

By Senator Wise

5-1024A-04

1 A bill to be entitled
2 An act relating to state financial matters;
3 amending s. 112.363, F.S.; providing that the
4 spouse at the time of a Florida Retirement
5 System participant's death is considered the
6 beneficiary for purposes of the retiree health
7 insurance subsidy unless a different
8 beneficiary has been designated; amending s.
9 121.4501, F.S.; defining the term "retiree" for
10 purposes of the Public Employee Optional
11 Retirement Program; changing the dates for
12 election to participate in the program;
13 providing that a terminated, vested member of
14 the program need not become reemployed to
15 change retirement plans; prescribing the
16 obligation of system employers to communicate
17 the existence of both retirement plans;
18 providing that certain terminated, vested
19 system members are eligible to participate in
20 the program; amending s. 121.591, F.S.;
21 providing for cashing out de minimis accounts;
22 amending s. 121.78, F.S.; providing the
23 participant's obligation to return excess
24 contributions; amending s. 215.47, F.S.;
25 revising guidelines for foreign obligations
26 that are eligible for state investment;
27 amending ss. 215.475, 215.5601, F.S.;
28 redesignating investment plans as "investment
29 policy statements"; providing an effective
30 date.
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1 Be It Enacted by the Legislature of the State of Florida:

2
3 Section 1. Paragraph (e) of subsection (3) of section
4 112.363, Florida Statutes, is amended to read:

5 112.363 Retiree health insurance subsidy.--

6 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

7 (e)1. Beginning July 1, 2001, each eligible retiree of
8 the defined benefit program of the Florida Retirement System,
9 or, if the retiree is deceased, his or her beneficiary who is
10 receiving a monthly benefit from such retiree's account and
11 who is a spouse, or a person who meets the definition of joint
12 annuitant in s. 121.021(28), shall receive a monthly retiree
13 health insurance subsidy payment equal to the number of years
14 of creditable service, as defined in s. 121.021(17), completed
15 at the time of retirement multiplied by \$5; however, no
16 eligible retiree or beneficiary may receive a subsidy payment
17 of more than \$150 or less than \$30. If there are multiple
18 beneficiaries, the total payment must not be greater than the
19 payment to which the retiree was entitled. The health
20 insurance subsidy amount payable to any person receiving the
21 retiree health insurance subsidy payment on July 1, 2001,
22 shall not be reduced solely by operation of this subparagraph.

23 2. Beginning July 1, 2002, each eligible participant
24 of the Public Employee Optional Retirement Program of the
25 Florida Retirement System who has met the requirements of this
26 section, or, if the participant is deceased, his or her spouse
27 who is the participant's designated beneficiary, shall receive
28 a monthly retiree health insurance subsidy payment equal to
29 the number of years of creditable service, as provided in this
30 subparagraph, completed at the time of retirement, multiplied
31 by \$5; however, no eligible retiree or beneficiary may receive

1 a subsidy payment of more than \$150 or less than \$30. For
2 purposes of determining a participant's creditable service
3 used to calculate the health insurance subsidy, a
4 participant's years of service credit or fraction thereof
5 shall be based on the participant's work year as defined in s.
6 121.021(54). Credit shall be awarded for a full work year
7 whenever health insurance subsidy contributions have been made
8 as required by law for each month in the participant's work
9 year. In addition, all years of creditable service retained
10 under the Florida Retirement System defined benefit program
11 shall be included as creditable service for purposes of this
12 section. Notwithstanding any other provision in this section
13 to the contrary, the spouse at the time of death shall be the
14 participant's beneficiary unless such participant has
15 designated a different beneficiary subsequent to the
16 participant's most recent marriage.

17 Section 2. Subsections (2), (4), (10), and (15) of
18 section 121.4501, Florida Statutes, are amended, and
19 subsection (20) is added to that section, to read:

20 121.4501 Public Employee Optional Retirement
21 Program.--

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

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

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

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

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

24 (d) "Department" means the Department of Management
25 Services.

26 (e) "Division" means the Division of Retirement within
27 the Department of Management Services.

28 (f) "Eligible employee" means an officer or employee,
29 as defined in s. 121.021(11), who:
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1 1. Is a member of, or is eligible for membership in,
2 the Florida Retirement System, including any renewed member of
3 the Florida Retirement System;

4 2. Participates in, or is eligible to participate in,
5 the Senior Management Service Optional Annuity Program as
6 established under s. 121.055(6) or the State Community College
7 Optional Retirement Program as established under s.
8 121.051(2)(c); or

9 3. Is eligible to participate in, but does not
10 participate in, the State University System Optional
11 Retirement Program established under s. 121.35.

12
13 The term does not include any member participating in the
14 Deferred Retirement Option Program established under s.
15 121.091(13) or any employee participating in an optional
16 retirement program established under s. 121.051(2)(c) or s.
17 121.35.

18 (g) "Employer" means an employer, as defined in s.
19 121.021(10), of an eligible employee.

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

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

28 (j) "Retiree" means a former participant of the
29 Florida Retirement System Public Employee Optional Retirement
30 Program who has terminated employment and has taken a
31 distribution as provided in s. 121.591, except for a mandatory

1 distribution of a de minimis account authorized by the state
2 board.

3 (k)(j) "State board" or "board" means the State Board
4 of Administration.

5 (l)(k) "Trustees" means Trustees of the State Board of
6 Administration.

7 (m)(i) "Vested" or "vesting" means the guarantee that
8 a participant is eligible to receive a retirement benefit upon
9 completion of the required years of service under the Public
10 Employee Optional Retirement Program.

11 (4) PARTICIPATION; ENROLLMENT.--

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

15 a. Any such employee may elect to participate in the
16 Public Employee Optional Retirement Program in lieu of
17 retaining his or her membership in the defined benefit program
18 of the Florida Retirement System. The election must be made in
19 writing or by electronic means and must be filed with the
20 third-party administrator by August 31, 2002, or, in the case
21 of an active employee who is on a leave of absence on April 1,
22 2002, by the last business day of the 5th month following
23 ~~August 31, 2002, or within 90 days after the month the leave~~
24 ~~of absence concludes conclusion of the leave of absence,~~
25 ~~whichever is later.~~ This election is irrevocable, except as
26 provided in paragraph (e). Upon making such election, the
27 employee shall be enrolled as a participant of the Public
28 Employee Optional Retirement Program, the employee's
29 membership in the Florida Retirement System shall be governed
30 by the provisions of this part, and the employee's membership
31 in the defined benefit program of the Florida Retirement

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

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

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

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

25 b. If the employee files such election within the
26 prescribed time period, enrollment in the optional program
27 shall be effective on the first day of employment. The
28 employer retirement contributions paid through the month of
29 the employee plan change shall be transferred to the optional
30 program, and, effective the first day of the next month, the
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1 employer shall pay the applicable contributions based on the
2 employee membership class in the optional program.

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

9 3. With respect to employees who become eligible to
10 participate in the Public Employee Optional Retirement Program
11 pursuant to s. 121.051(2)(c)3., any such employee may elect to
12 participate in the Public Employee Optional Retirement Program
13 in lieu of retaining his or her participation in the State
14 Community College Optional Retirement Program. The election
15 must be made in writing or by electronic means and must be
16 filed with the third-party administrator. This election is
17 irrevocable, except as provided in paragraph (e). Upon making
18 such election, the employee shall be enrolled as a participant
19 of the Public Employee Optional Retirement Program, the
20 employee's membership in the Florida Retirement System shall
21 be governed by the provisions of this part, and the employee's
22 participation in the State Community College Optional
23 Retirement Program shall terminate. The employee's enrollment
24 in the Public Employee Optional Retirement Program shall be
25 effective the first day of the month for which a full month's
26 employer contribution is made to the optional program.

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

3 (b)1. With respect to an eligible employee who is
4 employed in a regularly established position on September 1,
5 2002, by a district school board employer:

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

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

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

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

18 b. If the employee files such election within the
19 prescribed time period, enrollment in the optional program
20 shall be effective on the first day of employment. The
21 employer retirement contributions paid through the month of
22 the employee plan change shall be transferred to the optional
23 program, and, effective the first day of the next month, the
24 employer shall pay the applicable contributions based on the
25 employee membership class in the optional program.

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

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

7 (c)1. With respect to an eligible employee who is
8 employed in a regularly established position on December 1,
9 2002, by a local employer:

10 a. Any such employee may elect to participate in the
11 Public Employee Optional Retirement Program in lieu of
12 retaining his or her membership in the defined benefit program
13 of the Florida Retirement System. The election must be made in
14 writing or by electronic means and must be filed with the
15 third-party administrator by February 28, 2003, or, in the
16 case of an active employee who is on a leave of absence on
17 October 1, 2002, by the last business day of the 5th month
18 following February 28, 2003, or within 90 days after the month
19 the leave of absence concludes ~~conclusion of the leave of~~
20 ~~absence, whichever is later~~. This election is irrevocable,
21 except as provided in paragraph (e). Upon making such
22 election, the employee shall be enrolled as a participant of
23 the Public Employee Optional Retirement Program, the
24 employee's membership in the Florida Retirement System shall
25 be governed by the provisions of this part, and the employee's
26 membership in the defined benefit program of the Florida
27 Retirement System shall terminate. The employee's enrollment
28 in the Public Employee Optional Retirement Program shall be
29 effective the first day of the month for which a full month's
30 employer contribution is made to the optional program.

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

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

11 a. Any such employee shall, by default, be enrolled in
12 the defined benefit retirement program of the Florida
13 Retirement System at the commencement of employment, and may,
14 by the last business day ~~end~~ of the 5th month following the
15 employee's month of hire, elect to participate in the Public
16 Employee Optional Retirement Program. The employee's election
17 must be made in writing or by electronic means and must be
18 filed with the third-party administrator. The election to
19 participate in the optional program is irrevocable, except as
20 provided in paragraph (e).

21 b. If the employee files such election within the
22 prescribed time period, enrollment in the optional program
23 shall be effective on the first day of employment. The
24 employer retirement contributions paid through the month of
25 the employee plan change shall be transferred to the optional
26 program, and, effective the first day of the next month, the
27 employer shall pay the applicable contributions based on the
28 employee membership class in the optional program.

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

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

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

7 (d) Contributions available for self-direction by a
8 participant who has not selected one or more specific
9 investment products shall be allocated as prescribed by the
10 board. The third-party administrator shall notify any such
11 participant at least quarterly that the participant should
12 take an affirmative action to make an asset allocation among
13 the optional program products.

14 (e) After the period during which an eligible employee
15 had the choice to elect the defined benefit program or the
16 Public Employee Optional Retirement Program, or the month
17 following the eligible employee's plan selection effective
18 date, if sooner, the employee or terminated vested employee
19 shall have one opportunity, at the employee's discretion
20 during his or her lifetime, to choose to move from the defined
21 benefit program to the Public Employee Optional Retirement
22 Program or from the Public Employee Optional Retirement
23 Program to the defined benefit program. This paragraph shall
24 be contingent upon approval from the Internal Revenue Service
25 for including the choice described herein within the programs
26 offered by the Florida Retirement System.

27 1. If the employee chooses to move to the Public
28 Employee Optional Retirement Program, the applicable
29 provisions of this section shall govern the transfer.

30 2. If the employee chooses to move to the defined
31 benefit program, the employee must transfer from his or her

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

20 3. Notwithstanding subparagraph 2., an employee who
21 chooses to move to the defined benefit program and who became
22 eligible to participate in the Public Employee Optional
23 Retirement Program by reason of employment in a regularly
24 established position with a state employer after June 1, 2002;
25 a district school board employer after September 1, 2002; or a
26 local employer after December 1, 2002, must transfer from his
27 or her Public Employee Optional Retirement Program account
28 and, from other employee moneys as necessary, a sum
29 representing that employee's actuarial accrued liability.

30 4. Employees' ability to transfer from the Florida
31 Retirement System defined benefit program to the Public

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

23 5. Notwithstanding the provisions of this section, any
24 terminated vested employee who is a participant in the Public
25 Employee Optional Retirement Program or the defined benefit
26 program may use his or her one-time opportunity to change
27 retirement plans as provided in this section without having to
28 return to employment with an employer participating in the
29 Florida Retirement System.

30 (10) EDUCATION COMPONENT.--

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1 (a) The board, in coordination with the department,
2 shall provide for an education component for system members in
3 a manner consistent with the provisions of this section. The
4 education component must be available to eligible employees at
5 least 90 days prior to the beginning date of the election
6 period for the employees of the respective types of employers.

7 (b) The education component must provide system
8 members with impartial and balanced information about plan
9 choices. The education component must involve multimedia
10 formats. Program comparisons must, to the greatest extent
11 possible, be based upon the retirement income that different
12 retirement programs may provide to the participant. The board
13 shall monitor the performance of the contract to ensure that
14 the program is conducted in accordance with the contract,
15 applicable law, and the rules of the board.

16 (c) The board, in coordination with the department,
17 shall provide for an initial and ongoing transfer education
18 component to provide system members with information necessary
19 to make informed plan choice decisions. The transfer education
20 component must include, but is not limited to, information on:

21 1. The amount of money available to a member to
22 transfer to the defined contribution program.

23 2. The features of and differences between the defined
24 benefit program and the defined contribution program, both
25 generally and specifically, as those differences may affect
26 the member.

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

30 4. The rate of return from investments in the defined
31 contribution program and the period of time over which such

1 rate of return must be achieved to equal or exceed the
2 expected monthly benefit payable to the member under the
3 defined benefit program.

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

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

10 7. The program choices available to employees of the
11 State University System and the comparative benefits of each
12 available program, if applicable.

13 8. Payout options available in each of the retirement
14 programs.

15 (d) An ongoing education and communication component
16 must provide system members with information necessary to make
17 informed decisions about choices within their program of
18 membership and in preparation for retirement. The component
19 must include, but is not limited to, information concerning:

20 1. Rights and conditions of membership.

21 2. Benefit features within the program, options, and
22 effects of certain decisions.

23 3. Coordination of contributions and benefits with a
24 deferred compensation plan under s. 457 or a plan under s.
25 403(b) of the Internal Revenue Code.

26 4. Significant program changes.

27 5. Contribution rates and program funding status.

28 6. Planning for retirement.

29 (e) Descriptive materials must be prepared under the
30 assumption that the employee is an unsophisticated investor,
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1 and all materials used in the education component must be
2 approved by the state board prior to dissemination.

3 (f) The board and the department shall also establish
4 a communication component to provide program information to
5 participating employers and the employers' personnel and
6 payroll officers and to explain their respective
7 responsibilities in conjunction with the retirement programs.

8 (g) Funding for education of new employees may reflect
9 administrative costs to the optional program and the defined
10 benefit program.

11 (h) Pursuant to paragraph (8)(a), all Florida
12 Retirement System employers have an obligation to regularly
13 communicate the existence of the two Florida Retirement System
14 plans and the plan choice in the natural course of
15 administering their personnel functions, using the educational
16 materials supplied by the state board and the Department of
17 Management Services.

18 (15) STATEMENT OF FIDUCIARY STANDARDS AND
19 RESPONSIBILITIES.--

20 (a) Investment of optional defined contribution
21 retirement plan assets shall be made for the sole interest and
22 exclusive purpose of providing benefits to plan participants
23 and beneficiaries and defraying reasonable expenses of
24 administering the plan. The program's assets are to be
25 invested, on behalf of the program participants, with the
26 care, skill, and diligence that a prudent person acting in a
27 like manner would undertake. The performance of the investment
28 duties set forth in this paragraph shall comply with the
29 fiduciary standards set forth in the Employee Retirement
30 Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C).
31 In case of conflict with other provisions of law authorizing

1 investments, the investment and fiduciary standards set forth
2 in this subsection shall prevail.

3 (b) If a participant or beneficiary of the Public
4 Employee Optional Retirement Program exercises control over
5 the assets in his or her account, as determined by reference
6 to regulations of the United States Department of Labor under
7 s. 404(c) of the Employee Retirement Income Security Act of
8 1974 and all applicable laws governing the operation of the
9 program, no program fiduciary shall be liable for any loss to
10 a participant's or beneficiary's account which results from
11 such participant's or beneficiary's exercise of control.

12 (c) Subparagraph (8)(b)4. and paragraph (15)(b)
13 incorporate the federal law concept of participant control,
14 established by regulations of the United States Department of
15 Labor under s. 404(c) of the Employee Retirement Income
16 Security Act of 1974 (ERISA). The purpose of this paragraph is
17 to assist employers and the State Board of Administration in
18 maintaining compliance with s. 404(c), while avoiding
19 unnecessary costs and eroding participant benefits under the
20 Public Employee Optional Retirement Program. Pursuant to 29
21 C.F.R. s. 2550.404c-1(b)(2)(i)(B)(1)(viii), the State Board of
22 Administration or its designated agents shall deliver to
23 participants of the Public Employee Optional Retirement
24 Program a copy of the prospectus most recently provided to the
25 plan, and, pursuant to 29 C.F.R. s.

26 2550.404c-1(b)(2)(i)(B)(2)(ii), ~~or~~ shall provide such
27 participants an opportunity to obtain this information, except
28 that:

29 1. The requirement to deliver a prospectus shall be
30 deemed to be satisfied by delivery of a fund profile that
31 contains the information that would be included in a summary

1 prospectus as described by Rule 498 under the Securities Act
2 of 1933, 17 C.F.R. s. 230.498. When the transaction fees,
3 expense information or other information provided by a mutual
4 fund in the prospectus does not reflect terms negotiated by
5 the State Board of Administration or its designated agents,
6 the aforementioned requirement is deemed to be satisfied by
7 delivery of a separate document described by Rule 498
8 substituting accurate information; and

9 2. Delivery shall be deemed to have been effected if
10 delivery is through electronic means and the following
11 standards are satisfied:

12 a. Electronically-delivered documents are prepared and
13 provided consistent with style, format, and content
14 requirements applicable to printed documents;

15 b. Each participant is provided timely and adequate
16 notice of the documents that are to be delivered and their
17 significance thereof, and of the participant's right to obtain
18 a paper copy of such documents free of charge;

19 c.(I) Participants have adequate access to the
20 electronic documents, at locations such as their worksites or
21 public facilities, and have the ability to convert the
22 documents to paper free of charge by the State Board of
23 Administration, and the board or its designated agents take
24 appropriate and reasonable measures to ensure that the system
25 for furnishing electronic documents results in actual receipt,
26 or

27 (II) Participants have provided consent to receive
28 information in electronic format, which consent may be
29 revoked; and

30
31

1 d. The State Board of Administration, or its
2 designated agent, actually provides paper copies of the
3 documents free of charge, upon request.

4 (20) PARTICIPATION BY VESTED TERMINATED FLORIDA
5 RETIREMENT SYSTEM MEMBERS.--Eligible employees include persons
6 who are vested in the defined benefit retirement plan offered
7 under the Florida Retirement System in compliance with the
8 vesting provisions in effect at the time of their termination,
9 who terminated covered employment before the establishment of
10 the Public Employee Optional Retirement Program, and who may
11 not otherwise be eligible to participate in the Public
12 Employee Optional Retirement Program under subsection (4). The
13 state board is not responsible for locating those persons who
14 may be eligible to participate in the Public Employee Optional
15 Retirement Program under this subsection.

16 Section 3. Section 121.591, Florida Statutes, is
17 amended to read:

18 121.591 Benefits payable under the Public Employee
19 Optional Retirement Program of the Florida Retirement
20 System.--Benefits may not be paid under this section unless
21 the member has terminated employment as provided in s.
22 121.021(39)(a) or is deceased and a proper application has
23 been filed in the manner prescribed by the state board or the
24 department. The state board or department, as appropriate, may
25 cancel an application for retirement benefits when the member
26 or beneficiary fails to timely provide the information and
27 documents required by this chapter and the rules of the state
28 board and department. In accordance with their respective
29 responsibilities as provided herein, the State Board of
30 Administration and the Department of Management Services shall
31 adopt rules establishing procedures for application for

1 retirement benefits and for the cancellation of such
2 application when the required information or documents are not
3 received. The State Board of Administration and the Department
4 of Management Services, as appropriate, are authorized to cash
5 out a de minimis account of a participant who has been
6 terminated from Florida Retirement System covered employment
7 for a minimum of 6 calendar months. A de minimis account is an
8 account containing employer contributions and accumulated
9 earnings of not more than \$5,000 made under the provisions of
10 this chapter. Such cash-out must either be a complete lump-sum
11 liquidation of the account balance, subject to the provisions
12 of the Internal Revenue Code, or a lump-sum direct rollover
13 distribution paid directly to the custodian of an eligible
14 retirement plan, as defined by the Internal Revenue Code, on
15 behalf of the participant.

16 (1) NORMAL BENEFITS.--Under the Public Employee
17 Optional Retirement Program:

18 (a) Benefits in the form of vested accumulations as
19 described in s. 121.4501(6) shall be payable under this
20 subsection in accordance with the following terms and
21 conditions:

22 1. To the extent vested, benefits shall be payable
23 only to a participant.

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

28 3. To receive benefits under this subsection, the
29 participant must be terminated from all employment with all
30 Florida Retirement System employers, as provided in s.
31 121.021(39).

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

9 (c) Upon receipt by the third-party administrator of a
10 properly executed application for distribution of benefits,
11 the total accumulated benefit shall be payable to the
12 participant, as:

- 13 1. A lump-sum distribution to the participant;
- 14 2. A lump-sum direct rollover distribution whereby all
15 accrued benefits, plus interest and investment earnings, are
16 paid from the participant's account directly to the custodian
17 of an eligible retirement plan, as defined in s. 402(c)(8)(B)
18 of the Internal Revenue Code, on behalf of the participant; or
- 19 3. Periodic distributions, as authorized by the state
20 board.

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

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

- 30 1. All moneys accumulated in the participant's Public
31 Employee Optional Retirement Program accounts, including

1 vested and nonvested accumulations as described in s.
2 121.4501(6), shall be transferred from such individual
3 accounts to the Division of Retirement for deposit in the
4 disability account of the Florida Retirement System Trust
5 Fund. Such moneys shall be separately accounted for. Earnings
6 shall be credited on an annual basis for amounts held in the
7 disability accounts of the Florida Retirement System Trust
8 Fund based on actual earnings of the Florida Retirement System
9 Trust Fund.

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

20 (b) Disability retirement; entitlement.--

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

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

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

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

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

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

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

27 (d) Total and permanent disability.--A participant
28 shall be considered totally and permanently disabled if, in
29 the opinion of the division, he or she is prevented, by reason
30 of a medically determinable physical or mental impairment,
31

1 from rendering useful and efficient service as an officer or
2 employee.

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

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

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

27 (h) Reapplication.--A participant whose initial
28 application for disability retirement has been denied may
29 reapply for disability benefits in the same manner, and under
30 the same conditions, as provided for members of the defined
31

1 benefit program of the Florida Retirement System under s.
2 121.091(4)(g).

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

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

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

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

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

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

25 (k) Recovery from disability.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

31

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

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

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

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

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

1 | custodian of an eligible retirement plan, as described in s.
2 | 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
3 | surviving spouse. The proportions must be specified by the
4 | participant or the surviving beneficiary.

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

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

16 | Section 4. Paragraph (b) of subsection (3) of section
17 | 121.78, Florida Statutes, is amended to read:

18 | 121.78 Payment and distribution of contributions.--

19 | (3)

20 | (b) If contributions made by an employer on behalf of
21 | participants of the optional retirement program or
22 | accompanying payroll data are not received within the calendar
23 | month they are due, including, but not limited to,
24 | contribution adjustments as a result of employer errors or
25 | corrections, and if that delinquency results in market losses
26 | to participants, the employer shall reimburse each
27 | participant's account for market losses resulting from the
28 | late contributions. If a participant has terminated employment
29 | and taken a distribution, the participant is responsible for
30 | returning any excess contributions erroneously provided by
31 | employers, adjusted for any investment gain or loss incurred

1 during the period such excess contributions were in the
2 participant's Public Employee Optional Retirement Program
3 account. The State Board of Administration or its designated
4 agent shall communicate to terminated participants any
5 obligation to repay such excess contribution amounts, but the
6 State Board of Administration, its designated agents, or the
7 Public Employee Optional Retirement Program Trust Fund shall
8 not incur any loss or gain as a result of employers'
9 correcting such excess contributions.The third-party
10 administrator, hired by the board pursuant to s. 121.4501(8),
11 shall calculate the market losses for each affected
12 participant. When contributions made on behalf of participants
13 of the optional retirement program or accompanying payroll
14 data are not received within the calendar month due, the
15 employer shall also pay the cost of the third-party
16 administrator's calculation and reconciliation adjustments
17 resulting from the late contributions. The third-party
18 administrator shall notify the employer of the results of the
19 calculations and the total amount due from the employer for
20 such losses and the costs of calculation and reconciliation.
21 The employer shall remit to the division the amount due within
22 10 working days after the date of the penalty notice sent by
23 the division. The division shall transfer said amount to the
24 third-party administrator, who shall deposit proceeds from the
25 1-percent assessment and from individual market losses into
26 participant accounts, as appropriate. The board is authorized
27 to adopt rules to implement the provisions regarding late
28 contributions, late submission of payroll data, the process
29 for reimbursing participant accounts for resultant market
30 losses, and the penalties charged to the employers.
31

1 Section 5. Paragraphs (g) and (i) of subsection (2) of
2 section 215.47, Florida Statutes, are amended to read:

3 215.47 Investments; authorized securities; loan of
4 securities.--Subject to the limitations and conditions of the
5 State Constitution or of the trust agreement relating to a
6 trust fund, moneys available for investments under ss.
7 215.44-215.53 may be invested as follows:

8 (2) With no more than 25 percent of any fund in:

9 (g) Fixed-income obligations not otherwise authorized
10 by this section issued by foreign governments or political
11 subdivisions or agencies thereof, supranational agencies,
12 foreign corporations, or foreign commercial entities, if the
13 obligations are rated investment grade by at least one
14 nationally recognized rating service.~~General obligations~~
15 ~~backed by the full faith and credit of a foreign government~~
16 ~~which has not defaulted on similar obligations for a minimum~~
17 ~~period of 25 years prior to purchase of the obligation and has~~
18 ~~met its payments of similar obligations when due.~~

19 (i) Obligations of agencies of the government of the
20 United States, provided such obligations have been included in
21 and authorized by the Florida Retirement System Defined
22 Benefit Total Fund Investment Plan Investment Policy Statement
23 established in s. 215.475.

24 Section 6. Section 215.475, Florida Statutes, is
25 amended to read:

26 215.475 Investment policy statement plan.--

27 (1) In making investments for the System Trust Fund
28 pursuant to ss. 215.44-215.53, the board shall make no
29 investment which is not in conformance with the Florida
30 Retirement System Defined Benefit Total Fund Investment
31 Investment Policy Statement, hereinafter referred to as "the

1 IPS plan," as developed by the executive director and approved
2 by the board. The IPS plan must include, among other items,
3 the investment objectives of the System Trust Fund; permitted
4 types of securities in which the board may invest; and
5 evaluation criteria necessary to measure the investment
6 performance of the fund. As required from time to time, the
7 executive director of the board may present recommended
8 changes in the IPS plan to the board for approval.

9 (2) Prior to any recommended changes in the IPS plan
10 being presented to the board, the executive director of the
11 board shall present such changes to the Investment Advisory
12 Council for review. The council shall present the results of
13 its review to the board prior to the board's final approval of
14 the IPS plan or changes in the IPS plan.

15 Section 7. Paragraph (a) of subsection (4) of section
16 215.5601, Florida Statutes, is amended to read:

17 215.5601 Lawton Chiles Endowment Fund.--

18 (4) ADMINISTRATION.--

19 (a) The board may invest and reinvest funds of the
20 endowment in accordance with s. 215.47 and consistent with an
21 investment policy statement plan developed by the executive
22 director and approved by the board.

23 Section 8. This act shall take effect July 1, 2004.
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SENATE SUMMARY

Revises various provisions relating to the Florida Retirement System and investment of state funds. Providing for determining the beneficiary of a deceased Florida Retirement System member. Defines "retiree" for purposes of the Public Employee Optional Retirement Program. Changes dates for election to participate in the program. Provides procedures for changing retirement plans. Provides for cashing out de minimis accounts. Revises guidelines for investing state funds in foreign obligations. Redesignates "investment plans" as "investment policy statements."