03, Florida Statutes, is amended
 4042 to read:

4043 238.03 Administration.--

4044 (1) The general administration and the responsibility for
 4045 the proper operation of the retirement system and for making
 4046 effective the provisions of this chapter are vested in the



4047 division ~~Department of Management Services~~. Subject to the
4048 limitation of this chapter, the division ~~department~~ shall, from
4049 time to time, establish rules and regulations for the
4050 administration and transaction of the business of the retirement
4051 system and shall perform such other functions as are required
4052 for the execution of this chapter.

4053 (2) The division ~~department~~ shall keep in convenient form
4054 such data as shall be necessary for actuarial valuation of the
4055 various funds created by this chapter and for checking the
4056 experience of the retirement system.

4057 (3) The Department of Legal Affairs, at the option of the
4058 State Board of Administration, shall be the legal adviser of the
4059 division ~~department~~.

4060 (4) The division ~~department~~ shall employ such agents,
4061 servants and employees as in its judgment may be necessary to
4062 carry out the terms and provisions of this chapter and shall
4063 provide for their compensation. Among the employees of the
4064 division ~~department~~ shall be an actuary who shall be the
4065 technical adviser of the division ~~department~~ on matters
4066 regarding the operation of the funds created by the provisions
4067 of this chapter and who shall perform such other duties as are
4068 required in connection therewith.

4069 (5) In the year 1943 and at least once in each 5-year
4070 period thereafter, the actuary shall make an actuarial
4071 investigation of the mortality, service and salary experience of
4072 the members and beneficiaries as defined in this chapter, and
4073 shall make a valuation of the various funds created by the
4074 chapter, and having regard to such investigation and valuation,



4075 the division ~~department~~ shall adopt such mortality and service
4076 tables as shall be deemed necessary, and shall certify the rates
4077 of contribution payable under the provisions of this chapter.

4078 (6) The actuary shall make an annual valuation of the
4079 assets and liabilities of the funds of the retirement system on
4080 the basis of the tables adopted by the division ~~department~~ in
4081 accordance with the requirements of this section, and shall
4082 prepare an annual statement of the amounts to be contributed by
4083 the state in accordance with s. 238.09.

4084 (7) The division ~~department~~ shall publish annually the
4085 valuation, as certified by the actuary, of the assets and
4086 liabilities of the various funds created by this chapter, a
4087 statement as to the receipts and disbursements of the funds, and
4088 a statement as to the accumulated cash and securities of the
4089 funds.

4090 (8) The division ~~department~~ shall keep a record of all of
4091 its proceedings and such record shall be open to inspection by
4092 the public.

4093 (9) The division ~~department~~ is authorized to photograph
4094 and reduce to microfilm as a permanent record, its ledger sheets
4095 showing the salary and contributions of members of the
4096 retirement system, also the records of deceased members of the
4097 system and thereupon to destroy the documents from which such
4098 films are photographed.

4099 Section 64. Paragraph (b) of subsection (1), paragraphs
4100 (a) and (b) of subsection (3), and subsection (4) of section
4101 238.05, Florida Statutes, are amended to read:

4102 238.05 Membership.--



4103 (1) The membership of the retirement system shall consist
 4104 of the following:

4105 (b) All persons who became or who become teachers on or
 4106 after July 1, 1939, except as provided in paragraph (a) and
 4107 subsection (5) hereof, shall become members of the retirement
 4108 system by virtue of their appointment as teachers. However,
 4109 employees who are not members of the teaching or professional
 4110 staff shall only become members of the retirement system by
 4111 filing a notice with the division ~~department~~ of their election
 4112 to become members.

4113 (3) Except as otherwise provided in s. 238.07(9),
 4114 membership of any person in the retirement system will cease if
 4115 he or she is continuously unemployed as a teacher for a period
 4116 of more than 5 consecutive years, or upon the withdrawal by the
 4117 member of his or her accumulated contributions as provided in s.
 4118 238.07(13), or upon retirement, or upon death; provided that the
 4119 adjustments prescribed below are to be made for persons who
 4120 enter the Armed Forces of the United States during a period of
 4121 war or national emergency and for persons who are granted leaves
 4122 of absence. Any member of the retirement system who within 1
 4123 year before the time of entering the Armed Forces of the United
 4124 States was a teacher, as defined in s. 238.01, or was engaged in
 4125 other public educational work within the state, and member of
 4126 the Teachers' Retirement System at the time of induction, or who
 4127 has been or is granted leave of absence, shall be permitted to
 4128 elect to continue his or her membership in the Teachers'
 4129 Retirement System; and membership service shall be allowed for



4130 the period covered by service in the Armed Forces of the United
4131 States or by leave of absence under the following conditions:

4132 (a) A person who has been granted leave of absence shall
4133 file with the division ~~department~~ before his or her next
4134 contribution is due an application to continue his or her
4135 membership during the period covered by the person's leave of
4136 absence and, if such application is filed, shall make his or her
4137 contribution to the retirement system on the basis of his or her
4138 last previous annual salary as a teacher, and shall, prior to
4139 retirement, pay in full to the system such contributions with
4140 accumulated regular interest. Such contributions with interest
4141 may be paid at one time or in monthly, quarterly, semiannual, or
4142 annual payments in the person's discretion.

4143 (b) A person who enters or who has entered the Armed
4144 Forces of the United States may either continue his or her
4145 membership according to the plan outlined under paragraph (a)
4146 or, in lieu thereof, may file with the division ~~department~~ at
4147 any time following the close of his or her military service an
4148 application that his or her membership be continued and that
4149 membership service be allowed for not more than 5 years of his
4150 or her period of service in the Armed Forces of the United
4151 States during any period of war or national emergency; provided
4152 that any such person shall, prior to retirement, pay in full his
4153 or her contributions with accumulated regular interest to the
4154 retirement system for the period for which he or she is entitled
4155 to membership service on the basis of his or her last previous
4156 annual salary as a teacher. Such contributions with interest may
4157 be paid to the division ~~department~~ at one time or in monthly,



4158 quarterly, semiannual, or annual payments in the person's
4159 discretion.

4160 (4) The division ~~department~~ may in its discretion deny the
4161 right to become members to any class of teachers who are serving
4162 on a temporary or any other than a per annum basis, and it may
4163 also in its discretion make optional with members in any such
4164 class their individual entrance into membership.

4165 Section 65. Subsections (3), (10), (12), (13), (15A), and
4166 (16) of section 238.07, Florida Statutes, are amended to read:

4167 238.07 Regular benefits; survivor benefits.--

4168 (3) Any member who, prior to July 1, 1955, elected to
4169 retire under one of plans A, B, C, or D may elect, prior to
4170 retirement, to retire under plan E in accordance with the terms
4171 hereof. Any person who became a member on or after July 1,
4172 1955, shall retire under plan E, except as provided for under s.
4173 238.31. With respect to plans A, B, C, or D, any member shall
4174 have the right at any time to change to a plan of retirement
4175 requiring a lower rate of contribution. The division ~~Department~~
4176 ~~of Management Services~~ shall also notify the member of the rate
4177 of contribution such member must make from and after selecting
4178 such plan of retirement. Any member in service may retire upon
4179 reaching the age of retirement formerly selected by him or her,
4180 upon the member's written application to the division ~~department~~
4181 setting forth at which time, not more than 90 days subsequent to
4182 the execution and filing of such application, it is his or her
4183 desire to retire notwithstanding that during such period of
4184 notification he or she may have separated from service. Upon
4185 receipt of such application for retirement, the division



4186 ~~department~~ shall retire such member not more than 90 days
4187 thereafter. Before such member may retire he or she must file
4188 with the division ~~department~~ his or her written selection of one
4189 of the optional benefits provided in s. 238.08.

4190 (10) Any member in service, who has 10 or more years of
4191 creditable service, may upon the application of his or her
4192 employer or upon his or her own application, be retired by the
4193 division ~~department~~ not less than 30 nor more than 90 days next
4194 following the date of filing such application, on a disability
4195 retirement allowance; provided that a physician licensed by this
4196 state examines and certifies that such member is mentally or
4197 physically incapacitated for the further performance of duty,
4198 that such incapacity is likely to be permanent, and that such
4199 member should be retired, and the division ~~department~~ concurs.
4200 In making the determination, the division ~~department~~ may require
4201 other evidence of disability as deemed appropriate.

4202 (12)(a) Once each year during the first 5 years following
4203 the retirement of a member on a disability retirement allowance,
4204 and once in every 3-year period thereafter, the division
4205 ~~department~~ may require any disability beneficiary who has not
4206 yet attained his or her minimum service retirement age to
4207 undergo a medical examination by a physician licensed by this
4208 state and to submit any other evidence of disability as required
4209 by the division ~~department~~. Should a disability beneficiary who
4210 has not yet attained his or her minimum service retirement age
4211 refuse to submit to any such medical examination, his or her
4212 retirement allowance shall be discontinued until his or her
4213 withdrawal of such refusal, and should such refusal continue for



4214 1 year, all of the disability beneficiary's rights in and to his
4215 or her pension shall be forfeited.

4216 (b) If the division ~~department~~ finds that a disability
4217 beneficiary is engaged in or is able to engage in a gainful
4218 occupation paying more than the difference between his or her
4219 disability retirement allowance and his or her average final
4220 compensation, the amount of the beneficiary's pension shall be
4221 reduced to an amount which, together with his or her annuity and
4222 the amount earnable by him or her, shall equal the amount of his
4223 or her average final compensation. Should the beneficiary's
4224 earning capacity later be changed, the amount of his or her
4225 pension may be further modified; provided that the pension so
4226 modified shall not exceed the amount of the pension allowable
4227 under subsection (11), at the time of retirement, nor an amount
4228 which, when added to the amount earnable by the beneficiary,
4229 together with his or her annuity, equals the amount of his or
4230 her average final compensation. A beneficiary restored to
4231 active service at a salary less than the average final
4232 compensation upon the basis of which he or she was retired shall
4233 not become a member of the retirement system at that time.

4234 (c) Should a disability beneficiary under his or her
4235 minimum service retirement age be at any time in service at a
4236 salary equal to or greater than his or her average final
4237 compensation upon the basis of which he or she was retired, the
4238 beneficiary's disability retirement allowance shall cease and he
4239 or she shall again become a member of the retirement system and
4240 shall contribute thereafter at the same rate at which he or she
4241 paid prior to disability. Any prior service certificate, on the



4242 basis of which his or her allowance was computed at the time of
 4243 his or her disability retirement, shall be restored to full
 4244 force and effect; and, in addition, upon his or her subsequent
 4245 retirement he or she shall be credited with all his or her
 4246 membership service on the basis of which his or her allowance
 4247 was computed at the time of his or her disability retirement.

4248 (13) Should a member cease to be a teacher except by death
 4249 or by retirement under the provisions of this chapter, the
 4250 member shall be paid the amount of his or her accumulated
 4251 contributions. Should a member die before retirement, the
 4252 amount of his or her accumulated contributions shall be paid to
 4253 such person, if any, as he or she shall have nominated by
 4254 written designation duly executed and filed with the division
 4255 ~~department~~; otherwise, to his or her executors or
 4256 administrators.

4257 (15A)(a) Any member of the Teachers' Retirement System who
 4258 has heretofore, or who hereafter, retires with no less than 10
 4259 years of creditable service and who has passed his or her 65th
 4260 birthday, may, upon application to the division ~~department~~, have
 4261 his or her retirement allowance redetermined and thereupon shall
 4262 be entitled to a monthly service retirement allowance which
 4263 shall be equal to \$4 multiplied by the number of years of the
 4264 member's creditable service which shall be payable monthly
 4265 during his or her retirement; provided, that the amount of
 4266 retirement allowance as determined hereunder, shall be reduced
 4267 by an amount equal to:

- 4268 1. Any social security benefits received by the member,
- 4269 and



4270 2. Any social security benefits that the member is
4271 eligible to receive by reason of his or her own right or through
4272 his or her spouse.

4273 (b) No payment shall be made to a member of the Teachers'
4274 Retirement System under this act, until the division ~~department~~
4275 has determined the social security status of such member.

4276 (c) Eligibility of a member of the Teachers' Retirement
4277 System shall be determined under the social security laws and
4278 regulations; provided, however, that a member shall be
4279 considered eligible if the member or the member's spouse has
4280 reached 65 years of age and would draw social security if the
4281 member or the member's spouse were not engaged in activity that
4282 results in the member or the member's spouse receiving income
4283 that would make him or her ineligible to receive social security
4284 benefits. A member of the Teachers' Retirement System shall be
4285 deemed to be eligible for social security benefits if the member
4286 has this eligibility in his or her own right or through his or
4287 her spouse.

4288 (d) The division ~~department~~ shall review, at least
4289 annually, the social security status of all members of the
4290 Teachers' Retirement System receiving payment under this act and
4291 shall increase or decrease payments to such members as shall be
4292 necessary to carry out the intent of this act.

4293 (e) No member of the Teachers' Retirement System shall
4294 have his or her retirement allowance reduced or any of his or
4295 her rights impaired by reason of this act.

4296 (f) This subsection shall take effect on January 1, 1962.

4297 (16)(a) Definitions under survivor benefits are:



4298 1. A dependent is a child, widow, widower, or parent of
 4299 the deceased member who was receiving not less than one-half of
 4300 his or her support from the deceased member at the time of the
 4301 death of such member.

4302 2. A child is a natural or legally adopted child of a
 4303 member, who:

4304 a. Is under 18 years of age, or

4305 b. Is over 18 years of age but not over 22 years of age
 4306 and is enrolled as a student in an accredited educational
 4307 institution, or

4308 c. Is 18 years of age or older and is physically or
 4309 mentally incapable of self-support, when such mental and
 4310 physical incapacity occurred prior to such child obtaining the
 4311 age of 18 years. Such person shall cease to be regarded as a
 4312 child upon the termination of such physical or mental
 4313 disability. The determination as to such physical or mental
 4314 incapability shall be vested in the division ~~department~~.

4315
 4316
 4317 No person shall be considered a child who has married or, except
 4318 as provided in sub-subparagraph 2.b. or as to a child who is
 4319 physically or mentally incapable of self-support as hereinbefore
 4320 set forth, has become 18 years of age.

4321 3. A parent is a natural parent of a member and includes a
 4322 lawful spouse of a natural parent.

4323 4. A beneficiary is a person who is entitled to benefits
 4324 under this subsection by reason of his or her relation to a
 4325 deceased member during the lifetime of such member.



4326 (b) In addition to all other benefits to which a member
 4327 shall, subject to the conditions set out below, be entitled, the
 4328 beneficiary of such member shall, upon the death of such member,
 4329 receive the following benefits:
 4330

Minimum period of paid service of member in Florida as regular full-time teacher	Beneficiaries of deceased member	Benefits
1. One calendar day	Widow or widower who has care of dependent child or children of deceased member.	\$190 per month for one child. \$250 per month if more than one child, maximum benefits \$250 per month.
2. One calendar day	One or more dependent children if there is no surviving widow or widower.	\$190 per month per child; maximum benefits \$250 per month if more than one child.
3. One calendar day	Dependent parents 65 years or older.	For each parent, \$100 per month for life.



- | | | | |
|----|------------------|---|--|
| 4. | One calendar day | Designated beneficiary and, if no designated beneficiary, then the executor or administrator of deceased member. | \$500 lump-sum death benefits payable only once. |
| 5. | One calendar day | Dependent widow or widower 50 years of age and less than 65 years of age. | \$150 per month for life. |
| 6. | Ten years | Widow or widower 65 years of age or older. | \$175 per month for life. |
| 7. | Retired member | Designated beneficiary and if no designated beneficiary, then the executor or administrator of deceased retired member. | \$500 lump-sum death benefits payable only once. |

4331



4332 Beginning on July 1, 1971, the lump-sum death benefit, provided
 4333 in item 7 above for the retired teacher, shall apply to all
 4334 present and future retirees of the systems.

4335 (c) The payment of survivor benefits shall begin as of the
 4336 month immediately following the death of the member except where
 4337 the beneficiary has not reached the age required to receive
 4338 benefits under paragraph (b), in which event the payment of
 4339 survivor benefits shall begin as of the month immediately
 4340 following the month in which the beneficiary reaches the
 4341 required age. Provided that if death occurs during the first 3
 4342 years of employment, the payment of survivor benefits shall be
 4343 reduced by the amount of monthly benefits the member's survivors
 4344 are entitled to receive under federal social security as either
 4345 a survivor of the member or as a covered worker under federal
 4346 social security.

4347 (d) Limitations on rights of beneficiary are:

4348 1. The person named as beneficiary in paragraph (b) shall,
 4349 in no event, be entitled to receive the benefits set out in such
 4350 paragraph unless the death of the member under whom such
 4351 beneficiary claims occurs within the period of time after the
 4352 member has served in Florida as follows:

Minimum number of years of service in Florida	Period after serving in Florida in which death of member occurs
3 to 5.....	2 years



4360 6 to 9.....5 years
 4361 10 or more.....10 years
 4362

4363 2. Upon the death of a member, the division ~~department~~
 4364 shall make a determination of the beneficiary or beneficiaries
 4365 of the deceased member and shall pay survivor benefits to such
 4366 beneficiary or beneficiaries beginning 1 month immediately
 4367 following the death of the member except where the beneficiary
 4368 has not reached the age required to receive benefits under
 4369 paragraph (b), in which event the payment of survivor benefits
 4370 shall begin as of the month immediately following the month in
 4371 which the beneficiary reaches the required age. When required
 4372 by the division ~~department~~, the beneficiary or beneficiaries
 4373 shall file an application for survivor benefits upon forms
 4374 prescribed by the division ~~department~~.

4375 3. The beneficiaries of a member to receive survivor
 4376 benefits are fixed by this subsection, and a member may not buy
 4377 or otherwise change such benefits. He or she may, however,
 4378 designate the beneficiary to receive the \$500 death benefits.
 4379 If a member fails to make this designation, the \$500 death
 4380 benefits shall be paid to his or her executor or administrator.

4381 4. The beneficiary or beneficiaries of a member whose
 4382 death occurs while he or she is in service or while he or she is
 4383 receiving a disability allowance under subsection (11), shall
 4384 receive survivor benefits under this subsection determined by
 4385 the years of service in Florida of the deceased member as set
 4386 out in paragraph (b). The requirement that the death of a
 4387 member must occur within a certain period of time after service



4388 in Florida as set out in subparagraph (d)1. shall not apply to a
 4389 member receiving a disability benefit at the time of his or her
 4390 death.

4391 Section 66. Subsection (2), paragraph (b) of subsection
 4392 (5), and subsections (6) and (7) of section 238.08, Florida
 4393 Statutes, are amended to read:

4394 238.08 Optional benefits.--A member may elect to receive
 4395 his or her benefits under the terms of this chapter according to
 4396 the provisions of any one of the following options:

4397 (2) Option two. A member may elect to receive on
 4398 retirement the actuarial equivalent (at that time) of his or her
 4399 retirement allowance in a reduced retirement allowance payable
 4400 throughout life, with the provisions that if the member dies
 4401 before he or she has received in payment of his or her annuity
 4402 the amount of his or her accumulated contributions, as they were
 4403 at the time of his or her retirement, the balance shall be paid
 4404 to such person, if any, as he or she shall nominate by written
 4405 designation duly acknowledged and filed with the division
 4406 ~~department~~; otherwise, to his or her executors or
 4407 administrators.

4408 (5)

4409 (b) A member who elects Option three or Option four shall,
 4410 on a form provided for that purpose, designate his or her spouse
 4411 as beneficiary to receive the benefits which continue to be
 4412 payable upon the death of the member. After such benefits have
 4413 commenced under Option three or Option four, the retired member
 4414 may change the designation of his or her spouse as beneficiary
 4415 only twice. If such a retired member remarries and wishes to



4416 make such a change, he or she may do so by filing with the
4417 division ~~department~~ a notarized change of spouse designation
4418 form and shall notify the former spouse in writing of such
4419 change. Upon receipt of a completed change of spouse
4420 designation form, the division ~~department~~ shall adjust the
4421 member's monthly benefit by the application of actuarial tables
4422 and calculations developed to ensure that the benefit paid is
4423 the actuarial equivalent of the present value of the member's
4424 current benefit. The consent of a retired member's formerly
4425 designated spouse as beneficiary to any such change shall not be
4426 required.

4427 (6) Notwithstanding any provision in this chapter to the
4428 contrary, the following provisions shall apply to any member of
4429 the retirement system who has accumulated at least 10 years of
4430 service and dies prior to retirement:

4431 (a) If the deceased member's surviving spouse has
4432 previously received a refund of the member's accumulated
4433 contributions made to the retirement system, such spouse may pay
4434 to the division ~~department~~ an amount equal to the sum of the
4435 amount of the deceased member's contributions previously
4436 refunded and regular interest compounded annually on the amount
4437 of such refunded contributions from the date of refund to the
4438 date of payment to the division ~~department~~, and by so doing be
4439 entitled to receive the monthly retirement benefit provided in
4440 paragraph (c).

4441 (b) If the deceased member's surviving spouse has not
4442 received a refund of the deceased member's accumulated
4443 contributions, such spouse shall, upon application to the



4444 division ~~department~~ within 30 days of the death of the member,
4445 receive the monthly retirement benefit provided in paragraph
4446 (c).

4447 (c) The monthly benefit payable to the spouse described in
4448 paragraph (a) or paragraph (b) shall be the amount which would
4449 have been payable to the deceased member's spouse, assuming that
4450 the member retired on the date of his or her death and had
4451 selected the option in subsection (3), such benefit to be based
4452 on the ages of the spouse and member as of the date of death of
4453 the member. The benefit shall commence on the first day of the
4454 month following the payment of the aforesaid amount to the
4455 division ~~department~~, if paragraph (a) is applicable, or on the
4456 first day of the month following the receipt of the spouse's
4457 application by the division ~~department~~, if paragraph (b) is
4458 applicable.

4459 (7) The surviving spouse or other dependent of any member
4460 whose employment is terminated by death shall, upon application
4461 to the division ~~department~~, be permitted to pay the required
4462 contributions for any service performed by the member which
4463 could have been claimed by the member at the time of his or her
4464 death. Such service shall be added to the creditable service of
4465 the member and shall be used in the calculation of any benefits
4466 which may be payable to the surviving spouse or other surviving
4467 dependent.

4468 Section 67. Paragraphs (a), (c), and (d) of subsection
4469 (1), paragraphs (b) and (c) of subsection (3), subsection (4),
4470 and paragraph (b) of subsection (5) of section 238.09, Florida
4471 Statutes, are amended to read:



4472 238.09 Method of financing.--All of the assets of the
4473 retirement system shall be credited, according to the purposes
4474 for which they are held, to one of four funds; namely, the
4475 Annuity Savings Trust Fund, the Pension Accumulation Trust Fund,
4476 the Expense Trust Fund, and the Survivors' Benefit Trust Fund.

4477 (1) The Annuity Savings Trust Fund shall be a fund in
4478 which shall be accumulated contributions made from the salaries
4479 of members under the provisions of paragraph (c) or paragraph
4480 (f). Contribution to, payments from, the Annuity Savings Trust
4481 Fund shall be made as follows:

4482 (a) With respect to plan A, B, C, or D, upon the basis of
4483 such tables as the division ~~Department of Management Services~~
4484 shall adopt, and regular interest, the actuary of the retirement
4485 system shall determine for each member the proportion of
4486 earnable compensation which, when deducted from each payment of
4487 his or her prospective earnable annual compensation prior to his
4488 or her minimum service retirement age, and accumulated at
4489 regular interest until such age, shall be computed to provide at
4490 such age:

4491 1. An annuity equal to one one-hundred-fortieth of his or
4492 her average final compensation multiplied by the number of his
4493 or her years of membership in the case of each member electing
4494 to retire under the provisions of plan A or B.

4495 2. An annuity equal to one one-hundred-twentieth of his or
4496 her average final compensation multiplied by the number of his
4497 or her years of membership service in the case of each member
4498 electing to retire under the provisions of plan C.



4499 3. An annuity equal to one one-hundredth of his or her
 4500 average final compensation multiplied by the number of his or
 4501 her years of membership service in the case of each member
 4502 electing to retire under the provisions of plan D.

4503
 4504 In the case of any member who has attained his or her minimum
 4505 service retirement age prior to becoming a member, the
 4506 proportion of salary applicable to such member, with respect to
 4507 plan A, B, C, or D, shall be the proportion computed for the age
 4508 1 year younger than his or her minimum service retirement age.

4509 (c) The division ~~department~~ shall certify to each employer
 4510 the proportion of the earnable compensation of each member who
 4511 is compensated by the employer, and the employer shall cause to
 4512 be deducted from the salary of each member on each and every
 4513 payroll for each and every payroll period an amount equal to the
 4514 proportion of the member's earnable compensation so computed.
 4515 With respect to plan A, B, C, or D, the employer shall not make
 4516 any deduction for annuity purposes from the compensation of a
 4517 member who has attained the age of 60 years, if such member
 4518 elects not to contribute.

4519 (d) In determining the amount earnable by a member in a
 4520 payroll period, the division ~~department~~ may consider the rate of
 4521 compensation payable to such member on the first day of the
 4522 payroll period as continuing throughout such payroll period, and
 4523 it may omit deductions from compensation for any period less
 4524 than a full payroll period if a teacher was not a member on the
 4525 first day of the payroll period, and to facilitate the making of
 4526 deductions, it may modify any deduction required of any member



4527 by such an amount as shall not exceed one-tenth of 1 percent of
4528 the annual salary from which said deduction is to be made.

4529 (3) The Pension Accumulation Trust Fund shall be the fund
4530 in which shall be accumulated all reserves for the payment of
4531 all annuities or benefits in lieu of annuities on retired
4532 members and all pensions and other benefits payable from
4533 contributions made by the members and by the employers, from
4534 which annuities, pensions and benefits in lieu thereof shall be
4535 paid. Contributions to, and payments from, the Pension
4536 Accumulation Trust Fund, other than as set forth in subsections
4537 (2) and (3) herein, shall be made as follows:

4538 (b) On the basis of regular interest and of such mortality
4539 and other tables as shall be adopted by the division ~~department~~,
4540 the actuary engaged by the division ~~department~~ to make each
4541 valuation required by this chapter shall, during the period over
4542 which the accrued liability contribution is payable, determine,
4543 immediately after making such valuation, the uniform and
4544 constant percentage of the earnable compensation of the average
4545 new entrant, which, if contributed on the basis of his or her
4546 compensation throughout his or her entire period of service,
4547 would be sufficient to provide for the payment of any pension
4548 payable by the state on his or her account. The rate percent so
4549 determined shall be known as the normal contribution rate. After
4550 the accrued liability contribution has ceased to be payable, the
4551 normal contribution rate shall be the rate percent of the
4552 earnable compensation of all members, obtained by deducting from
4553 the total liabilities of the Pension Accumulation Trust Fund the
4554 amount of the funds in hand to the credit of that fund and



4555 dividing the remainder by 1 percent of the present value of the
4556 prospective future salaries of all members as computed on the
4557 basis of the mortality and service tables adopted by the
4558 division ~~department~~ and on the basis of regular interest. The
4559 normal rate of contribution shall be determined and certified to
4560 the division ~~department~~ by the actuary after each valuation and
4561 shall continue in force until a new valuation and certification
4562 are made.

4563 (c) Immediately succeeding the first valuation, the
4564 actuary engaged by the division ~~department~~ shall compute the
4565 rate percent of the total earnable compensation of all members
4566 which is equivalent to 4 percent of the amount of the total
4567 liability for pensions on account of all members and
4568 beneficiaries and not dischargeable by the present assets of the
4569 Pension Accumulation Trust Fund and by the aforesaid normal
4570 contribution if made on account of such members during the
4571 remainder of their active service. The rate percent, originally
4572 so determined, shall be known as the accrued liability
4573 contribution rate.

4574 (4) The Expense Trust Fund shall be the fund to which
4575 shall be credited all moneys contributed for the administrative
4576 expenses of the retirement system and from which shall be paid
4577 all expenses incurred in connection with the administration and
4578 operation of the retirement system. Contribution to the Expense
4579 Trust Fund shall be made by transfer from interest earnings on
4580 investments in the Annuity Savings Trust Fund. Such transfers
4581 shall be approved by the State Board of Administration in
4582 accordance with s. 215.44(4) ~~regulated by the Legislature~~



4583 ~~pursuant to budgets filed in accordance with the provisions of~~
4584 ~~chapter 216.~~

4585 (5)

4586 (b) The division ~~department~~ shall annually certify to each
4587 employer, at the time it makes the certification to the employer
4588 under paragraph (1)(c), the rate of twenty-five-hundredths
4589 percent to be applied by the employer to the salary of each
4590 member who is compensated by the employer, and the employer
4591 shall cause to be deducted from the salary of each member on
4592 each and every payroll for each and every payroll period an
4593 amount equal to twenty-five-hundredths percent of the member's
4594 salary paid by the employer and the employer shall remit monthly
4595 such deducted amounts to the division ~~department~~ which shall
4596 place the same in the Survivors' Benefit Trust Fund of the
4597 Teachers' Retirement System of the state. The amount of
4598 contributions by a member to the Survivors' Benefit Trust Fund
4599 shall, in no event, be refundable to the member or his or her
4600 beneficiaries.

4601 Section 68. Section 238.10, Florida Statutes, is amended
4602 to read:

4603 238.10 Management of funds.--The division ~~Department of~~
4604 ~~Management Services~~, annually, shall allow regular interest on
4605 the amount for the preceding year to the credit of each of the
4606 funds of the retirement system, and to the credit of the
4607 individual account therein, if any, with the exception of the
4608 expense fund, from the interest and dividends earned from
4609 investments.



4610 Section 69. Paragraph (b) of subsection (1) and
 4611 subsections (2) and (3) of section 238.11, Florida Statutes, are
 4612 amended to read:

4613 238.11 Collection of contributions.--

4614 (1) The collection of contributions shall be as follows:

4615 (b) Each employer shall transmit monthly to the division
 4616 ~~Department of Management Services~~ a warrant for the total amount
 4617 of such deductions. Each employer shall also transmit monthly to
 4618 the division ~~department~~ a warrant for such employer contribution
 4619 set aside as provided for in paragraph (a) of this subsection.
 4620 The division ~~department~~, after making records of all such
 4621 warrants, shall transmit them to the Department of Banking and
 4622 Finance for delivery to the Treasurer of the state who shall
 4623 collect them.

4624 (2) The collection of the state contribution shall be made
 4625 as follows:

4626 (a) The amounts required to be paid by the state into the
 4627 Teachers' Retirement System in this chapter shall be provided
 4628 therefor in the General Appropriations Act. However, in the
 4629 event a sufficient amount is not included in the General
 4630 Appropriations Act to meet the full amount needed to pay the
 4631 retirement compensation provided for in this chapter, the
 4632 additional amount needed for such retirement compensation is
 4633 hereby appropriated from the General Revenue Fund as approved by
 4634 the division ~~Department of Management Services~~.

4635 (b) The division ~~Department of Management Services~~ shall
 4636 certify one-fourth of the amount so ascertained for each year to
 4637 the Comptroller on or before the last day of July, October,



4638 January, and April of each year. The Comptroller shall, on or
 4639 before the first day of August, November, February, and May of
 4640 each year, draw his or her warrant or warrants on the Treasurer
 4641 for the respective amounts due the several funds of the
 4642 retirement system. On the receipt of the warrant or warrants of
 4643 the Comptroller, the Treasurer shall immediately transfer to the
 4644 several funds of the retirement system the amounts due.

4645 (3) All collection of contributions of a nonprofit
 4646 professional association or corporation of teachers as referred
 4647 to in s. 238.01(3) and (5) shall be made by such association or
 4648 corporation in the following manner:

4649 (a) On April 1 of each year, the division ~~Department of~~
 4650 ~~Management Services~~ shall certify to any such nonprofit
 4651 professional association or corporation of teachers the amounts
 4652 which will become due and payable during the ensuing fiscal year
 4653 to each of the funds of the retirement system to which such
 4654 contributions are payable as set forth in this law.

4655 (b) The division ~~Department of Management Services~~ shall
 4656 certify one-fourth of the amount so ascertained for each year to
 4657 the nonprofit professional association or corporation of
 4658 teachers on or before the last day of July, October, January,
 4659 and April of each year. The nonprofit professional association
 4660 or corporation of teachers shall, on or before the first day of
 4661 August, November, February, and May of each year, draw its check
 4662 payable to the division ~~department~~ for the respective amounts
 4663 due the several funds of the retirement system. Upon receipt of
 4664 the check, the division ~~department~~ shall immediately transfer to
 4665 the several funds of the retirement system the amounts due,



4666 provided, however, that the amounts due the several funds of the
 4667 retirement system from any such association or corporation for
 4668 creditable service accruing to any such member before July 1,
 4669 1947, shall be paid prior to the retirement of any such member.

4670 Section 70. Section 238.12, Florida Statutes, is amended
 4671 to read:

4672 238.12 Duties of employers.--

4673 (1) Each employer shall keep such records and, from time
 4674 to time, shall furnish such information as the division
 4675 ~~Department of Management Services~~ may require in the discharge
 4676 of its duties. Upon the employment of any teacher to whom this
 4677 chapter may apply, the teacher shall be informed by his or her
 4678 employer of his or her duties and obligations in connection with
 4679 the retirement system as a condition of his or her employment.
 4680 Every teacher accepting employment shall be deemed to consent
 4681 and agree to any deductions from his or her compensation
 4682 required in this chapter and to all other provisions of this
 4683 chapter.

4684 (2) During September of each year, or at such other time
 4685 as the division ~~department~~ shall approve, each employer shall
 4686 certify to the division ~~department~~ the names of all teachers to
 4687 whom this chapter applies.

4688 (3) Each employer shall, on the first day of each calendar
 4689 month, or at such less frequent intervals as the division
 4690 ~~department~~ may approve, notify the division ~~department~~ of the
 4691 employment of new teachers, removals, withdrawals and changes in
 4692 salary of members that have occurred during the preceding month,
 4693 or the period covered since the last notification.



4694 Section 71. Section 238.14, Florida Statutes, is amended
 4695 to read:

4696 238.14 Protection against fraud.--Any person who shall
 4697 knowingly make any false statement, or shall falsify or permit
 4698 to be falsified any record or records of this retirement system
 4699 in any attempt to defraud such system as a result of such act,
 4700 shall be guilty of a misdemeanor of the second degree,
 4701 punishable as provided in s. 775.082 or s. 775.083. Should any
 4702 change or error in records result in any member or beneficiary
 4703 receiving from the retirement system more or less than he or she
 4704 would have been entitled to receive had the records been
 4705 correct, then on discovery of any such error the division
 4706 ~~department~~ shall correct such error, and, as far as practicable,
 4707 shall adjust the payments in such a manner that the actuarial
 4708 equivalent of the benefit, to which such member or beneficiary
 4709 was correctly entitled, shall be paid.

4710 Section 72. Section 238.15, Florida Statutes, is amended
 4711 to read:

4712 238.15 Exemption of funds from taxation, execution, and
 4713 assignment.--The pensions, annuities or any other benefits
 4714 accrued or accruing to any person under the provisions of this
 4715 chapter and the accumulated contributions and cash securities in
 4716 the funds created under this chapter are exempted from any
 4717 state, county or municipal tax of the state, and shall not be
 4718 subject to execution or attachment or to any legal process
 4719 whatsoever, and shall be unassignable, except:

4720 (1) That any teacher who has retired shall have the right
 4721 and power to authorize in writing the division ~~Department of~~



4722 ~~Management Services~~ to deduct from his or her monthly retirement
4723 allowance money for the payment of the premiums on group
4724 insurance for hospital, medical and surgical benefits, under a
4725 plan or plans for such benefits approved in writing by the
4726 Insurance Commissioner and Treasurer of the state, and upon
4727 receipt of such request the division ~~department~~ shall make the
4728 monthly payments as directed; and

4729 (2) As may be otherwise specifically provided for in this
4730 chapter.

4731 Section 73. Paragraph (a) of subsection (3) of section
4732 238.171, Florida Statutes, is amended to read:

4733 238.171 Monthly allowance; when made.--

4734 (3)(a) On July 1, 1974, the Department of Management
4735 Services ~~director of the Division of Retirement~~ shall adjust the
4736 monthly allowance provided for incapacitated teachers under this
4737 section by increasing said allowance by a percentage which shall
4738 be equal to the percentage change in the average cost-of-living
4739 index, as defined in chapter 121, over the period between April
4740 1, 1967, and March 31, 1973. The percent of increase, as of July
4741 1, 1974, shall be 25.4 percent, which is the average cost-of-
4742 living increase percentage from April 1, 1967, through March 31,
4743 1973.

4744 Section 74. Subsection (2) of section 238.181, Florida
4745 Statutes, is amended to read:

4746 238.181 Reemployment after retirement; conditions and
4747 limitations.--

4748 (2)(a) Any person retired under this chapter, except under
4749 the disability retirement provisions of s. 238.07, may be



4750 reemployed by any private or public employer after retirement
4751 and receive retirement benefits and compensation from his or her
4752 employer without limitation, except that no person may receive
4753 both a salary from reemployment with any agency participating in
4754 the Florida Retirement System and retirement benefits under this
4755 chapter for a period of 12 months immediately subsequent to the
4756 date of retirement.

4757 (b) Any person to whom the limitation in paragraph (a)
4758 applies who violates such reemployment limitation and who is
4759 reemployed with any agency participating in the Florida
4760 Retirement System before completion of the 12-month limitation
4761 period shall give timely notice of this fact in writing to his
4762 or her employer and to the division ~~Department of Management~~
4763 ~~Services~~ and shall have his or her retirement benefits suspended
4764 for the balance of the 12-month limitation period. Any person
4765 employed in violation of this paragraph and any employing agency
4766 which knowingly employs or appoints such person without
4767 notifying the division ~~department~~ to suspend retirement benefits
4768 shall be jointly and severally liable for reimbursement to the
4769 retirement trust fund of any benefits paid during the
4770 reemployment limitation period. To avoid liability, such
4771 employing agency shall have a written statement from the retiree
4772 that he or she is not retired from a state-administered
4773 retirement system. Any retirement benefits received while
4774 reemployed during this reemployment limitation period shall be
4775 repaid to the retirement trust fund, and retirement benefits
4776 shall remain suspended until such repayment has been made.
4777 Benefits suspended beyond the reemployment limitation shall



4778 apply toward repayment of benefits received in violation of the
4779 reemployment limitation.

4780 (c) A district school board may reemploy a retired member
4781 as a substitute or hourly teacher on a noncontractual basis
4782 after he or she has been retired for 1 calendar month, in
4783 accordance with s. 121.021(39). Any retired member who is
4784 reemployed within 1 calendar month after retirement shall void
4785 his or her application for retirement benefits. District school
4786 boards reemploying such teachers are subject to the retirement
4787 contribution required by paragraph (g). Reemployment of a
4788 retired member as a substitute or hourly teacher is limited to
4789 780 hours during the first 12 months of his or her retirement.
4790 Any retired member reemployed for more than 780 hours during his
4791 or her first 12 months of retirement shall give timely notice in
4792 writing to his or her employer and to the division ~~department~~ of
4793 the date he or she will exceed the limitation. The division
4794 ~~department~~ shall suspend his or her retirement benefits for the
4795 remainder of his or her first 12 months of retirement. Any
4796 person employed in violation of this paragraph and any employing
4797 agency which knowingly employs or appoints such person without
4798 notifying the division ~~department~~ to suspend retirement benefits
4799 shall be jointly and severally liable for reimbursement to the
4800 retirement trust fund of any benefits paid during the
4801 reemployment limitation period. To avoid liability, such
4802 employing agency shall have a written statement from the retiree
4803 that he or she is not retired from a state-administered
4804 retirement system. Any retirement benefits received by a retired
4805 member while reemployed in excess of 780 hours during his or her



4806 first 12 months of retirement shall be repaid to the Retirement
4807 System Trust Fund, and his or her retirement benefits shall
4808 remain suspended until repayment is made. Benefits suspended
4809 beyond the end of the retired member's first 12 months of
4810 retirement shall apply toward repayment of benefits received in
4811 violation of the 780-hour reemployment limitation.

4812 (d) A community college board of trustees may reemploy a
4813 retired member as an adjunct instructor, that is, an instructor
4814 who is noncontractual and part time, or as a participant in a
4815 phased retirement program within a community college, after he
4816 or she has been retired for 1 calendar month, in accordance with
4817 s. 121.021(39). Any retired member who is reemployed within 1
4818 calendar month after retirement shall void his or her
4819 application for retirement benefits. Boards of trustees
4820 reemploying such instructors are subject to the retirement
4821 contribution required in paragraph (g). A retired member may be
4822 reemployed as an adjunct instructor for no more than 780 hours
4823 during the first 12 months of his or her retirement. Any retired
4824 member reemployed for more than 780 hours during his or her
4825 first 12 months of retirement shall give timely notice in
4826 writing to his or her employer and to the division ~~department~~ of
4827 the date he or she will exceed the limitation. The division
4828 ~~department~~ shall suspend his or her retirement benefits for the
4829 remainder of his or her first 12 months of retirement. Any
4830 person employed in violation of this paragraph and any employing
4831 agency which knowingly employs or appoints such person without
4832 notifying the division ~~department~~ to suspend retirement benefits
4833 shall be jointly and severally liable for reimbursement to the



4834 retirement trust fund of any benefits paid during the
4835 reemployment limitation period. To avoid liability, such
4836 employing agency shall have a written statement from the retiree
4837 that he or she is not retired from a state-administered
4838 retirement system. Any retirement benefits received by a retired
4839 member while reemployed in excess of 780 hours during his or her
4840 first 12 months of retirement shall be repaid to the Retirement
4841 System Trust Fund, and retirement benefits shall remain
4842 suspended until repayment is made. Benefits suspended beyond the
4843 end of the retired member's first 12 months of retirement shall
4844 apply toward repayment of benefits received in violation of the
4845 780-hour reemployment limitation.

4846 (e) The Board of Trustees of the Florida School for the
4847 Deaf and the Blind may reemploy a retired member as a substitute
4848 teacher, substitute residential instructor, or substitute nurse
4849 on a noncontractual basis after he or she has been retired for 1
4850 calendar month, in accordance with s. 121.021(39). Any retired
4851 member who is reemployed within 1 calendar month after
4852 retirement shall void his or her application for retirement
4853 benefits. The Board of Trustees of the Florida School for the
4854 Deaf and the Blind reemploying such teachers, residential
4855 instructors, or nurses is subject to the retirement contribution
4856 required by paragraph (g). Reemployment of a retired member as a
4857 substitute teacher, substitute residential instructor, or
4858 substitute nurse is limited to 780 hours during the first 12
4859 months of his or her retirement. Any retired member reemployed
4860 for more than 780 hours during his or her first 12 months of
4861 retirement shall give timely notice in writing to his or her



4862 employer and to the division ~~department~~ of the date he or she
4863 will exceed the limitation. The division ~~department~~ shall
4864 suspend his or her retirement benefits for the remainder of his
4865 or her first 12 months of retirement. Any person employed in
4866 violation of this paragraph and any employing agency which
4867 knowingly employs or appoints such person without notifying the
4868 division ~~department~~ to suspend retirement benefits shall be
4869 jointly and severally liable for reimbursement to the retirement
4870 trust fund of any benefits paid during the reemployment
4871 limitation period. To avoid liability, such employing agency
4872 shall have a written statement from the retiree that he or she
4873 is not retired from a state-administered retirement system. Any
4874 retirement benefits received by a retired member while
4875 reemployed in excess of 780 hours during his or her first 12
4876 months of retirement shall be repaid to the Retirement System
4877 Trust Fund, and his or her retirement benefits shall remain
4878 suspended until payment is made. Benefits suspended beyond the
4879 end of the retired member's first 12 months of retirement shall
4880 apply toward repayment of benefits received in violation of the
4881 780-hour reemployment limitation.

4882 (f) The State University System may reemploy a retired
4883 member as an adjunct faculty member or as a participant in a
4884 phased retirement program within the State University System
4885 after the retired member has been retired for 1 calendar month,
4886 in accordance with s. 121.021(39). Any retired member who is
4887 reemployed within 1 calendar month after retirement shall void
4888 his or her application for retirement benefits. The State
4889 University System is subject to the retired contribution



4890 required in paragraph (g), as appropriate. A retired member may
4891 be reemployed as an adjunct faculty member or a participant in a
4892 phased retirement program for no more than 780 hours during the
4893 first 12 months of his or her retirement. Any retired member
4894 reemployed for more than 780 hours during his or her first 12
4895 months of retirement shall give timely notice in writing to his
4896 or her employer and to the division ~~department~~ of the date he or
4897 she will exceed the limitation. The division ~~department~~ shall
4898 suspend his or her retirement benefits for the remainder of his
4899 or her first 12 months of retirement. Any person employed in
4900 violation of this paragraph and any employing agency which
4901 knowingly employs or appoints such person without notifying the
4902 division ~~department~~ to suspend retirement benefits shall be
4903 jointly and severally liable for reimbursement to the retirement
4904 trust fund of any benefits paid during the reemployment
4905 limitation period. To avoid liability, such employing agency
4906 shall have a written statement from the retiree that he or she
4907 is not retired from a state-administered retirement system. Any
4908 retirement benefits received by a retired member while
4909 reemployed in excess of 780 hours during his or her first 12
4910 months of retirement shall be repaid to the Retirement System
4911 Trust Fund, and retirement benefits shall remain suspended until
4912 repayment is made. Benefits suspended beyond the end of the
4913 retired member's first 12 months of retirement shall apply
4914 toward repayment of benefits received in violation of the 780-
4915 hour reemployment limitation.

4916 (g) The employment by an employer of any retiree of a
4917 state-administered retirement system shall have no effect on the



4918 average final compensation or years of creditable service of
4919 such retiree. Prior to July 1, 1991, upon employment of any
4920 person, other than an elected officer as provided in s. 121.053,
4921 who has been retired under any state-administered retirement
4922 program, the employer shall pay retirement contributions in an
4923 amount equal to the unfunded actuarial accrued liability portion
4924 of the employer contribution which would be required for a
4925 regular member of the Florida Retirement System. Effective July
4926 1, 1991, contributions shall be made as provided in s. 121.122
4927 for renewed membership.

4928 (h) The limitations of this subsection apply to
4929 reemployment in any capacity with an "employer" as defined in s.
4930 121.021(10), irrespective of the category of funds from which
4931 the person is compensated.

4932 Section 75. Section 238.32, Florida Statutes, is amended
4933 to read:

4934 238.32 Service credit in disputed cases.--The division
4935 ~~Department of Management Services~~ may in its discretion allow or
4936 deny a member service credit in disputed or doubtful cases for
4937 employment in Florida and out-of-state schools in order to serve
4938 the best interests of the state and the member, subject to the
4939 membership dates set forth in s. 238.06(4).

4940 Section 76. Subsection (4) of section 650.02, Florida
4941 Statutes, is amended to read:

4942 650.02 Definitions.--For the purpose of this chapter:

4943 (4) The term "state agency" means the Division of
4944 Retirement of the State Board of Administration ~~Department of~~
4945 ~~Management Services~~.



4946 Section 77. Subsection (1) of section 650.06, Florida
 4947 Statutes, is amended to read:

4948 650.06 Social Security Contribution Trust Fund.--

4949 (1) There is hereby established in the State Treasury to
 4950 be administered by the State Board of Administration a special
 4951 fund to be known as the "Social Security Contribution Trust
 4952 Fund." Such fund shall consist of and there shall be deposited
 4953 in such fund:

4954 (a) All contributions, interest, and penalties collected
 4955 under ss. 650.04 and 650.05;

4956 (b) All moneys appropriated thereto under this chapter;

4957 (c) Any property or securities and earnings thereof
 4958 acquired through the use of moneys belonging to the fund;

4959 (d) Interest earned upon any moneys in the fund; and

4960 (e) All sums recovered upon the bond of the custodian or
 4961 otherwise for losses sustained by the fund and all other moneys
 4962 received for the fund from any other source. All moneys in the
 4963 fund shall be mingled and undivided. Subject to the provisions
 4964 of this chapter, the state agency is vested with full power,
 4965 authority and jurisdiction over the fund, including all moneys
 4966 and property or securities belonging thereto, and may perform
 4967 any and all acts whether or not specifically designated, which
 4968 are necessary to the administration thereof and are consistent
 4969 with the provisions of this chapter.

4970 Section 78. The Department of Management Services may
 4971 contract with the State Board of Administration to administer
 4972 sections 112.05, 121.1815, 238.171, 250.22, and 112.351-112.362,
 4973 Florida Statutes.



4974 Section 79. The Division of Retirement of the State Board
 4975 of Administration is a state agency for the purpose of making
 4976 payments under the retirement plans and other benefit programs
 4977 administered by the board and the Division of Retirement. The
 4978 Department of Financial Services shall issue benefit payments to
 4979 persons or governmental entities eligible for such payments
 4980 under the retirement plans and other benefit programs
 4981 administered by the board and the Division of Retirement. The
 4982 board is authorized to requisition the appropriate amounts from
 4983 trust funds in the State Treasury established for this purpose.

4984 Section 80. Subsections (1) and (6) of section 122.02,
 4985 Florida Statutes, are amended to read:

4986 122.02 Definitions.--The following words and phrases as
 4987 used in this chapter shall have the following meaning unless a
 4988 different meaning is plainly required by the context:

4989 (1) "State and county officers and employees" shall
 4990 include all full-time officers or employees who receive
 4991 compensation for services rendered from state or county funds,
 4992 or from funds of drainage districts or mosquito control
 4993 districts of a county or counties, or from funds of the State
 4994 Board of Administration or from funds of closed bank
 4995 receivership accounts or from funds of any state institution or
 4996 who receive compensation for employment or service from any
 4997 agency, branch, department, institution or board of the state,
 4998 or any county of the state, for service rendered the state or
 4999 county from funds from any source provided for their employment
 5000 or service regardless of whether the same is paid by state or
 5001 county warrant or not; provided that such compensation in



5002 whatever form paid shall be specified in terms of fixed monthly
 5003 salaries by the employing state or county agency or state or
 5004 county official and shall not include amounts allowed for
 5005 professional employees for special or particular service or for
 5006 subsistence or travel expenses; provided further the division
 5007 ~~department~~ shall prescribe appropriate procedure for
 5008 contribution deduction out of such compensation in accordance
 5009 with the provisions of this chapter, provided further that such
 5010 officers and employees defined herein shall not include those
 5011 officers and employees excepted from the provisions by s. 122.18
 5012 of this law.

5013 (6) "Division" means the Division of Retirement of the
 5014 State Board of Administration ~~"Department" means the Department~~
 5015 ~~of Management Services.~~

5016 Section 81. Paragraph (d) of subsection (6) and subsection
 5017 (9) of section 122.03, Florida Statutes, are amended to read:

5018 122.03 Contributions; participants; prior service
 5019 credit.--

5020 (6) Any officer or employee who held office or was
 5021 employed by the state or a county of the state continuously from
 5022 May 1, 1959, and who has not previously received credit for, or
 5023 is not eligible to claim credit for, prior years of service
 5024 under subsection (2); or any officer or employee who holds
 5025 office or is employed by the state or a county of the state on
 5026 June 1, 1961, and is continuously employed; or any officer or
 5027 employee who holds office or is employed by the state or county
 5028 of the state after June 1, 1961, and who is continuously



5029 employed for 3 years, during which period of time no back
 5030 payments may be made:

5031 (d) Prior service allowance may be made only for those
 5032 periods in which state or county records of service and salary
 5033 are available, or at least three affidavits and such other
 5034 information as might be required by the division ~~department~~ to
 5035 meet the provisions of this law.

5036 (9) The surviving spouse or other dependent of any member
 5037 whose employment is terminated by death shall, upon application
 5038 to the division ~~department~~, be permitted to pay the required
 5039 contributions for any service performed by the member which
 5040 could have been claimed by the member at the time of death. Such
 5041 service shall be added to the creditable service of the member
 5042 and shall be used in the calculation of any benefits which may
 5043 be payable to the surviving spouse or other surviving dependent.

5044 Section 82. Subsection (2) of section 122.05, Florida
 5045 Statutes, is amended to read:

5046 122.05 Legislator services included.--

5047 (2) The division ~~department~~ and state officials
 5048 administering such ~~said~~ retirement system shall make the
 5049 contribution deductions required by law from the compensation
 5050 hereafter received by any of the ~~said~~ participating members of
 5051 the Legislature for service rendered the State Legislature in
 5052 the same manner as in the case of other state employment.

5053 Section 83. Subsection (2) of section 122.06, Florida
 5054 Statutes, is amended to read:

5055 122.06 Legislative employee services included.--



5056 (2) The division ~~department~~ and other state officials
 5057 administering said retirement system shall make the contribution
 5058 deductions required by law from the compensation hereafter
 5059 received by any of the said participating attaches for service
 5060 rendered the State Legislature in the same manner as in the case
 5061 of other state employment.

5062 Section 84. Subsection (2) of section 122.07, Florida
 5063 Statutes, is amended to read:

5064 122.07 Seasonal state employment included; time limit and
 5065 procedure for claiming.--

5066 (2) Any state employee as described in subsection (1) in
 5067 the classification set forth in s. 122.01 may elect to receive
 5068 credit as a state employee under the State and County Officers
 5069 and Employees' Retirement System by providing to the division
 5070 ~~department~~ a statement from the state in which he or she was
 5071 employed, listing days employed and monthly earnings and such
 5072 other information as may, in the opinion of the division
 5073 ~~department~~, be necessary or appropriate in the carrying out of
 5074 this section. Credit shall be granted upon payment to the
 5075 division ~~department~~ by such employee of an amount equal to the
 5076 total retirement contribution that would have been required had
 5077 the member worked in this state during the period based on the
 5078 salary drawn by such employee during his or her last full month
 5079 of employment by the state or any department thereof for each
 5080 month during said fiscal year for which such employee was not
 5081 employed by the state or any department thereof, but was
 5082 employed by some other state, plus interest compounded annually
 5083 each June 30 from the date of the service in another state to



5084 the date of payment at the rate of 4 percent until July 1, 1975,
 5085 and 6.5 percent thereafter. The member shall have until his or
 5086 her date of retirement to claim and purchase credit for such
 5087 employment in another state.

5088 Section 85. Paragraph (a) of subsection (1), paragraph (b)
 5089 of subsection (4), and subsections (5) and (9) of section
 5090 122.08, Florida Statutes, are amended to read:

5091 122.08 Requirements for retirement;
 5092 classifications.--There shall be two retirement classifications
 5093 for all state and county officers and employees participating
 5094 herein as hereafter provided in this section:

5095 (1)(a) Any state or county officer or employee who has
 5096 attained normal retirement age, which shall be age 60 for a
 5097 person who had become a member prior to July 1, 1963, and age 62
 5098 for a person who had or shall become a member on or after July
 5099 1, 1963, and has accumulated at least 10 years' service in the
 5100 aggregate within the contemplation of this law, and who has made
 5101 or makes contributions to the State and County Officers and
 5102 Employees' Retirement Trust Fund for 5 or more years as
 5103 prescribed in this law, may voluntarily retire from office or
 5104 employment and be entitled to receive retirement compensation,
 5105 the amount of which shall be 2 percent for each year of service
 5106 rendered, based upon the average final compensation, payable in
 5107 equal monthly installments, upon his or her own requisition.
 5108 Requisition requirements shall be set by the division
 5109 ~~department~~.

5110 (4)



5111 (b) A member who elects an option in paragraph (a) shall
5112 on a form provided for that purpose designate his or her spouse
5113 as beneficiary to receive the benefits which continue to be
5114 payable upon the death of the member. After such benefits have
5115 commenced under an option in paragraph (a), the retired member
5116 may change the designation of his or her spouse as beneficiary
5117 only twice. If such a retired member remarries and wishes to
5118 make such a change, he or she may do so by filing with the
5119 division ~~department~~ a notarized change of spouse designation
5120 form and shall notify the former spouse in writing of such
5121 change. Upon receipt of a completed change of spouse designation
5122 form, the division ~~department~~ shall adjust the member's monthly
5123 benefit by the application of actuarial tables and calculations
5124 developed to ensure that the benefit paid is the actuarial
5125 equivalent of the present value of the member's current benefit.
5126 The consent of a retired member's formerly designated spouse as
5127 beneficiary to any such change shall not be required.

5128 (5) Tables for computing the actuarial equivalent shall be
5129 approved by the division ~~department~~.

5130 (9) Notwithstanding any other provision in this chapter to
5131 the contrary, the following provisions shall apply to any
5132 officer or employee who has accumulated at least 10 years of
5133 service and dies:

5134 (a) If the deceased member's surviving spouse has
5135 previously received a refund of the member's contributions made
5136 to the retirement trust fund, such spouse may pay to the
5137 division ~~department~~ an amount equal to the sum of the amount of
5138 the deceased member's contributions previously refunded and



5139 interest at 3 percent compounded annually on the amount of such
5140 refunded contributions from the date of refund until July 1,
5141 1975, and thereafter at the rate of 6.5 percent interest
5142 compounded annually to the date of payment to the division
5143 ~~department~~, and by so doing be entitled to receive the monthly
5144 retirement benefit provided in paragraph (c).

5145 (b) If the deceased member's surviving spouse has not
5146 received a refund of the deceased member's contributions, such
5147 spouse shall, upon application to the division ~~department~~,
5148 receive the monthly retirement benefit provided in paragraph
5149 (c).

5150 (c) The monthly benefit payable to the spouse described in
5151 paragraph (a) or paragraph (b) shall be the amount which would
5152 have been payable to the deceased member's spouse, assuming that
5153 the member retired on the date of death and had selected the
5154 option in subsection (4) which would afford the surviving spouse
5155 the greatest amount of benefits, such benefit to be based on the
5156 ages of the spouse and member as of the date of death of the
5157 member. Such benefit shall commence on the first day of the
5158 month following the payment of the aforesaid amount to the
5159 division ~~department~~, if paragraph (a) is applicable, or on the
5160 first day of the month following the receipt of the spouse's
5161 application by the division ~~department~~, if paragraph (b) is
5162 applicable.

5163 Section 86. Section 122.09, Florida Statutes, is amended
5164 to read:

5165 122.09 Disability retirement; medical
5166 examinations.--Whenever any officer or employee of the state or



5167 county of the state has service credit as such officer or
5168 employee for 10 years within the contemplation of this law, the
5169 last 5 years of which, except for a single break not to exceed 1
5170 year, must be continuous, unbroken service and who is regularly
5171 contributing to the State and County Officers and Employees'
5172 Retirement Trust Fund and shall while holding such office or
5173 employment become permanently and totally disabled, physically
5174 or mentally, or both, from rendering useful and efficient
5175 service as such officer or employee, such officer or employee
5176 may retire from his or her office or employment, and upon such
5177 retirement the officer or employee shall be paid, so long as the
5178 permanent and total disability continues, on his or her own
5179 monthly requisition, from the State and County Officers and
5180 Employees' Retirement Trust Fund hereinafter established,
5181 retirement compensation as provided in s. 122.08; provided that
5182 no officer or employee retiring under this section shall receive
5183 less than 50 percent of his or her average final compensation
5184 not to exceed \$75. No officer or employee of the state and
5185 county of the state shall be permitted to retire under the
5186 provisions of this section until examined by a duly qualified
5187 physician or surgeon or board of physicians and surgeons, to be
5188 selected by the Governor for that purpose, and found to be
5189 disabled in the degree and in the manner specified in this
5190 section. Any officer or employee retiring under this section
5191 shall be examined periodically by a duly qualified physician or
5192 surgeon or board of physicians and surgeons to be selected by
5193 the Governor for that purpose and paid from the retirement trust
5194 fund herein provided for, at such time as the division



5195 ~~Department of Management Services~~ shall direct to determine if
 5196 such total disability has continued and in the event it be
 5197 disclosed by said examination that said total disability has
 5198 ceased to exist, then such officer or employee shall forthwith
 5199 cease to be paid benefits under this section. Reference to s.
 5200 122.08 is for the purpose of computing benefits only. Any person
 5201 heretofore retired under this section shall be eligible to
 5202 qualify for the minimum benefits provided herein; however,
 5203 minimum benefits shall not be paid retroactively.

5204 Section 87. Subsection (4) of section 122.10, Florida
 5205 Statutes, is amended to read:

5206 122.10 Separation from service; refund of contributions.--

5207 (4) Should any officer or employee elect to receive a
 5208 refund as provided in this section, his or her application for
 5209 refund shall be submitted in the manner prescribed by the
 5210 regulations adopted by the division ~~department~~ and shall
 5211 accompany the payroll certification, submitted to the division
 5212 ~~department~~, on which he or she was last paid prior to
 5213 termination. The division ~~department~~ shall pay the entire refund
 5214 due within 45 days after the first day of the month subsequent
 5215 to receipt of such application for refund and said payroll
 5216 certification.

5217 Section 88. Subsection (1) of section 122.12, Florida
 5218 Statutes, is amended to read:

5219 122.12 Designation of beneficiary; death of participant;
 5220 forfeiture of contributions after benefits paid; survivor
 5221 benefits.--



5222 (1) Any officer or employee may file, in writing, a
 5223 designation of beneficiary and it shall be the duty of the
 5224 division ~~department~~ to refund 100 percent, without interest, of
 5225 the contributions made to the retirement trust fund by such
 5226 deceased officer or employee to such designated beneficiary.
 5227 The officer or employee shall have the privilege of changing, in
 5228 writing, the designated beneficiary at any time. Upon failure to
 5229 designate a beneficiary, the refund shall be made to the persons
 5230 in the same order as designated in s. 222.15, for wages due
 5231 deceased employees. If the deceased officer or employee has
 5232 received any benefits under this law, no refund shall be made
 5233 unless such officer or employee has elected to accept benefits
 5234 under s. 122.08(3) or (4).

5235 Section 89. Section 122.13, Florida Statutes, is amended
 5236 to read:

5237 122.13 Administration of law; appropriation.--The division
 5238 ~~department~~ shall make such rules as are necessary for the
 5239 effective administration of this chapter, and the cost is hereby
 5240 annually appropriated and shall be paid into the State and
 5241 County Officers and Employees' Retirement Trust Fund out of the
 5242 Intangible Tax Fund in the State Treasury in the amount
 5243 necessary to administer efficiently the state and county
 5244 retirement law. At the end of each fiscal year, beginning with
 5245 fiscal year 1959-1960, the administrative cost of the state and
 5246 county retirement system for the fiscal year just ended shall be
 5247 refunded to the General Revenue Fund from interest earned on
 5248 investments made subsequent to June 30, 1959.



5249 Section 90. Subsection (2) of section 122.15, Florida
 5250 Statutes, is amended to read:

5251 122.15 Benefits exempt from taxes and execution.--

5252 (2) This subsection shall have no effect upon this section
 5253 except that the division ~~department~~ may, upon written request
 5254 from the retired member, deduct premiums for group
 5255 hospitalization insurance from the retirement benefit paid such
 5256 retired member.

5257 Section 91. Paragraph (b) of subsection (2) of section
 5258 122.16, Florida Statutes, is amended to read:

5259 122.16 Employment after retirement.--

5260 (2)

5261 (b) Any person to whom the limitation in paragraph (a)
 5262 applies who violates such reemployment limitation and is
 5263 reemployed with any agency participating in the Florida
 5264 Retirement System prior to completion of the 12-month limitation
 5265 period shall give timely notice of this fact in writing to his
 5266 or her employer and to the division ~~department~~; and his or her
 5267 retirement benefits shall be suspended for the balance of the
 5268 12-month limitation period. Any person employed in violation of
 5269 this subsection and any employing agency which knowingly employs
 5270 or appoints such person without notifying the division
 5271 ~~department~~ to suspend retirement benefits shall be jointly and
 5272 severally liable for reimbursement to the retirement trust fund
 5273 of any benefits paid during the reemployment limitation period.
 5274 To avoid liability, such employing agency shall have a written
 5275 statement from the retiree that he or she is not retired from a
 5276 state-administered retirement system. Any retirement benefits



5277 received by such person while he or she is reemployed during
 5278 this reemployment limitation period shall be repaid to the
 5279 retirement trust fund, and his or her retirement benefits shall
 5280 remain suspended until such repayment has been made. Any
 5281 benefits suspended beyond the reemployment limitation period
 5282 shall apply toward the repayment of benefits received in
 5283 violation of the reemployment limitation.

5284 Section 92. Subsection (3) of section 122.23, Florida
 5285 Statutes, is amended to read:

5286 122.23 Definitions; ss. 122.21-122.321.--In addition to
 5287 those definitions set forth in s. 122.02 the following words and
 5288 phrases used in ss. 122.21-122.24, 122.26 to 122.321, inclusive,
 5289 have the respective meanings set forth:

5290 (3) "Division" means the Division of Retirement of the
 5291 State Board of Administration ~~"Department" means the Department~~
 5292 ~~of Management Services.~~

5293 Section 93. Subsections (1) and (5) of section 122.30,
 5294 Florida Statutes, are amended to read:

5295 122.30 Appropriations.--

5296 (1) There is hereby annually appropriated from the
 5297 intangible tax fund of the state to the division ~~department~~ as
 5298 the state agency designated in chapter 650, a sum not to exceed
 5299 \$10,000 to defray the expenses of such agency in connection with
 5300 its continuing duties in relation to the social security
 5301 coverage provided by this law.

5302 (5) In addition to amounts appropriated by other
 5303 provisions of this chapter or other laws to defray cost of
 5304 administration of this system, there is hereby appropriated out



5305 of the Intangible Tax Fund of the state for use of the division
 5306 ~~department~~ in its administration of the two divisions of this
 5307 system, the sum of \$100,000, or so much thereof as may be
 5308 required for that purpose.

5309 Section 94. Paragraphs (b) and (c) of subsection (1) and
 5310 subsection (11) of section 122.34, Florida Statutes, are amended
 5311 to read:

5312 122.34 Special provisions for certain sheriffs and full-
 5313 time deputy sheriffs.--

5314 (1)

5315 (b) Only those members who are full-time criminal law
 5316 enforcement officers or agents, as certified by the employing
 5317 authority, who perform duties according to rule, order, or
 5318 established custom as full-time criminal law enforcement
 5319 officers or agents shall be certified to the division ~~department~~
 5320 as high hazard members, and only such members will be approved
 5321 by the division ~~department~~.

5322 (c) The division ~~department~~ shall make such rules as are
 5323 necessary for the effective administration of the intent of this
 5324 section.

5325 (11) No high hazard member shall be permitted to receive
 5326 benefits under this section until examined by a duly qualified
 5327 physician or surgeon, or board of physicians and surgeons, to be
 5328 selected by the Governor for that purpose, and found to be
 5329 disabled in the degree and in the manner specified in this
 5330 section. At such time as the division ~~Department of Management~~
 5331 ~~Services~~ directs, any high hazard member receiving disability
 5332 benefits under this section shall submit to a medical



5333 examination to determine if such disability has continued, and
5334 the cost of such examination shall be paid from the retirement
5335 trust fund herein provided for; and in the event it is declared
5336 by said examination that said disability has cleared, such
5337 member shall be ordered to return to active duty with the same
5338 rank and salary that he or she had at the time of disability.
5339 Any such member who shall fail to return to duty following such
5340 order shall forfeit all rights and claims under this law. Every
5341 high hazard member retiring under this provision shall be paid
5342 so long as the member's permanent total or partial disability
5343 continues, on his or her own requisition.

5344 Section 95. Section 122.351, Florida Statutes, is amended
5345 to read:

5346 122.351 Funding by local agencies.--Commencing on July 1,
5347 1969, all county and local agencies covered under the provisions
5348 of s. 122.35 shall accumulate and be responsible for the payment
5349 of social security and retirement matching costs as required
5350 under s. 122.35, from the intangible tax allocation of that
5351 county and any other source available to the local governmental
5352 units, except that all agencies, other than the school boards,
5353 shall be given credit for 50 percent of their 1967-1969 actual
5354 employer matching cost, actual cost being that cost in cash
5355 actually paid by the employer for matching retirement and social
5356 security into the fund by the agency for said biennium. The
5357 above credit of 50 percent shall be calculated by the division
5358 ~~department~~.

5359 Section 96. The Department of Management Services shall,
5360 at the request of the Division of Retirement of the State Board



5361 of Administration, include within its annual budget request
5362 those general revenue appropriations necessary for providing
5363 retirement or other benefit payments to persons or governmental
5364 entities pursuant to ss. 112.05, 121.1815, 238.171, and 250.22,
5365 Florida Statutes, and any other provision of law authorizing or
5366 requiring general revenue funding for said purpose. The
5367 department shall transfer all moneys so appropriated into the
5368 Florida Retirement System Contributions Clearing Trust Fund
5369 created in s. 121.4503, Florida Statutes, wherefrom payments for
5370 said benefits and associated costs shall be made by the
5371 division.

5372 Section 97. This act shall take effect July 1, 2003.