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A bill to be entitled

An act relating to special risk membership in the Florida Retirement System; amending s. 121.0515, F.S.; eliminating the Special Risk Administrative Support Class of the Florida Retirement System and providing that members of the Special Risk Administrative Support Class shall become members of the Special Risk Class; amending ss. 110.205, 121.021, 121.051, 121.055, 121.071, 121.091, 121.4501, 121.71, 121.72, and 121.73, F.S., to conform; providing an effective date.

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

Section 1. Paragraph (a) of subsection (7) of section 121.0515, Florida Statutes, is amended to read:

121.0515 Special risk membership.--

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

(a) A special risk member who is moved or reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position with any law enforcement, firefighting, correctional, or emergency medical care agency under the Florida Retirement System, shall participate in the Special Risk ~~Administrative Support~~ Class and shall earn credit for such service at the same percentage rate as that earned by a special risk ~~regular~~ member. Notwithstanding the provisions of subsection (4), service in such an administrative support position shall, for purposes of s. 121.091, apply toward satisfaction of the special risk normal

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30 retirement date, as defined in s. 121.021(29)(b), provided that,
 31 while in such position, the member remains certified as a law
 32 enforcement officer, firefighter, correctional officer,
 33 emergency medical technician, or paramedic; ~~remains subject to~~
 34 ~~reassignment at any time to a position qualifying for special~~
 35 ~~risk membership~~; and completes an aggregate of 6 or more years
 36 of service as a designated special risk member prior to
 37 retirement.

38 Section 2. Paragraph (x) of subsection (2) of section
 39 110.205, Florida Statutes, is amended to read:

40 110.205 Career service; exemptions.--

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

43 (x) Managerial employees, as defined in s. 447.203(4),
 44 confidential employees, as defined in s. 447.203(5), and
 45 supervisory employees who spend the majority of their time
 46 communicating with, motivating, training, and evaluating
 47 employees, and planning and directing employees' work, and who
 48 have the authority to hire, transfer, suspend, lay off, recall,
 49 promote, discharge, assign, reward, or discipline subordinate
 50 employees or effectively recommend such action, including all
 51 employees serving as supervisors, administrators, and directors.
 52 Excluded are employees also designated as special risk ~~or~~
 53 ~~special risk administrative support~~ and attorneys who serve as
 54 administrative law judges pursuant to s. 120.65 or for hearings
 55 conducted pursuant to s. 120.57(1)(a). Additionally, registered
 56 nurses licensed under chapter 464, dentists licensed under
 57 chapter 466, psychologists licensed under chapter 490 or chapter
 58 491, nutritionists or dietitians licensed under part X of

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59 chapter 468, pharmacists licensed under chapter 465,
 60 psychological specialists licensed under chapter 491, physical
 61 therapists licensed under chapter 486, and speech therapists
 62 licensed under part I of chapter 468 are excluded, unless
 63 otherwise collectively bargained.

64 Section 3. Subsection (12) of section 121.021, Florida
 65 Statutes, is amended to read:

66 121.021 Definitions.--The following words and phrases as
 67 used in this chapter have the respective meanings set forth
 68 unless a different meaning is plainly required by the context:

69 (12) "Member" means any officer or employee who is covered
 70 or who becomes covered under this system in accordance with this
 71 chapter. On and after December 1, 1970, all new members and
 72 those members transferring from existing systems shall be
 73 divided into the following classes: "Special Risk Class," as
 74 provided in s. 121.0515(2); ~~"Special Risk Administrative Support~~
 75 ~~Class," as provided in s. 121.0515(7);~~ "Elected Officers'
 76 Class," as provided in s. 121.052; "Senior Management Service
 77 Class," as provided in s. 121.055; and "Regular Class," which
 78 consists of all members who are not in the Special Risk Class,
 79 ~~Special Risk Administrative Support Class,~~ Elected Officers'
 80 Class, or Senior Management Service Class.

81 Section 4. Subsection (9) of section 121.051, Florida
 82 Statutes, is amended to read:

83 121.051 Participation in the system.--

84 (9) DUAL EMPLOYMENT.--A member may not participate in more
 85 than one state-administered retirement system, plan, or class of
 86 membership simultaneously. Pursuant thereto:

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87 (a) With respect to any member who is not eligible to
 88 participate in the Elected Officers' Class, but who is
 89 simultaneously employed in two or more positions covered by
 90 different Florida Retirement System classes:

91 1. The member must participate in the membership class for
 92 the position in which he or she is employed the majority of the
 93 time: the Regular Class, Senior Management Service Class, or
 94 Special Risk Class, ~~or Special Risk Administrative Support~~
 95 ~~Class~~; or

96 2. If the employment is split equally between or among
 97 positions, the member may choose any single class of membership
 98 for which he or she is eligible, whether or not the positions
 99 are full-time positions. The member's choice must be made in
 100 writing and remains in effect as long as the member is employed
 101 equally in two or more positions.

102 (b) Contributions shall be made and creditable service
 103 shall be determined as follows:

104 1. If the member is participating in the Regular Class,
 105 retirement contributions shall be made on the total salary the
 106 member has received for all covered employment, and at
 107 retirement the member's average final compensation shall be
 108 calculated on the total salary received from all covered
 109 employment.

110 2. If the member is participating in the Senior Management
 111 Service Class or, Special Risk Class, ~~or Special Risk~~
 112 ~~Administrative Support Class~~, retirement contributions shall be
 113 made only on the salary received in the designated class of
 114 membership. At retirement, the member's average final
 115 compensation shall be based only on the salary received in the

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116 designated class of membership for any period, including any
 117 period of dual employment.

118 Section 5. Paragraph (c) of subsection (6) of section
 119 121.055, Florida Statutes, is amended to read:

120 121.055 Senior Management Service Class.--There is hereby
 121 established a separate class of membership within the Florida
 122 Retirement System to be known as the "Senior Management Service
 123 Class," which shall become effective February 1, 1987.

124 (6)

125 (c) *Participation*.--

126 1. Any eligible employee who is employed on or before
 127 February 1, 1987, may elect to participate in the optional
 128 annuity program in lieu of participation in the Senior
 129 Management Service Class. Such election shall be made in writing
 130 and filed with the department and the personnel officer of the
 131 employer on or before May 1, 1987. Any eligible employee who is
 132 employed on or before February 1, 1987, and who fails to make an
 133 election to participate in the optional annuity program by May
 134 1, 1987, shall be deemed to have elected membership in the
 135 Senior Management Service Class.

136 2. Any employee who becomes eligible to participate in the
 137 optional annuity program by reason of initial employment
 138 commencing after February 1, 1987, may, within 90 days after the
 139 date of commencement of employment, elect to participate in the
 140 optional annuity program. Such election shall be made in writing
 141 and filed with the personnel officer of the employer. Any
 142 eligible employee who does not within 90 days after commencement
 143 of such employment elect to participate in the optional annuity

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144 program shall be deemed to have elected membership in the Senior
 145 Management Service Class.

146 3. A person who is appointed to a position in the Senior
 147 Management Service Class and who is a member of an existing
 148 retirement system or the Special Risk Class ~~or Special Risk~~
 149 ~~Administrative Support Classes~~ of the Florida Retirement System
 150 may elect to remain in such system or class in lieu of
 151 participation in the Senior Management Service Class or optional
 152 annuity program. Such election shall be made in writing and
 153 filed with the department and the personnel officer of the
 154 employer within 90 days of such appointment. Any eligible
 155 employee who fails to make an election to participate in the
 156 existing system, the Special Risk Class of the Florida
 157 Retirement System, ~~the Special Risk Administrative Support Class~~
 158 ~~of the Florida Retirement System~~, or the optional annuity
 159 program shall be deemed to have elected membership in the Senior
 160 Management Service Class.

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

166 5. Effective from July 1, 2002, through September 30,
 167 2002, any active employee in a regularly established position
 168 who has elected to participate in the Senior Management Service
 169 Optional Annuity Program has one opportunity to choose to move
 170 from the Senior Management Service Optional Annuity Program to
 171 the Florida Retirement System defined benefit program.

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172 a. The election must be made in writing and must be filed
 173 with the department and the personnel officer of the employer
 174 before October 1, 2002, or, in the case of an active employee
 175 who is on a leave of absence on July 1, 2002, within 90 days
 176 after the conclusion of the leave of absence. This election is
 177 irrevocable.

178 b. The employee will receive service credit under the
 179 defined benefit program of the Florida Retirement System equal
 180 to his or her years of service under the Senior Management
 181 Service Optional Annuity Program. The cost for such credit shall
 182 be an amount representing the present value of that employee's
 183 accumulated benefit obligation for the affected period of
 184 service.

185 c. The employee must transfer the total accumulated
 186 employer contributions and earnings on deposit in his or her
 187 Senior Management Service Optional Annuity Program account. If
 188 the transferred amount is not sufficient to pay the amount due,
 189 the employee must pay a sum representing the remainder of the
 190 amount due. In no case may the employee retain any employer
 191 contributions or earnings thereon from the Senior Management
 192 Service Optional Annuity Program account.

193 Section 6. Subsections (1) and (4) of section 121.071,
 194 Florida Statutes, are amended to read:

195 121.071 Contributions.--Contributions to the system shall
 196 be made as follows:

197 (1) The following tables state the required retirement
 198 contribution rates for members of the Regular Class or Special
 199 Risk Class, ~~or Special Risk Administrative Support Class~~ and
 200 their employers in terms of a percentage of the member's gross

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201 compensation. A change in a contribution rate is effective with
 202 the first salary paid on or after the beginning date of the
 203 change. Contributions shall be made or deducted as may be
 204 appropriate for each pay period and are in addition to the
 205 contributions required for social security and the Retiree
 206 Health Insurance Subsidy Trust Fund.

207 (a)1. Retirement contributions for regular members are as
 208 follows:

Dates of Contribution Rate Changes	Members	Employers
209 July 1, 2001, through June 30, 2002	0%	9.91%

210
 211 2. Effective July 1, 2002, the retirement contributions
 212 for regular members shall be specified in s. 121.71.

213 (b)1. Retirement contributions for special risk members
 214 are as follows:

Dates of Contribution Rate Changes	Members	Employers
215 July 1, 2001, through June 30, 2002	0%	22.07%

216
 217 2. Effective July 1, 2002, retirement contributions for
 218 special risk members shall be specified in s. 121.71.

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219 ~~(c)1. Retirement contributions for special risk~~

220 ~~administrative support members are as follows:~~

Dates of	Members	Employers
Contribution Rate		
Changes		

221 July 1, 2001,	0%	12.55%
through June 30,		
2002		

222

223 ~~2. Effective July 1, 2002, retirement contributions for~~

224 ~~special risk administrative support members shall be specified~~

225 ~~in s. 121.71.~~

226 (4) The following table states the required employer

227 contribution on behalf of each member of the Regular Class or,

228 ~~Special Risk Class, or Special Risk Administrative Support Class~~

229 in terms of a percentage of the member's gross compensation.

230 Such contribution constitutes the entire health insurance

231 subsidy contribution with respect to each such member. A change

232 in the contribution rate is effective with the first salary paid

233 on or after the beginning date of the change. The retiree health

234 insurance subsidy contribution rate is as follows:

Dates of Contribution Rate	Contribution Rate
Changes	

235 October 1, 1987, through	0.24%
December 31, 1988	
236 January 1, 1989, through	0.48%
December 31, 1993	

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237 January 1, 1994, through 0.56%
December 31, 1994

238 January 1, 1995, through June 0.66%
30, 1998

239 July 1, 1998, through June 30, 0.94%
2001

240 Effective July 1, 2001 1.11%

241
242 Such contributions shall be deposited by the administrator in
243 the Retiree Health Insurance Subsidy Trust Fund.

244 Section 7. Paragraph (a) of subsection (1) of section
245 121.091, Florida Statutes, is amended to read:

246 121.091 Benefits payable under the system.--Benefits may
247 not be paid under this section unless the member has terminated
248 employment as provided in s. 121.021(39)(a) or begun
249 participation in the Deferred Retirement Option Program as
250 provided in subsection (13), and a proper application has been
251 filed in the manner prescribed by the department. The department
252 may cancel an application for retirement benefits when the
253 member or beneficiary fails to timely provide the information
254 and documents required by this chapter and the department's
255 rules. The department shall adopt rules establishing procedures
256 for application for retirement benefits and for the cancellation
257 of such application when the required information or documents
258 are not received.

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259 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her
 260 normal retirement date, the member, upon application to the
 261 administrator, shall receive a monthly benefit which shall begin
 262 to accrue on the first day of the month of retirement and be
 263 payable on the last day of that month and each month thereafter
 264 during his or her lifetime. The normal retirement benefit,
 265 including any past or additional retirement credit, may not
 266 exceed 100 percent of the average final compensation. The amount
 267 of monthly benefit shall be calculated as the product of A and
 268 B, subject to the adjustment of C, if applicable, as set forth
 269 below:

270 (a)1. For creditable years of Regular Class service, A is
 271 1.60 percent of the member's average final compensation, up to
 272 the member's normal retirement date. Upon completion of the
 273 first year after the normal retirement date, A is 1.63 percent
 274 of the member's average final compensation. Following the second
 275 year after the normal retirement date, A is 1.65 percent of the
 276 member's average final compensation. Following the third year
 277 after the normal retirement date, and for subsequent years, A is
 278 1.68 percent of the member's average final compensation.

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

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

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

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

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288 d. Two and two-tenths percent of the member's final
 289 monthly compensation for all creditable years after December 31,
 290 1988, and before January 1, 1990;

291 e. Two and four-tenths percent of the member's average
 292 final compensation for all creditable years after December 31,
 293 1989, and before January 1, 1991;

294 f. Two and six-tenths percent of the member's average
 295 final compensation for all creditable years after December 31,
 296 1990, and before January 1, 1992;

297 g. Two and eight-tenths percent of the member's average
 298 final compensation for all creditable years after December 31,
 299 1991, and before January 1, 1993;

300 h. Three percent of the member's average final
 301 compensation for all creditable years after December 31, 1992;
 302 and

303 i. Three percent of the member's average final
 304 compensation for all creditable years of service after September
 305 30, 1978, and before January 1, 1993, for any special risk
 306 member who retires after July 1, 2000, ~~or any member of the~~
 307 ~~Special Risk Administrative Support Class entitled to retain the~~
 308 ~~special risk normal retirement date who was a member of the~~
 309 ~~Special Risk Class during the time period and who retires after~~
 310 ~~July 1, 2000.~~

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

313 4. For creditable years of Elected Officers' Class service
 314 as a Supreme Court Justice, district court of appeal judge,
 315 circuit judge, or county court judge, A is 3¹/₃ percent of the
 316 member's average final compensation, and for all other

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317 creditable service in such class, A is 3 percent of average
318 final compensation;

319 Section 8. Paragraph (c) of subsection (3) of section
320 121.4501, Florida Statutes, is amended to read:

321 121.4501 Public Employee Optional Retirement Program.--

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

323 (c)1. Notwithstanding paragraph (b), each eligible
324 employee who elects to participate in the Public Employee
325 Optional Retirement Program and establishes one or more
326 individual participant accounts under the optional program may
327 elect to transfer to the optional program a sum representing the
328 present value of the employee's accumulated benefit obligation
329 under the defined benefit retirement program of the Florida
330 Retirement System. Upon such transfer, all service credit
331 previously earned under the defined benefit program of the
332 Florida Retirement System shall be nullified for purposes of
333 entitlement to a future benefit under the defined benefit
334 program of the Florida Retirement System. A participant is
335 precluded from transferring the accumulated benefit obligation
336 balance from the defined benefit program upon the expiration of
337 the period afforded to enroll in the optional program.

338 2. For purposes of this subsection, the present value of
339 the member's accumulated benefit obligation is based upon the
340 member's estimated creditable service and estimated average
341 final compensation under the defined benefit program, subject to
342 recomputation under subparagraph 3. For state employees
343 enrolling under subparagraph (4)(a)1., initial estimates will be
344 based upon creditable service and average final compensation as
345 of midnight on June 30, 2002; for district school board

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346 employees enrolling under subparagraph (4)(b)1., initial
 347 estimates will be based upon creditable service and average
 348 final compensation as of midnight on September 30, 2002; and for
 349 local government employees enrolling under subparagraph
 350 (4)(c)1., initial estimates will be based upon creditable
 351 service and average final compensation as of midnight on
 352 December 31, 2002. The dates respectively specified above shall
 353 be construed as the "estimate date" for these employees. The
 354 actuarial present value of the employee's accumulated benefit
 355 obligation shall be based on the following:

356 a. The discount rate and other relevant actuarial
 357 assumptions used to value the Florida Retirement System Trust
 358 Fund at the time the amount to be transferred is determined,
 359 consistent with the factors provided in sub-subparagraphs b. and
 360 c.

361 b. A benefit commencement age, based on the member's
 362 estimated creditable service as of the estimate date. The
 363 benefit commencement age shall be the younger of the following,
 364 but shall not be younger than the member's age as of the
 365 estimate date:

366 (I) Age 62; or

367 (II) The age the member would attain if the member
 368 completed 30 years of service with an employer, assuming the
 369 member worked continuously from the estimate date, and
 370 disregarding any vesting requirement that would otherwise apply
 371 under the defined benefit program of the Florida Retirement
 372 System.

373 c. For members of the Special Risk Class ~~and for members~~
 374 ~~of the Special Risk Administrative Support Class entitled to~~

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375 ~~retain special risk normal retirement date~~, the benefit
 376 commencement age shall be the younger of the following, but
 377 shall not be younger than the member's age as of the estimate
 378 date:

379 (I) Age 55; or

380 (II) The age the member would attain if the member
 381 completed 25 years of service with an employer, assuming the
 382 member worked continuously from the estimate date, and
 383 disregarding any vesting requirement that would otherwise apply
 384 under the defined benefit program of the Florida Retirement
 385 System.

386 d. The calculation shall disregard vesting requirements
 387 and early retirement reduction factors that would otherwise
 388 apply under the defined benefit retirement program.

389 3. For each participant who elects to transfer moneys from
 390 the defined benefit program to his or her account in the
 391 optional program, the division shall recompute the amount
 392 transferred under subparagraph 2. not later than 60 days after
 393 the actual transfer of funds based upon the participant's actual
 394 creditable service and actual final average compensation as of
 395 the initial date of participation in the optional program. If
 396 the recomputed amount differs from the amount transferred under
 397 subparagraph 2. by \$10 or more, the division shall:

398 a. Transfer, or cause to be transferred, from the Florida
 399 Retirement System Trust Fund to the participant's account in the
 400 optional program the excess, if any, of the recomputed amount
 401 over the previously transferred amount together with interest
 402 from the initial date of transfer to the date of transfer under

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403 this subparagraph, based upon 8 percent effective annual
404 interest, compounded annually.

405 b. Transfer, or cause to be transferred, from the
406 participant's account to the Florida Retirement System Trust
407 Fund the excess, if any, of the previously transferred amount
408 over the recomputed amount, together with interest from the
409 initial date of transfer to the date of transfer under this
410 subparagraph, based upon 6 percent effective annual interest,
411 compounded annually, pro rata based on the participant's
412 allocation plan.

413 4. As directed by the participant, the board shall
414 transfer or cause to be transferred the appropriate amounts to
415 the designated accounts. The board shall establish transfer
416 procedures by rule, but the actual transfer shall not be later
417 than 30 days after the effective date of the member's
418 participation in the optional program unless the major financial
419 markets for securities available for a transfer are seriously
420 disrupted by an unforeseen event which also causes the
421 suspension of trading on any national securities exchange in the
422 country where the securities were issued. In that event, such
423 30-day period of time may be extended by a resolution of the
424 trustees. Transfers are not commissionable or subject to other
425 fees and may be in the form of securities or cash as determined
426 by the state board. Such securities shall be valued as of the
427 date of receipt in the participant's account.

428 5. If the board or the division receives notification from
429 the United States Internal Revenue Service that this paragraph
430 or any portion of this paragraph will cause the retirement
431 system, or a portion thereof, to be disqualified for tax

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432 purposes under the Internal Revenue Code, then the portion that
 433 will cause the disqualification does not apply. Upon such
 434 notice, the state board and the division shall notify the
 435 presiding officers of the Legislature.

436 Section 9. Subsection (3) of section 121.71, Florida
 437 Statutes, is amended to read:

438 121.71 Uniform rates; process; calculations; levy.--

439 (3) Required employer retirement contribution rates for
 440 each membership class and subclass of the Florida Retirement
 441 System for both retirement plans are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2003	Percentage of Gross Compensation, Effective July 1, 2004
Regular Class	6.18%	10.07%
Special Risk Class	17.32%	22.15%
Special Risk Administrative Support Class	8.71%	12.58%
Elected Officers' Class - Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	11.28%	15.48%

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446	Elected Officers' Class - Justices, Judges	17.44%	20.70%
447	Elected Officers' Class - County Elected Officers	14.02%	17.81%
448	Senior Management Class	8.16%	11.59%
449	DROP	8.00%	11.56%

450
451 Section 10. Subsection (4) of section 121.72, Florida
452 Statutes, is amended to read:

453 121.72 Allocations to optional retirement program
454 participant accounts; percentage amounts.--

455 (4) Effective July 1, 2002, allocations from the Florida
456 Retirement System Contributions Clearing Trust Fund to optional
457 retirement program participant accounts shall be as follows:

Membership Class	Percentage of Gross Compensation
458 Regular Class	9.00%
459 Special Risk Class	20.00%
460 Special Risk Administrative	
Support Class	11.35%
461 Elected Officers' Class - Legislators, Governor, Lt. Governor, Cabinet	13.40%

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Officers,
 State Attorneys, Public
 Defenders

462 Elected Officers' Class -
 Justices, Judges 18.90%

463 Elected Officers' Class -
 County Elected Officers 16.20%

464 Senior Management Service Class 10.95%

465
 466 Section 11. Subsection (3) of section 121.73, Florida
 467 Statutes, is amended to read:

468 121.73 Allocations for optional retirement program
 469 participant disability coverage; percentage amounts.--

470 (3) Effective July 1, 2002, allocations from the FRS
 471 Contribution Clearing Fund to provide disability coverage for
 472 participants in the optional retirement program, and to offset
 473 the costs of administering said coverage, shall be as follows:

Membership Class	Percentage of Gross Compensation
474 Regular Class	0.25%
475 Special Risk Class	1.33%
476 Special Risk Administrative Support Class	0.45%
477 Elected Officers' Class -	0.41%

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Legislators, Governor,
 Lt. Governor, Cabinet
 Officers,
 State Attorneys, Public
 Defenders

478

Elected Officers' Class -
 Justices, Judges 0.73%

479

Elected Officers' Class -
 County Elected Officers 0.41%

480

Senior Management Service Class 0.26%

481

482

Section 12. This act shall take effect upon becoming a
 483 law.