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A bill to be entitled

An act relating to agency reorganization; transferring the Division of Retirement and its powers, duties, functions, components, and assets from the Department of Management Services to the State Board of Administration; amending s. 110.205, F.S.; providing status of division personnel under the Career Service System; amending ss. 20.22, 20.28, 112.05, 112.3173, 112.363, 112.625, 112.63, 112.64, 112.658, 112.661, 112.665, 121.021, 121.025, 121.031, 121.051, 121.0511, 121.0515, 121.052, 121.055, 121.081, 121.085, 121.091, 121.095, 121.101, 121.111, 121.133, 121.135, 121.136, 121.1905, 121.192, 121.193, 121.22, 121.23, 121.24, 121.30, 121.35, 121.40, 121.45, 121.4501, 121.4503, 121.591, 121.5911, 121.72, 121.73, 121.74, 122.02, 122.03, 122.05, 122.06, 122.07, 122.08, 122.09, 122.10, 122.12, 122.13, 122.15, 122.16, 122.23, 122.30, 122.34, 122.351, 175.032, 175.121, 175.1215, 175.341, 185.02, 185.10, 185.105, 185.23, 215.20, 215.28, 215.44, 215.50, 215.52, 238.01, 238.02, 238.03, 238.05, 238.07, 238.08, 238.09, 238.10, 238.11, 238.12, 238.14, 238.15, 238.171, 238.181, 238.32, 650.02, 650.06, F.S., to conform to such transfer; providing duties of the Department of Financial Services with respect to issuing benefit payments under retirement plans; providing an effective date.

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

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

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

42 20.22 Department of Management Services.--There is created
 43 a Department of Management Services.

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

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

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

48 Section 3. Section 20.28, Florida Statutes, is amended to
 49 read:

50 20.28 State Board of Administration.--The State Board of
 51 Administration, continued by s. 4(e), Art. IV s. 9, Art. XII of
 52 the State Constitution, retains all of its powers, duties, and
 53 functions as prescribed by law. There is established under the
 54 State Board of Administration a Division of Retirement, which
 55 shall be subject to the direction of the executive director of
 56 the board who is the agency head of the division for purposes of
 57 chapter 120.

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58 Section 4. Paragraph (u) of subsection (2) of section
 59 110.205, Florida Statutes, is amended to read:

60 110.205 Career service; exemptions.--

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

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

67 Section 5. Paragraph (b) of subsection (4) of section
 68 112.05, Florida Statutes, is amended to read:

69 112.05 Retirement; cost-of-living adjustment; employment
 70 after retirement.--

71 (4)

72 (b) Any person to whom the limitation in paragraph (a)
 73 applies who violates such reemployment limitation and is
 74 reemployed with any agency participating in the Florida
 75 Retirement System prior to completion of the 12-month limitation
 76 period shall give timely notice of this fact in writing to the
 77 employer and to the Department of Management Services Division;
 78 and the person's retirement benefits shall be suspended for the
 79 balance of the 12-month limitation period. Any person employed
 80 in violation of this subsection and any employing agency which
 81 knowingly employs or appoints such person without notifying the
 82 Department of Management Services to suspend retirement benefits
 83 shall be jointly and severally liable for reimbursement to the
 84 retirement trust fund of any benefits paid during the
 85 reemployment limitation period. To avoid liability, such
 86 employing agency shall have a written statement from the retiree

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87 that he or she is not retired from a state-administered
 88 retirement system. Any retirement benefits received by such
 89 person while reemployed during this limitation period shall be
 90 repaid to the retirement trust fund, and the retirement benefits
 91 shall remain suspended until such repayment has been made. Any
 92 benefits suspended beyond the reemployment limitation period
 93 shall apply toward the repayment of benefits received in
 94 violation of the reemployment limitation.

95 Section 6. Paragraph (d) of subsection (4) of section
 96 112.3173, Florida Statutes, is amended to read:

97 112.3173 Felonies involving breach of public trust and
 98 other specified offenses by public officers and employees;
 99 forfeiture of retirement benefits.--

100 (4) NOTICE.--

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

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

112 112.363 Retiree health insurance subsidy.--

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

114 (a) A person who is retired under a state-administered
 115 retirement system, or a beneficiary who is a spouse or financial

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

208
 209 Such contributions shall be submitted to the Division of
 210 Retirement of the State Board of Administration ~~Department of~~
 211 ~~Management Services~~ and deposited in the Retiree Health
 212 Insurance Subsidy Trust Fund.

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

215 112.625 Definitions.--As used in this act:

216 (10) "Division" means the Division of Retirement of the
 217 State Board of Administration.

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

220 112.63 Actuarial reports and statements of actuarial
 221 impact; review.--

222 (2) The frequency of actuarial reports must be at least
 223 every 3 years commencing from the last actuarial report of the
 224 plan or system or October 1, 1980, if no actuarial report has
 225 been issued within the 3-year period prior to October 1, 1979.
 226 The results of each actuarial report shall be filed with the
 227 plan administrator within 60 days of certification. Thereafter,
 228 the results of each actuarial report shall be made available for
 229 inspection upon request. Additionally, each retirement system or
 230 plan covered by this act which is not administered directly by

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231 the division ~~Department of Management Services~~ shall furnish a
 232 copy of each actuarial report to the division ~~Department of~~
 233 ~~Management Services~~ within 60 days after receipt from the
 234 actuary. The requirements of this section are supplemental to
 235 actuarial valuations necessary to comply with the requirements
 236 of ss. 218.321 and 218.39.

237 (4) Upon receipt, pursuant to subsection (2), of an
 238 actuarial report, or upon receipt, pursuant to subsection (3),
 239 of a statement of actuarial impact, the division ~~Department of~~
 240 ~~Management Services~~ shall acknowledge such receipt, but shall
 241 only review and comment on each retirement system's or plan's
 242 actuarial valuations at least on a triennial basis. If the
 243 division ~~department~~ finds that the actuarial valuation is not
 244 complete, accurate, or based on reasonable assumptions, or if
 245 the division ~~department~~ does not receive the actuarial report or
 246 statement of actuarial impact, the division ~~department~~ shall
 247 notify the local government and request appropriate adjustment.
 248 If, after a reasonable period of time, a satisfactory adjustment
 249 is not made, the affected local government or the division
 250 ~~department~~ may petition for a hearing under the provisions of
 251 ss. 120.569 and 120.57. If the administrative law judge
 252 recommends in favor of the division ~~department~~, the division
 253 ~~department~~ shall perform an actuarial review or prepare the
 254 statement of actuarial impact. The cost to the division
 255 ~~department~~ of performing such actuarial review or preparing such
 256 statement shall be charged to the governmental entity of which
 257 the employees are covered by the retirement system or plan. If
 258 payment of such costs is not received by the division ~~department~~
 259 within 60 days after receipt by the governmental entity of the

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260 request for payment, the division ~~department~~ shall certify to
 261 the Chief Financial Officer the amount due, and the Chief
 262 Financial Officer shall pay such amount to the division
 263 ~~department~~ from any funds payable to the governmental entity of
 264 which the employees are covered by the retirement system or
 265 plan. If the administrative law judge recommends in favor of the
 266 local retirement system and the division ~~department~~ performs an
 267 actuarial review, the cost to the division ~~department~~ of
 268 performing the actuarial review shall be paid by the division
 269 ~~department~~.

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

272 112.64 Administration of funds; amortization of unfunded
 273 liability.--

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

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

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287 112.658 Office of Program Policy Analysis and Government
 288 Accountability to determine compliance of the Florida Retirement
 289 System.--

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

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

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

303 112.661 Investment policies.--Investment of the assets of
 304 any local retirement system or plan must be consistent with a
 305 written investment policy adopted by the board. Such policies
 306 shall be structured to maximize the financial return to the
 307 retirement system or plan consistent with the risks incumbent in
 308 each investment and shall be structured to establish and
 309 maintain an appropriate diversification of the retirement system
 310 or plan's assets.

311 (9) EXPECTED ANNUAL RATE OF RETURN.--The investment policy
 312 shall require that, for each actuarial valuation, the board
 313 determine the total expected annual rate of return for the
 314 current year, for each of the next several years, and for the
 315 long term thereafter. This determination must be filed promptly

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316 with the division ~~Department of Management Services~~ and with the
 317 plan's sponsor and the consulting actuary. The division
 318 ~~department~~ shall use this determination only to notify the
 319 board, the plan's sponsor, and consulting actuary of material
 320 differences between the total expected annual rate of return and
 321 the actuarial assumed rate of return.

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

328 (17) VALUATION OF ILLIQUID INVESTMENTS.--The investment
 329 policy shall provide for the valuation of illiquid investments
 330 for which a generally recognized market is not available or for
 331 which there is no consistent or generally accepted pricing
 332 mechanism. If those investments are utilized, the investment
 333 policy must include the criteria set forth in s. 215.47(6),
 334 except that submission to the Investment Advisory Council is not
 335 required. The investment policy shall require that, for each
 336 actuarial valuation, the board must verify the determination of
 337 the fair market value for those investments and ascertain that
 338 the determination complies with all applicable state and federal
 339 requirements. The investment policy shall require that the board
 340 disclose to the division ~~Department of Management Services~~ and
 341 the plan's sponsor each such investment for which the fair
 342 market value is not provided.

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

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345 112.665 Duties of Division of Retirement ~~Department of~~
 346 ~~Management Services~~.--

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

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

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

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

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

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

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

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

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

382 121.021 Definitions.--The following words and phrases as
 383 used in this chapter have the respective meanings set forth
 384 unless a different meaning is plainly required by the context:

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

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

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

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

401 (39)(a) "Termination" occurs, except as provided in
 402 paragraph (b), when a member ceases all employment relationships

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

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

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

416 121.025 Administrator; powers and duties.--The executive
 417 director of the State Board of Administration ~~secretary of the~~
 418 ~~Department of Management Services~~ shall be the administrator of
 419 the retirement and pension systems assigned or transferred to
 420 the division ~~Department of Management Services~~ by law. The
 421 executive director of the State Board of Administration is the
 422 trustee of the System Trust Fund and shall have the authority to
 423 sign the contracts necessary to carry out the duties and
 424 responsibilities assigned by law to the division ~~Department of~~
 425 ~~Management Services~~.

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

429 121.031 Administration of system; appropriation; oaths;
 430 actuarial studies; public records.--

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

440 (2) The division ~~Department of Management Services~~ is
 441 authorized to require oaths, by affidavit or otherwise, and
 442 acknowledgments from persons in connection with the
 443 administration of its duties and responsibilities under this
 444 chapter.

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

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

457 (5) The names and addresses of retirees are confidential
 458 and exempt from the provisions of s. 119.07(1) to the extent
 459 that no state or local governmental agency may provide the names

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460 or addresses of such persons in aggregate, compiled, or list
 461 form to any person except to a public agency engaged in official
 462 business. However, a state or local government agency may
 463 provide the names and addresses of retirees from that agency to
 464 a bargaining agent as defined in s. 447.203(12) or to a retiree
 465 organization for official business use. Lists of names or
 466 addresses of retirees may be exchanged by public agencies, but
 467 such lists shall not be provided to, or open for inspection by,
 468 the public. Any person may view or copy any individual's
 469 retirement records at the division ~~Department of Management~~
 470 ~~Services~~, one record at a time, or may obtain information by a
 471 separate written request for a named individual for which
 472 information is desired.

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

476 121.051 Participation in the system.--

477 (1) COMPULSORY PARTICIPATION.--

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

486 2. After June 30, 1988, the provisions of subparagraph 1.
 487 shall not apply to a member of an existing system who is
 488 reemployed within 12 months after terminating employment. Such

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489 member shall continue to have membership in the existing system
 490 upon reemployment and shall not be permitted to become a member
 491 of the Florida Retirement System, except by transferring to that
 492 system as provided in ss. 121.052 and 121.055.

493 (2) OPTIONAL PARTICIPATION.--

494 (b)1. The governing body of any municipality or special
 495 district in the state may elect to participate in the system
 496 upon proper application to the administrator and may cover all
 497 or any of its units as approved by the Secretary of Health and
 498 Human Services and the administrator. The division ~~department~~
 499 shall adopt rules establishing provisions for the submission of
 500 documents necessary for such application. Prior to being
 501 approved for participation in the Florida Retirement System, the
 502 governing body of any such municipality or special district that
 503 has a local retirement system shall submit to the administrator
 504 a certified financial statement showing the condition of the
 505 local retirement system as of a date within 3 months prior to
 506 the proposed effective date of membership in the Florida
 507 Retirement System. The statement must be certified by a
 508 recognized accounting firm that is independent of the local
 509 retirement system. All required documents necessary for
 510 extending Florida Retirement System coverage must be received by
 511 the division ~~department~~ for consideration at least 15 days prior
 512 to the proposed effective date of coverage. If the municipality
 513 or special district does not comply with this requirement, the
 514 division ~~department~~ may require that the effective date of
 515 coverage be changed.

516 2. Any city or special district that has an existing
 517 retirement system covering the employees in the units that are

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518 to be brought under the Florida Retirement System may
519 participate only after holding a referendum in which all
520 employees in the affected units have the right to participate.
521 Only those employees electing coverage under the Florida
522 Retirement System by affirmative vote in said referendum shall
523 be eligible for coverage under this chapter, and those not
524 participating or electing not to be covered by the Florida
525 Retirement System shall remain in their present systems and
526 shall not be eligible for coverage under this chapter. After the
527 referendum is held, all future employees shall be compulsory
528 members of the Florida Retirement System.

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

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

541 5. Subject to the conditions set forth in subparagraph 6.,
542 the governing body of any hospital licensed under chapter 395
543 which is governed by the board of a special district as defined
544 in s. 189.403(1) or by the board of trustees of a public health
545 trust created under s. 154.07, hereinafter referred to as
546 "hospital district," and which participates in the system, may

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547 elect to cease participation in the system with regard to future
 548 employees in accordance with the following procedure:

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

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

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

570 d. Upon meeting all applicable requirements of this
 571 subparagraph, and subject to the conditions set forth in
 572 subparagraph 6., partial withdrawal from the system and adoption
 573 of the alternative retirement plan may be accomplished by
 574 resolution duly adopted by the hospital district board. The
 575 hospital district board must provide written notice of such

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576 withdrawal to the division by mailing a copy of the resolution
 577 to the division, postmarked no later than December 15, 1995.
 578 The withdrawal shall take effect January 1, 1996.

579 6. Following the adoption of a resolution under sub-
 580 subparagraph 5.d., all employees of the withdrawing hospital
 581 district who were participants in the Florida Retirement System
 582 prior to January 1, 1996, shall remain as participants in the
 583 system for as long as they are employees of the hospital
 584 district, and all rights, duties, and obligations between the
 585 hospital district, the system, and the employees shall remain in
 586 full force and effect. Any employee who is hired or appointed on
 587 or after January 1, 1996, may not participate in the Florida
 588 Retirement System, and the withdrawing hospital district shall
 589 have no obligation to the system with respect to such employees.

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

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

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604 member is employed by the agency to which his or her unit was
 605 transferred, merged, or consolidated.

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

608 121.0511 Revocation of election and alternative plan.--The
 609 governing body of any municipality or independent special
 610 district that has elected to participate in the Florida
 611 Retirement System may revoke its election in accordance with the
 612 following procedure:

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

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

622 121.0515 Special risk membership.--

623 (3) PROCEDURE FOR DESIGNATING.--

624 (a) Any member of the Florida Retirement System employed
 625 by a county, city, or special district who feels that he or she
 626 meets the criteria set forth in this section for membership in
 627 the Special Risk Class may request that his or her employer
 628 submit an application to the division ~~department~~ requesting that
 629 the division ~~department~~ designate him or her as a special risk
 630 member. If the employer agrees that the member meets the
 631 requirements for special risk membership, the employer shall
 632 submit an application to the division ~~department~~ in behalf of

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633 the employee containing a certification that the member meets
634 the criteria for special risk membership set forth in this
635 section and such other supporting documentation as may be
636 required by administrative rule. The division ~~department~~ shall,
637 within 90 days, either designate or refuse to designate the
638 member as a special risk member. If the employer declines to
639 submit the member's application to the division ~~department~~ or if
640 the division ~~department~~ does not designate the member as a
641 special risk member, the member or the employer may appeal to
642 the State Retirement Commission, as provided in s. 121.23, for
643 designation as a special risk member. A member who receives a
644 final affirmative ruling pursuant to such appeal for special
645 risk membership shall have special risk membership retroactive
646 to the date such member would have had special risk membership
647 had such membership been approved by the employer and the
648 division ~~department~~, as determined by the division ~~department~~,
649 and the employer contributions shall be paid in full within 1
650 year after such final ruling.

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

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

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662 (4) REMOVAL OF SPECIAL RISK MEMBERSHIP.--Any member who is
 663 a special risk member on October 1, 1978, and who fails to meet
 664 the criteria for special risk membership established by this
 665 section shall have his or her special risk designation removed
 666 and thereafter shall be a regular member and shall earn only
 667 regular membership credit. The division ~~department~~ shall have
 668 the authority to review the special risk designation of members
 669 to determine whether or not those members continue to meet the
 670 criteria for special risk membership.

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

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

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

676 121.052 Membership class of elected officers.--

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

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

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690 of the month following receipt by the division ~~department~~ of the
 691 ordinance or resolution passed by the governing body.

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

695 121.055 Senior Management Service Class.--There is hereby
 696 established a separate class of membership within the Florida
 697 Retirement System to be known as the "Senior Management Service
 698 Class," which shall become effective February 1, 1987.

699 (1)

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

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

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

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719 1 percent of the regularly established positions within the
720 agency.

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

725 (I) Heads an organizational unit; or

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

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

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

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

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

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

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

- 773 (I) Heads an organizational unit; or
- 774 (II) Has responsibility to effect or recommend personnel,
 775 budget, expenditure, or policy decisions in his or her areas of
 776 responsibility.

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

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

795 (6)(a) Senior Management Service Optional Annuity
 796 Program.--The State Board of Administration ~~Department of~~
 797 ~~Management Services~~ shall establish a Senior Management Service
 798 Optional Annuity Program under which contracts providing
 799 retirement, death, and disability benefits may be purchased for
 800 those employees who elect to participate in the optional annuity
 801 program. The benefits to be provided for or on behalf of
 802 participants in such optional annuity program shall be provided
 803 through individual contracts or individual certificates issued
 804 for group annuity contracts, which may be fixed, variable, or a
 805 combination thereof, in accordance with s. 401(a) of the

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806 Internal Revenue Code. Any such individual contract or
 807 certificate shall state the annuity plan on its face page, and
 808 shall include, but not be limited to, a statement of ownership,
 809 the contract benefits, annuity income options, limitations,
 810 expense charges, and surrender charges, if any. The employing
 811 agency shall contribute, as provided in this section, toward the
 812 purchase of such optional benefits which shall be fully and
 813 immediately vested in the participants.

814 (c) Participation.--

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

825 2. Any employee who becomes eligible to participate in the
 826 optional annuity program by reason of initial employment
 827 commencing after February 1, 1987, may, within 90 days after the
 828 date of commencement of employment, elect to participate in the
 829 optional annuity program. Such election shall be made in
 830 writing and filed with the personnel officer of the employer.
 831 Any eligible employee who does not within 90 days after
 832 commencement of such employment elect to participate in the
 833 optional annuity program shall be deemed to have elected
 834 membership in the Senior Management Service Class.

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

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

855 5. Effective from July 1, 2002, through September 30,
 856 2002, any active employee in a regularly established position
 857 who has elected to participate in the Senior Management Service
 858 Optional Annuity Program has one opportunity to choose to move
 859 from the Senior Management Service Optional Annuity Program to
 860 the Florida Retirement System defined benefit program.

861 a. The election must be made in writing and must be filed
 862 with the board ~~department~~ and the personnel officer of the
 863 employer before October 1, 2002, or, in the case of an active

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864 employee who is on a leave of absence on July 1, 2002, within 90
 865 days after the conclusion of the leave of absence. This election
 866 is irrevocable.

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

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

882 (d) Contributions.--

883 1. Through June 30, 2001, each employer shall contribute
 884 on behalf of each participant in the Senior Management Service
 885 Optional Annuity Program an amount equal to the normal cost
 886 portion of the employer retirement contribution which would be
 887 required if the participant were a Senior Management Service
 888 Class member of the Florida Retirement System defined benefit
 889 program, plus the portion of the contribution rate required in
 890 s. 112.363(8) that would otherwise be assigned to the Retiree
 891 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
 892 each employer shall contribute on behalf of each participant in

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893 the optional program an amount equal to 12.49 percent of the
 894 participant's gross monthly compensation. The board ~~department~~
 895 shall deduct an amount approved by the board, pursuant to s.
 896 215.44(4), Legislature to provide for the administration of this
 897 program. The payment of the contributions to the optional
 898 program which is required by this subparagraph for each
 899 participant shall be made by the employer to the board
 900 ~~department~~, which shall forward the contributions to the
 901 designated company or companies contracting for payment of
 902 benefits for the participant under the program.

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

911 3. An Optional Annuity Program Trust Fund shall be
 912 established in the State Treasury and administered by the board
 913 ~~department~~ to make payments to provider companies on behalf of
 914 the optional annuity program participants, and to transfer the
 915 unfunded liability portion of the state optional annuity program
 916 contributions to the Florida Retirement System Trust Fund.

917 4. Contributions required for social security by each
 918 employer and each participant, in the amount required for social
 919 security coverage as now or hereafter may be provided by the
 920 federal Social Security Act shall be maintained for each
 921 participant in the Senior Management Service retirement program

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922 and shall be in addition to the retirement contributions
 923 specified in this paragraph.

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

933 (f) Administration.--

934 1. The Senior Management Service Optional Annuity Program
 935 authorized by this section shall be administered by the board
 936 ~~department~~. The board department shall designate one or more
 937 provider companies from which annuity contracts may be purchased
 938 under the program and shall approve the form and content of the
 939 contracts. The board department shall sign a contract with each
 940 of the provider companies and shall evaluate the performance of
 941 the provider companies on a continuing basis. The board
 942 ~~department~~ may terminate the services of a provider company for
 943 reasons stated in the contract. The board department shall adopt
 944 rules establishing its responsibilities and the responsibilities
 945 of employers in administering the optional annuity program.

946 2. ~~Effective July 1, 1997, the State Board of~~
 947 ~~Administration shall review and make recommendations to the~~
 948 ~~department on the acceptability of all investment products~~
 949 ~~proposed by provider companies of the optional annuity program~~
 950 ~~before such products are offered through annuity contracts to~~

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951 ~~the participants and may advise the department of any changes~~
 952 ~~deemed necessary to ensure that the optional annuity program~~
 953 ~~offers an acceptable mix of investment products.~~ The board
 954 ~~department~~ shall determine which ~~make the final determination as~~
 955 ~~to whether an investment~~ products ~~product~~ will be included in
 956 ~~approved for~~ the program.

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

967 4. The board ~~department~~ shall ensure that each participant
 968 in the Senior Management Service Optional Annuity Program is
 969 provided an accounting of the total contribution and the annual
 970 contribution made by and on behalf of such participants.

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

974 121.081 Past service; prior service;
 975 contributions.--Conditions under which past service or prior
 976 service may be claimed and credited are:

977 (1)

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

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

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

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

993 4. The cost of past service purchased by an employing
 994 agency for its employees may be amortized over such period of
 995 time as is provided in the agreement, but not to exceed 15
 996 years, calculated in accordance with rule 60S-1.007(5)(f),
 997 Florida Administrative Code.

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

1003 a. Each such member's account shall also be posted with
 1004 the total contribution his or her employer agrees to make in the
 1005 member's behalf for past service earned prior to October 1,
 1006 1975, excluding those contributions representing the employer's
 1007 matching share and the compound interest calculation on the
 1008 total contribution. However, a portion of any contributions paid

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1009 by an employer for past service credit earned on and after
 1010 October 1, 1975, may not be posted to a member's account.

1011 b. A refund of contributions payable after an employer has
 1012 made a written agreement to purchase past service for employees
 1013 of the covered group shall include contributions for past
 1014 service which are posted to a member's account. However,
 1015 contributions for past service earned on and after October 1,
 1016 1975, are not refundable.

1017 (2) Prior service, as defined in s. 121.021(19), may be
 1018 claimed as creditable service under the Florida Retirement
 1019 System after a member has been reemployed for 1 complete year of
 1020 creditable service within a period of 12 consecutive months,
 1021 except as provided in paragraph (c). Service performed as a
 1022 participant of the optional retirement program for the State
 1023 University System under s. 121.35 or the Senior Management
 1024 Service Optional Annuity Program under s. 121.055 may be used to
 1025 satisfy the reemployment requirement of 1 complete year of
 1026 creditable service. The member shall not be permitted to make
 1027 any contributions for prior service until after completion of
 1028 the 1 year of creditable service. If a member does not wish to
 1029 claim credit for all of his or her prior service, the service
 1030 the member claims must be the most recent period of service. The
 1031 required contributions for claiming the various types of prior
 1032 service are:

1033 (e) For service performed under the Florida Retirement
 1034 System after December 1, 1970, that was never reported to the
 1035 division ~~or the department~~ due to error, retirement credit may
 1036 be claimed by a member of the Florida Retirement System. The
 1037 division ~~department~~ shall adopt rules establishing criteria for

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1038 claiming such credit and detailing the documentation required to
 1039 substantiate the error.

1040 Section 23. Subsection (1) of section 121.085, Florida
 1041 Statutes, is amended to read:

1042 121.085 Creditable service.--The following provisions
 1043 shall apply to creditable service as defined in s. 121.021(17):

1044 (1) The division ~~department~~ shall adopt rules establishing
 1045 procedures for the submission of evidence or information
 1046 necessary to establish a member's claim of creditable service.

1047 Section 24. Section 121.091, Florida Statutes, is amended
 1048 to read:

1049 121.091 Benefits payable under the system.--Benefits may
 1050 not be paid under this section unless the member has terminated
 1051 employment as provided in s. 121.021(39)(a) or begun
 1052 participation in the Deferred Retirement Option Program as
 1053 provided in subsection (13), and a proper application has been
 1054 filed in the manner prescribed by the division ~~department~~. The
 1055 division ~~department~~ may cancel an application for retirement
 1056 benefits when the member or beneficiary fails to timely provide
 1057 the information and documents required by this chapter and the
 1058 division's ~~department's~~ rules. The division ~~department~~ shall
 1059 adopt rules establishing procedures for application for
 1060 retirement benefits and for the cancellation of such application
 1061 when the required information or documents are not received.

1062 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her
 1063 normal retirement date, the member, upon application to the
 1064 administrator, shall receive a monthly benefit which shall begin
 1065 to accrue on the first day of the month of retirement and be
 1066 payable on the last day of that month and each month thereafter

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1067 during his or her lifetime. The normal retirement benefit,
 1068 including any past or additional retirement credit, may not
 1069 exceed 100 percent of the average final compensation. The amount
 1070 of monthly benefit shall be calculated as the product of A and
 1071 B, subject to the adjustment of C, if applicable, as set forth
 1072 below:

1073 (a)1. For creditable years of Regular Class service, A is
 1074 1.60 percent of the member's average final compensation, up to
 1075 the member's normal retirement date. Upon completion of the
 1076 first year after the normal retirement date, A is 1.63 percent
 1077 of the member's average final compensation. Following the
 1078 second year after the normal retirement date, A is 1.65 percent
 1079 of the member's average final compensation. Following the third
 1080 year after the normal retirement date, and for subsequent years,
 1081 A is 1.68 percent of the member's average final compensation.

1082 2. For creditable years of special risk service, A is:

1083 a. Two percent of the member's average final compensation
 1084 for all creditable years prior to October 1, 1974;

1085 b. Three percent of the member's average final
 1086 compensation for all creditable years after September 30, 1974,
 1087 and before October 1, 1978;

1088 c. Two percent of the member's average final compensation
 1089 for all creditable years after September 30, 1978, and before
 1090 January 1, 1989;

1091 d. Two and two-tenths percent of the member's final
 1092 monthly compensation for all creditable years after December 31,
 1093 1988, and before January 1, 1990;

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1094 e. Two and four-tenths percent of the member's average
 1095 final compensation for all creditable years after December 31,
 1096 1989, and before January 1, 1991;

1097 f. Two and six-tenths percent of the member's average
 1098 final compensation for all creditable years after December 31,
 1099 1990, and before January 1, 1992;

1100 g. Two and eight-tenths percent of the member's average
 1101 final compensation for all creditable years after December 31,
 1102 1991, and before January 1, 1993;

1103 h. Three percent of the member's average final
 1104 compensation for all creditable years after December 31, 1992;
 1105 and

1106 i. Three percent of the member's average final
 1107 compensation for all creditable years of service after September
 1108 30, 1978, and before January 1, 1993, for any special risk
 1109 member who retires after July 1, 2000, or any member of the
 1110 Special Risk Administrative Support Class entitled to retain the
 1111 special risk normal retirement date who was a member of the
 1112 Special Risk Class during the time period and who retires after
 1113 July 1, 2000.

1114 3. For creditable years of Senior Management Service Class
 1115 service after January 31, 1987, A is 2 percent;

1116 4. For creditable years of Elected Officers' Class service
 1117 as a Supreme Court Justice, district court of appeal judge,
 1118 circuit judge, or county court judge, A is 3 1/3 percent of the
 1119 member's average final compensation, and for all other
 1120 creditable service in such class, A is 3 percent of average
 1121 final compensation;

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1122 (b) B is the number of the member's years and any
 1123 fractional part of a year of creditable service earned
 1124 subsequent to November 30, 1970; and

1125 (c) C is the normal retirement benefit credit brought
 1126 forward as of November 30, 1970, by a former member of an
 1127 existing system. Such normal retirement benefit credit shall be
 1128 determined as the product of X and Y when X is the percentage of
 1129 average final compensation which the member would have been
 1130 eligible to receive if the member had attained his or her normal
 1131 retirement date as of November 30, 1970, all in accordance with
 1132 the existing system under which the member is covered on
 1133 November 30, 1970, and Y is average final compensation as
 1134 defined in s. 121.021(25). However, any member of an existing
 1135 retirement system who is eligible to retire and who does retire,
 1136 become disabled, or die prior to April 15, 1971, may have his or
 1137 her retirement benefits calculated on the basis of the best 5 of
 1138 the last 10 years of service.

1139 (d) A member's average final compensation shall be
 1140 determined by formula to obtain the coverage for the 5 highest
 1141 fiscal years' salaries, calculated as provided by rule.

1142 (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT AGES.--If
 1143 a member accumulates retirement benefits to commence at
 1144 different normal retirement ages by virtue of having performed
 1145 duties for an employer which would entitle him or her to
 1146 benefits as both a member of the Special Risk Class and a member
 1147 of either the Regular Class, Senior Management Service Class, or
 1148 Elected Officers' Class, the amount of benefits payable shall be
 1149 computed separately with respect to each such age and the sum of
 1150 such computed amounts shall be paid as provided in this section.

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1151 (3) EARLY RETIREMENT BENEFIT.--Upon retirement on his or
 1152 her early retirement date, the member shall receive an immediate
 1153 monthly benefit that shall begin to accrue on the first day of
 1154 the month of the retirement date and be payable on the last day
 1155 of that month and each month thereafter during his or her
 1156 lifetime. Such benefit shall be calculated as follows:

1157 (a) The amount of each monthly payment shall be computed
 1158 in the same manner as for a normal retirement benefit, in
 1159 accordance with subsection (1), but shall be based on the
 1160 member's average monthly compensation and creditable service as
 1161 of the member's early retirement date. The benefit so computed
 1162 shall be reduced by five-twelfths of 1 percent for each complete
 1163 month by which the early retirement date precedes the normal
 1164 retirement date of age 62 for a member of the Regular Class,
 1165 Senior Management Service Class, or the Elected Officers' Class,
 1166 and age 55 for a member of the Special Risk Class, or age 52 if
 1167 a Special Risk member has completed 25 years of creditable
 1168 service in accordance with s. 121.021(29)(b)3.

1169 (b) If the employment of a member is terminated by reason
 1170 of death subsequent to the completion of 20 years of creditable
 1171 service, the monthly benefit payable to the member's beneficiary
 1172 shall be calculated in accordance with subsection (1), but shall
 1173 be based on average monthly compensation and creditable service
 1174 as of the date of death. The benefit so computed shall be
 1175 reduced by five-twelfths of 1 percent for each complete month by
 1176 which death precedes the normal retirement date specified above
 1177 or the date on which the member would have attained 30 years of
 1178 creditable service had he or she survived and continued his or
 1179 her employment, whichever provides a higher benefit.

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1180 (4) DISABILITY RETIREMENT BENEFIT.--

1181 (a) Disability retirement; entitlement and effective
1182 date.--

1183 1.a. A member who becomes totally and permanently
1184 disabled, as defined in paragraph (b), after completing 5 years
1185 of creditable service, or a member who becomes totally and
1186 permanently disabled in the line of duty regardless of service,
1187 shall be entitled to a monthly disability benefit; except that
1188 any member with less than 5 years of creditable service on July
1189 1, 1980, or any person who becomes a member of the Florida
1190 Retirement System on or after such date must have completed 10
1191 years of creditable service prior to becoming totally and
1192 permanently disabled in order to receive disability retirement
1193 benefits for any disability which occurs other than in the line
1194 of duty. However, if a member employed on July 1, 1980, with
1195 less than 5 years of creditable service as of that date, becomes
1196 totally and permanently disabled after completing 5 years of
1197 creditable service and is found not to have attained fully
1198 insured status for benefits under the federal Social Security
1199 Act, such member shall be entitled to a monthly disability
1200 benefit.

1201 b. Effective July 1, 2001, a member of the defined benefit
1202 retirement program who becomes totally and permanently disabled,
1203 as defined in paragraph (b), after completing 8 years of
1204 creditable service, or a member who becomes totally and
1205 permanently disabled in the line of duty regardless of service,
1206 shall be entitled to a monthly disability benefit.

1207 2. If the division has received from the employer the
1208 required documentation of the member's termination of

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1209 employment, the effective retirement date for a member who
 1210 applies and is approved for disability retirement shall be
 1211 established by rule of the division.

1212 3. For a member who is receiving Workers' Compensation
 1213 payments, the effective disability retirement date may not
 1214 precede the date the member reaches Maximum Medical Improvement
 1215 (MMI), unless the member terminates employment prior to reaching
 1216 MMI.

1217 (b) Total and permanent disability.--A member shall be
 1218 considered totally and permanently disabled if, in the opinion
 1219 of the administrator, he or she is prevented, by reason of a
 1220 medically determinable physical or mental impairment, from
 1221 rendering useful and efficient service as an officer or
 1222 employee.

1223 (c) Proof of disability.--The administrator, before
 1224 approving payment of any disability retirement benefit, shall
 1225 require proof that the member is totally and permanently
 1226 disabled as provided herein:

1227 1. Such proof shall include the certification of the
 1228 member's total and permanent disability by two licensed
 1229 physicians of the state and such other evidence of disability as
 1230 the administrator may require, including reports from vocational
 1231 rehabilitation, evaluation, or testing specialists who have
 1232 evaluated the applicant for employment.

1233 2. It must be documented that:

1234 a. The member's medical condition occurred or became
 1235 symptomatic during the time the member was employed in an
 1236 employee/employer relationship with his or her employer;

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1237 b. The member was totally and permanently disabled at the
1238 time he or she terminated covered employment; and

1239 c. The member has not been employed with any other
1240 employer after such termination.

1241 3. If the application is for in-line-of-duty disability,
1242 in addition to the requirements of subparagraph 2., it must be
1243 documented by competent medical evidence that the disability was
1244 caused by a job-related illness or accident which occurred while
1245 the member was in an employee/employer relationship with his or
1246 her employer.

1247 4. The unavailability of an employment position that the
1248 member is physically and mentally capable of performing will not
1249 be considered as proof of total and permanent disability.

1250 (d) Election on appeal.--A member whose application for
1251 regular disability retirement has been denied and who has filed
1252 an appeal to the State Retirement Commission may, if eligible,
1253 elect to receive normal or early service retirement benefits
1254 while he or she is awaiting the decision on the appeal. However:

1255 1. If the member elects to receive service retirement
1256 benefits and disability benefits are later approved as a result
1257 of the appeal, the payment option chosen by the member may not
1258 be changed.

1259 2. If the member elects to receive early service
1260 retirement and the appeal is later denied, the member may not
1261 change his or her election of early retirement.

1262
1263 Before such regular or early retirement benefits may be paid by
1264 the division, the member must provide to the division a written
1265 statement indicating that the member understands that such

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1266 changes are not permitted after he or she begins receiving the
 1267 benefits.

1268 (e) Disability retirement benefit.--Upon the retirement of
 1269 a member on his or her disability retirement date, the member
 1270 shall receive a monthly benefit that shall begin to accrue on
 1271 the first day of the month of disability retirement and shall be
 1272 payable on the last day of that month and each month thereafter
 1273 during his or her lifetime and continued disability.

1274 (f) Computation of disability retirement benefit.--The
 1275 amount of each monthly payment shall be computed in the same
 1276 manner as for a normal retirement benefit, in accordance with
 1277 subsection (1), but shall be based on disability option
 1278 actuarial equivalency tables and the average monthly
 1279 compensation and creditable service of the member as of the
 1280 disability retirement date, subject to the following conditions:

1281 1. If the member's disability occurred in the line of
 1282 duty, the monthly Option 1 benefit shall not be less than:

1283 a. Forty-two percent of average monthly compensation as of
 1284 the disability retirement date; or

1285 b. Sixty-five percent of the average monthly compensation
 1286 as of the disability retirement date for a member of the special
 1287 risk class who retires on or after July 1, 2000; or

1288 2. If the member's disability occurred other than in the
 1289 line of duty, the monthly Option 1 benefit shall not be less
 1290 than 25 percent of average monthly compensation as of the
 1291 disability retirement date.

1292 (g) Reapplication.--A member, whose initial application
 1293 for disability retirement has been denied, may reapply for
 1294 disability benefits. However, such member's reapplication will

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1295 be considered only if the member presents new medical evidence
 1296 of a medical condition that existed prior to the member's
 1297 termination of employment. The division may prescribe by rule
 1298 procedures for reapplication and for review and approval or
 1299 disapproval of reapplication.

1300 (h) Recovery from disability.--The administrator may
 1301 require periodic reexaminations at the expense of the retirement
 1302 fund. The division may adopt rules establishing procedures for
 1303 conducting and review of such reexaminations.

1304 1. If the administrator finds that a member who is
 1305 receiving disability benefits is, at any time prior to his or
 1306 her normal retirement date, no longer disabled, the
 1307 administrator shall direct that the benefits be discontinued.
 1308 The decision of the administrator on this question shall be
 1309 final and binding. If such member:

1310 a. Does not reenter the employ of an employer and was not
 1311 vested as of the disability retirement date, he or she shall be
 1312 entitled to the excess, if any, of his or her accumulated
 1313 contributions over the total disability benefits received up to
 1314 the date of recovery.

1315 b. Does not reenter the employ of an employer, but was
 1316 vested as of the disability retirement date, he or she may elect
 1317 to receive:

1318 (I) The excess, if any, of his or her accumulated
 1319 contributions over the total disability benefits received up to
 1320 the date of recovery; or

1321 (II) A deferred benefit commencing on the last day of the
 1322 month of the normal retirement date which shall be payable on
 1323 the last day of the month thereafter during his or her lifetime.

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1324 The amount of such monthly benefit shall be computed in the
 1325 same manner as for a normal retirement benefit, in accordance
 1326 with subsection (1), but shall be based on average monthly
 1327 compensation and creditable service as of the member's
 1328 disability retirement date.

1329 c. Reenters employment of an employer within 6 months
 1330 after recovery, the member's service will be deemed to have been
 1331 continuous, but the period beginning with the first month for
 1332 which he or she received a disability benefit payment and ending
 1333 with the date he or she reentered employment will not be
 1334 considered as creditable service for the purpose of computing
 1335 benefits except as provided in sub-subparagraph d. As used in
 1336 this section, the term "accumulated contributions" for such
 1337 member means the excess of the member's accumulated
 1338 contributions as of the disability retirement date over the
 1339 total disability benefits received under paragraph (e).

1340 d. Terminates his or her disability benefit, reenters
 1341 covered employment, and is continuously employed for a minimum
 1342 of 1 year of creditable service, he or she may claim as
 1343 creditable service the months during which he or she was
 1344 receiving a disability benefit, upon payment of the required
 1345 contributions. Contributions shall equal the total required
 1346 employee and employer contribution rate applicable during the
 1347 period the retiree received retirement benefits, multiplied
 1348 times his or her rate of monthly compensation prior to the
 1349 commencement of disability retirement for each month of the
 1350 period claimed, plus 4 percent interest until July 1, 1975, and
 1351 6.5 percent interest thereafter, compounded annually each June
 1352 30 to the date of payment. If the member does not claim credit

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1353 for all of the months he or she received disability benefits,
 1354 the months claimed must be the most recent months of retirement.
 1355 Such credit for periods of disability, when purchased under the
 1356 Florida Retirement System, shall apply toward vesting
 1357 requirements for eligibility to purchase additional credit for
 1358 other service.

1359 2. Both the member receiving disability benefits who
 1360 reenters employment and the employer employing such disability
 1361 retiree shall notify the division immediately upon reemployment,
 1362 and the division shall terminate such member's disability
 1363 benefits, effective the first day of the month following the
 1364 month in which notification of recovery is received. If the
 1365 member is reemployed with a Florida Retirement System employer
 1366 at the time of benefit termination, and he or she has received
 1367 disability retirement benefit and salary payments concurrently
 1368 prior to notifying the division, he or she may elect within 30
 1369 days to:

1370 a. Retain the retirement benefits received prior to
 1371 termination of disability benefits and begin receiving
 1372 retirement service credit effective upon the date of termination
 1373 of benefits; or

1374 b. Repay, within 12 months after his or her decision to
 1375 receive service credit, the retirement benefits received for
 1376 each month of reemployment prior to termination of disability
 1377 benefits and begin receiving retirement service credit effective
 1378 upon the date of reemployment. Any such unpaid benefits shall
 1379 have compound interest of 6.5 percent added June 30.

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

1383 3. If, after recovery of disability and reentry into
 1384 covered employment, the member again becomes disabled and is
 1385 again approved for disability retirement, the Option 1 monthly
 1386 retirement benefit shall not be less than the Option 1 monthly
 1387 benefit calculated at the time of the previous disability, plus
 1388 any cost of living increases up to the time the disability
 1389 benefit was terminated upon his or her reentry into covered
 1390 employment.

1391 (i) Nonadmissible causes of disability.--A member shall
 1392 not be entitled to receive any disability retirement benefit if
 1393 the disability is a result of any of the following:

1394 1. Injury or disease sustained by the member while
 1395 willfully participating in a riot, civil insurrection, or other
 1396 act of violence or while committing a felony;

1397 2. Injury or disease sustained by the member after his or
 1398 her employment has terminated; or

1399 3. Intentional, self-inflicted injury.

1400 (j) Disability retirement of justice or judge by order of
 1401 Supreme Court.--

1402 ~~1.~~ If a member is a justice of the Supreme Court, judge of
 1403 a district court of appeal, circuit judge, or judge of a county
 1404 court who has served for 6 years or more as an elected
 1405 constitutional judicial officer, including service as a judicial
 1406 officer in any court abolished pursuant to Art. V of the State
 1407 Constitution, and who is retired for disability by order of the
 1408 Supreme Court upon recommendation of the Judicial Qualifications
 1409 Commission pursuant to the provisions of Art. V of the State

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1410 Constitution, the member's Option 1 monthly benefit as provided
 1411 in subparagraph (6)(a)1. shall not be less than two-thirds of
 1412 his or her monthly compensation as of the member's disability
 1413 retirement date. Such a member may alternatively elect to
 1414 receive a disability retirement benefit under any other option
 1415 as provided in paragraph (6)(a).

1416 ~~2. Should any justice or judge who is a member of the~~
 1417 ~~Florida Retirement System be retired for disability by order of~~
 1418 ~~the Supreme Court upon recommendation of the Judicial~~
 1419 ~~Qualifications Commission pursuant to the provisions of Art. V~~
 1420 ~~of the State Constitution, then all contributions to his or her~~
 1421 ~~account and all contributions made on his or her behalf by the~~
 1422 ~~employer shall be transferred to and deposited in the General~~
 1423 ~~Revenue Fund of the state, and there is hereby appropriated~~
 1424 ~~annually out of the General Revenue Fund, to be paid into the~~
 1425 ~~Florida Retirement System Fund, an amount necessary to pay the~~
 1426 ~~benefits of all justices and judges retired from the Florida~~
 1427 ~~Retirement System pursuant to Art. V of the State Constitution.~~

1428 (5) TERMINATION BENEFITS.--A member whose employment is
 1429 terminated prior to retirement retains membership rights to
 1430 previously earned member-noncontributory service credit, and to
 1431 member-contributory service credit, if the member leaves the
 1432 member contributions on deposit in his or her retirement
 1433 account. If a terminated member receives a refund of member
 1434 contributions, such member may reinstate membership rights to
 1435 the previously earned service credit represented by the refund
 1436 by completing 1 year of creditable service and repaying the
 1437 refunded member contributions, plus interest.

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1438 (a) A member whose employment is terminated for any reason
 1439 other than death or retirement prior to becoming vested is
 1440 entitled to the return of his or her accumulated contributions
 1441 as of the date of termination.

1442 (b) A member whose employment is terminated for any reason
 1443 other than death or retirement after becoming vested may elect
 1444 to receive a deferred monthly benefit which shall begin to
 1445 accrue on the first day of the month of normal or early
 1446 retirement and shall be payable on the last day of that month
 1447 and each month thereafter during his or her lifetime. The
 1448 amount of monthly benefit shall be computed in the same manner
 1449 as for a normal retirement benefit in accordance with subsection
 1450 (1) or early retirement benefit in accordance with s.
 1451 121.021(30), but based on average monthly compensation and
 1452 creditable service as of the date of termination.

1453 (c) In lieu of the deferred monthly benefit provided in
 1454 paragraph (b), the terminated member may elect to receive a
 1455 lump-sum amount equal to his or her accumulated contributions as
 1456 of the date of termination.

1457 (d) If any retired member dies without having received in
 1458 benefit payments an amount equal to his or her accumulated
 1459 contributions, there shall be payable to his or her designated
 1460 beneficiary an amount equal to the excess, if any, of the
 1461 member's accumulated contributions over the total monthly
 1462 payments made to the member prior to the date of death.

1463 (e) A member shall be deemed a terminated member when
 1464 termination of employment has occurred as provided in s.
 1465 121.021(39).

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1466 (f) Any member who has been found guilty by a verdict of a
 1467 jury, or by the court trying the case without a jury, of
 1468 committing, aiding, or abetting any embezzlement or theft from
 1469 his or her employer, bribery in connection with the employment,
 1470 or other felony specified in chapter 838, except ss. 838.15 and
 1471 838.16, committed prior to retirement, or who has entered a plea
 1472 of guilty or of nolo contendere to such crime, or any member
 1473 whose employment is terminated by reason of the member's
 1474 admitted commitment, aiding, or abetting of an embezzlement or
 1475 theft from his or her employer, bribery, or other felony
 1476 specified in chapter 838, except ss. 838.15 and 838.16, shall
 1477 forfeit all rights and benefits under this chapter, except the
 1478 return of his or her accumulated contributions as of the date of
 1479 termination.

1480 (g) Any elected official who is convicted by the Senate of
 1481 an impeachable offense shall forfeit all rights and benefits
 1482 under this chapter, except the return of his or her accumulated
 1483 contributions as of the date of the conviction.

1484 (h) Any member who, prior to retirement, is adjudged by a
 1485 court of competent jurisdiction to have violated any state law
 1486 against strikes by public employees, or who has been found
 1487 guilty by such court of violating any state law prohibiting
 1488 strikes by public employees, shall forfeit all rights and
 1489 benefits under this chapter, except the return of his or her
 1490 accumulated contributions as of the date of the conviction.

1491 (i) Any beneficiary who by a verdict of a jury or by the
 1492 court trying the case without a jury is found guilty, or who has
 1493 entered a plea of guilty or nolo contendere, of unlawfully and
 1494 intentionally killing or procuring the death of the member

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1495 forfeits all rights to the deceased member's benefits under this
 1496 chapter, and the benefits will be paid as if such beneficiary
 1497 had predeceased the decedent.

1498 (j) Benefits shall not be paid by the division pending
 1499 final resolution of such charges against a member or beneficiary
 1500 if the resolution of such charges could require the forfeiture
 1501 of benefits as provided in paragraph (f), paragraph (g),
 1502 paragraph (h), or paragraph (i).

1503 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND DISABILITY
 1504 RETIREMENT BENEFITS.--

1505 (a) Prior to the receipt of the first monthly retirement
 1506 payment, a member shall elect to receive the retirement benefits
 1507 to which he or she is entitled under subsection (1), subsection
 1508 (2), subsection (3), or subsection (4) in accordance with one of
 1509 the following options:

1510 1. The maximum retirement benefit payable to the member
 1511 during his or her lifetime.

1512 2. A decreased retirement benefit payable to the member
 1513 during his or her lifetime and, in the event of his or her death
 1514 within a period of 10 years after retirement, the same monthly
 1515 amount payable for the balance of such 10-year period to his or
 1516 her beneficiary or, in case the beneficiary is deceased, in
 1517 accordance with subsection (8) as though no beneficiary had been
 1518 named.

1519 3. A decreased retirement benefit payable during the joint
 1520 lifetime of both the member and his or her joint annuitant and
 1521 which, after the death of either, shall continue during the
 1522 lifetime of the survivor in the same amount, subject to the
 1523 provisions of subsection (12).

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1524 4. A decreased retirement benefit payable during the joint
 1525 lifetime of the member and his or her joint annuitant and which,
 1526 after the death of either, shall continue during the lifetime of
 1527 the survivor in an amount equal to 66 2/3 percent of the amount
 1528 that was payable during the joint lifetime of the member and his
 1529 or her joint annuitant, subject to the provisions of subsection
 1530 (12).

1531
 1532 The spouse of any member who elects to receive the benefit
 1533 provided under subparagraph 1. or subparagraph 2. shall be
 1534 notified of and shall acknowledge any such election. The
 1535 division shall establish by rule a method for selecting the
 1536 appropriate actuarial factor for optional forms of benefits
 1537 selected under subparagraphs 3. and 4., based on the age of the
 1538 member and the joint annuitant.

1539 (b) The benefit payable under any option stated above
 1540 shall be the actuarial equivalent, based on tables adopted by
 1541 the administrator for this purpose, of the amount to which the
 1542 member was otherwise entitled.

1543 (c) A member who elects the option in subparagraph (a)2.
 1544 shall, in accordance with subsection (8), designate one or more
 1545 persons to receive the benefits payable in the event of his or
 1546 her death. Such persons shall be the beneficiaries of the
 1547 member. The member may also designate one or more contingent
 1548 beneficiaries to receive any benefits remaining upon the death
 1549 of the primary beneficiary.

1550 (d) A member who elects the option in subparagraph (a)3.
 1551 or subparagraph (a)4. shall, on a form provided for that
 1552 purpose, designate a joint annuitant to receive the benefits

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

1556 1. A retired member may change his or her designation of a
1557 joint annuitant only twice. If such a retired member desires to
1558 change his or her designation of a joint annuitant, he or she
1559 shall file with the division a notarized "change of joint
1560 annuitant" form and shall notify the former joint annuitant in
1561 writing of such change. Effective the first day of the next
1562 month following receipt by the division of a completed change of
1563 joint annuitant form, the division shall adjust the member's
1564 monthly benefit by the application of actuarial tables and
1565 calculations developed to ensure that the benefit paid is the
1566 actuarial equivalent of the present value of the member's
1567 current benefit. The consent of a retired member's first
1568 designated joint annuitant to any such change shall not be
1569 required. However, if either the member or the joint annuitant
1570 dies before the effective date of the request for change of
1571 joint annuitant, the requested change shall be void, and
1572 survivor benefits, if any, shall be paid as if no request had
1573 been made.

1574 2. In the event of the dissolution of marriage of a
1575 retired member and a joint annuitant, such member may make an
1576 election to nullify the joint annuitant designation of the
1577 former spouse, unless there is an existing qualified domestic
1578 relations order preventing such action. The member shall file
1579 with the division a written, notarized nullification which shall
1580 be effective on the first day of the next month following
1581 receipt by the division. Benefits shall be paid as if the

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1582 former spouse predeceased the member. A member who makes such
 1583 an election may not reverse the nullification but may designate
 1584 a new joint annuitant in accordance with subparagraph 1.

1585 (e) The election of an option shall be null and void if
 1586 the member dies before the effective date of retirement.

1587 (f) A member who elects to receive benefits under the
 1588 option in subparagraph (a)3. may designate one or more qualified
 1589 persons, either a spouse or other dependent, as his or her joint
 1590 annuitant to receive the benefits after the member's death in
 1591 whatever proportion he or she so assigns to each person named as
 1592 joint annuitant. The division shall adopt appropriate actuarial
 1593 tables and calculations necessary to ensure that the benefit
 1594 paid is the actuarial equivalent of the benefit to which the
 1595 member is otherwise entitled under the option in subparagraph
 1596 (a)1.

1597 (g) Upon the death of a retired member or beneficiary
 1598 receiving monthly benefits under this chapter, the monthly
 1599 benefits shall be paid through the last day of the month of
 1600 death and shall terminate, or be adjusted, if applicable, as of
 1601 that date in accordance with the optional form of benefit
 1602 selected at the time of retirement.

1603 (h) The option selected or determined for payment of
 1604 benefits as provided in this section shall be final and
 1605 irrevocable at the time a benefit payment is cashed or deposited
 1606 or credited to the Deferred Retirement Option Program as
 1607 provided in subsection (13).

1608 (7) DEATH BENEFITS.--

1609 (a) If the employment of a member is terminated by reason
 1610 of his or her death prior to being vested, except as provided in

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1611 paragraph (f), there shall be payable to his or her designated
 1612 beneficiary the member's accumulated contributions.

1613 (b) If the employment of an active member who may or may
 1614 not have applied for retirement is terminated by reason of his
 1615 or her death subsequent to becoming vested and prior to his or
 1616 her effective date of retirement, if established, it shall be
 1617 assumed that the member retired as of the date of death in
 1618 accordance with subsection (1) if eligible for normal retirement
 1619 benefits, subsection (2) if eligible for benefits payable for
 1620 dual normal retirement, or subsection (3) if eligible for early
 1621 retirement benefits. Benefits payable to the designated
 1622 beneficiary shall be as follows:

1623 1. For a beneficiary who qualifies as a joint annuitant,
 1624 the optional form of payment provided in accordance with
 1625 subparagraph (6)(a)3. shall be paid for the joint annuitant's
 1626 lifetime.

1627 2. For a beneficiary who does not qualify as a joint
 1628 annuitant, no continuing monthly benefit shall be paid and the
 1629 beneficiary shall be entitled only to the return of the member's
 1630 personal contributions. If there is no monetary interest in the
 1631 member's retirement account for which such beneficiary is
 1632 eligible, the beneficiary shall be the next named beneficiary
 1633 or, if no other beneficiary is named, the beneficiary shall be
 1634 the next eligible beneficiary according to subsection (8).

1635 (c) If a retiring member dies on or after the effective
 1636 date of retirement, but prior to a benefit payment being cashed
 1637 or deposited, or credited to the Deferred Retirement Option
 1638 Program, benefits shall be paid as follows:

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1639 1. For a designated beneficiary who qualifies as a joint
 1640 annuitant, benefits shall be paid in the optional form of
 1641 payment provided in subparagraph (6)(a)3. for the joint
 1642 annuitant's lifetime or, if the member chose the optional form
 1643 of payment provided in subparagraph (6)(a)2., the joint
 1644 annuitant may select the form provided in either subparagraph
 1645 (6)(a)2. or subparagraph (6)(a)3.

1646 2. For a designated beneficiary who does not qualify as a
 1647 joint annuitant, any benefits payable shall be paid as provided
 1648 in the option selected by the member; or if the member has not
 1649 selected an option, benefits shall be paid in the optional form
 1650 of payment provided in subparagraph (6)(a)1.

1651 (d) Notwithstanding any other provision in this chapter to
 1652 the contrary, with the exception of the Deferred Retirement
 1653 Option Program, as provided in subsection (13):

1654 1. The surviving spouse of any member killed in the line
 1655 of duty may receive a monthly pension equal to one-half of the
 1656 monthly salary being received by the member at the time of death
 1657 for the rest of the surviving spouse's lifetime or, if the
 1658 member was vested, such surviving spouse may elect to receive a
 1659 benefit as provided in paragraph (b). Benefits provided by this
 1660 paragraph shall supersede any other distribution that may have
 1661 been provided by the member's designation of beneficiary.

1662 2. If the surviving spouse of a member killed in the line
 1663 of duty dies, the monthly payments which would have been payable
 1664 to such surviving spouse had such surviving spouse lived shall
 1665 be paid for the use and benefit of such member's child or
 1666 children under 18 years of age and unmarried until the 18th
 1667 birthday of the member's youngest child.

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1668 3. If a member killed in the line of duty leaves no
 1669 surviving spouse but is survived by a child or children under 18
 1670 years of age, the benefits provided by subparagraph 1., normally
 1671 payable to a surviving spouse, shall be paid for the use and
 1672 benefit of such member's child or children under 18 years of age
 1673 and unmarried until the 18th birthday of the member's youngest
 1674 child.

1675 4. The surviving spouse of a member whose benefit
 1676 terminated because of remarriage shall have the benefit
 1677 reinstated beginning July 1, 1993, at an amount that would have
 1678 been payable had the benefit not been terminated.

1679 (e) The surviving spouse or other dependent of any member,
 1680 except a member who participated in the Deferred Retirement
 1681 Option Program, whose employment is terminated by death shall,
 1682 upon application to the administrator, be permitted to pay the
 1683 required contributions for any service performed by the member
 1684 which could have been claimed by the member at the time of his
 1685 or her death. Such service shall be added to the creditable
 1686 service of the member and shall be used in the calculation of
 1687 any benefits which may be payable to the surviving spouse or
 1688 other surviving dependent.

1689 (f) Notwithstanding any other provisions in this chapter
 1690 to the contrary and upon application to the administrator, an
 1691 eligible joint annuitant, of a member whose employment is
 1692 terminated by death within 1 year of such member satisfying the
 1693 service requirements for vesting and retirement eligibility,
 1694 shall be permitted to purchase only the additional service
 1695 credit necessary to vest and qualify for retirement benefits,

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1696 not to exceed a total of 1 year of credit, by one or a
 1697 combination of the following methods:

1698 1. Such eligible joint annuitant may use the deceased
 1699 member's accumulated hours of annual, sick, and compensatory
 1700 leave to purchase additional creditable service, on an hour by
 1701 hour basis, provided that such deceased member's accumulated
 1702 leave is sufficient to cover the additional months required.
 1703 For each month of service credit needed prior to the final
 1704 month, credit for the total number of work hours in that month
 1705 must be purchased, using an equal number of the deceased
 1706 member's accumulated leave hours. Service credit required for
 1707 the final month in which the deceased member would have become
 1708 vested shall be awarded upon the purchase of 1 hour of credit.
 1709 Such eligible joint annuitant shall pay the contribution rate in
 1710 effect for the period of time being claimed for the deceased
 1711 member's class of membership, multiplied by such member's
 1712 monthly salary at the time of death, plus 6.5 percent interest
 1713 compounded annually. The accumulated leave payment used in the
 1714 average final compensation shall not include that portion of the
 1715 payment that represents any leave hours used in the purchase of
 1716 such creditable service.

1717 2. Such eligible joint annuitant may purchase additional
 1718 months of creditable service for any periods of out-of-state
 1719 service as provided in s. 121.1115, and in-state service as
 1720 provided in s. 121.1122, that the deceased member would have
 1721 been eligible to purchase prior to his or her death.

1722
 1723 Service purchased under this paragraph shall be added to the
 1724 creditable service of the member and used to vest for retirement

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1725 eligibility, and shall be used in the calculation of any
 1726 benefits which may be payable to the eligible joint annuitant.
 1727 Any benefits paid in accordance with this paragraph shall only
 1728 be made prospectively.

1729 (g) Notwithstanding any other provisions in this chapter
 1730 to the contrary, if any member who is vested dies and the
 1731 surviving spouse receives a refund of the accumulated
 1732 contributions made to the retirement trust fund, such spouse may
 1733 pay to the Division of Retirement an amount equal to the sum of
 1734 the amount of the deceased member's accumulated contributions
 1735 previously refunded plus interest at 4 percent compounded
 1736 annually each June 30 from the date of refund until July 1,
 1737 1975, and 6.5 percent interest compounded annually thereafter,
 1738 until full payment is made, and receive the monthly retirement
 1739 benefit as provided in paragraph (b).

1740 (h) The designated beneficiary who is the surviving spouse
 1741 or other dependent of a member whose employment is terminated by
 1742 death subsequent to becoming vested, but prior to actual
 1743 retirement, may elect to receive a deferred monthly benefit as
 1744 if the member had lived and had elected a deferred monthly
 1745 benefit, as provided in paragraph (5)(b), calculated on the
 1746 basis of the average final compensation and creditable service
 1747 of the member at his or her death and the age the member would
 1748 have attained on the commencement date of the deferred benefit
 1749 elected by the beneficiary, paid in accordance with option 3 of
 1750 paragraph (6)(a).

1751 (8) DESIGNATION OF BENEFICIARIES.--

1752 (a) Each member may, on a form provided for that purpose,
 1753 signed and filed with the division, designate a choice of one or

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1754 more persons, named sequentially or jointly, as his or her
1755 beneficiary who shall receive the benefits, if any, which may be
1756 payable in the event of the member's death pursuant to the
1757 provisions of this chapter. If no beneficiary is named in the
1758 manner provided above, or if no beneficiary designated by the
1759 member survives the member, the beneficiary shall be the spouse
1760 of the deceased, if living. If the member's spouse is not alive
1761 at his or her death, the beneficiary shall be the living
1762 children of the member. If no children survive, the beneficiary
1763 shall be the member's father or mother, if living; otherwise,
1764 the beneficiary shall be the member's estate. The beneficiary
1765 most recently designated by a member on a form or letter filed
1766 with the division shall be the beneficiary entitled to any
1767 benefits payable at the time of the member's death, except that
1768 benefits shall be paid as provided in paragraph (7)(d) when
1769 death occurs in the line of duty. Notwithstanding any other
1770 provisions in this subsection to the contrary, for a member who
1771 dies prior to his or her effective date of retirement on or
1772 after January 1, 1999, the spouse at the time of death shall be
1773 the member's beneficiary unless such member designates a
1774 different beneficiary as provided herein subsequent to the
1775 member's most recent marriage.

1776 (b) A designated beneficiary of a retirement account for
1777 whom there is a monetary interest may disclaim his or her
1778 monetary interest as provided in s. 689.21, and in accordance
1779 with division rules governing such disclaimers. Such disclaimer
1780 must be filed within 24 months after the event that created the
1781 interest, that is, the death of the member or annuitant.

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1782 (c) Notwithstanding the member's designation of benefits
 1783 to be paid through a trust to a beneficiary that is a natural
 1784 person as provided in s. 121.021(46), and notwithstanding the
 1785 provisions of the trust, benefits shall be paid directly to the
 1786 beneficiary if such person is no longer a minor or incapacitated
 1787 as defined in s. 744.102(10) and (11).

1788 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

1789 (a) Any person who is retired under this chapter, except
 1790 under the disability retirement provisions of subsection (4),
 1791 may be employed by an employer that does not participate in a
 1792 state-administered retirement system and may receive
 1793 compensation from that employment without limiting or
 1794 restricting in any way the retirement benefits payable to that
 1795 person.

1796 (b)1. Any person who is retired under this chapter, except
 1797 under the disability retirement provisions of subsection (4),
 1798 may be reemployed by any private or public employer after
 1799 retirement and receive retirement benefits and compensation from
 1800 his or her employer without any limitations, except that a
 1801 person may not receive both a salary from reemployment with any
 1802 agency participating in the Florida Retirement System and
 1803 retirement benefits under this chapter for a period of 12 months
 1804 immediately subsequent to the date of retirement. However, a
 1805 DROP participant shall continue employment and receive a salary
 1806 during the period of participation in the Deferred Retirement
 1807 Option Program, as provided in subsection (13).

1808 2. Any person to whom the limitation in subparagraph 1.
 1809 applies who violates such reemployment limitation and who is
 1810 reemployed with any agency participating in the Florida

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1811 Retirement System before completion of the 12-month limitation
 1812 period shall give timely notice of this fact in writing to the
 1813 employer and to the division and shall have his or her
 1814 retirement benefits suspended for the balance of the 12-month
 1815 limitation period. Any person employed in violation of this
 1816 paragraph and any employing agency which knowingly employs or
 1817 appoints such person without notifying the Division of
 1818 Retirement to suspend retirement benefits shall be jointly and
 1819 severally liable for reimbursement to the retirement trust fund
 1820 of any benefits paid during the reemployment limitation period.

1821 To avoid liability, such employing agency shall have a written
 1822 statement from the retiree that he or she is not retired from a
 1823 state-administered retirement system. Any retirement benefits
 1824 received while reemployed during this reemployment limitation
 1825 period shall be repaid to the retirement trust fund, and
 1826 retirement benefits shall remain suspended until such repayment
 1827 has been made. Benefits suspended beyond the reemployment
 1828 limitation shall apply toward repayment of benefits received in
 1829 violation of the reemployment limitation.

1830 3. A district school board may reemploy a retired member
 1831 as a substitute or hourly teacher, education paraprofessional,
 1832 transportation assistant, bus driver, or food service worker on
 1833 a noncontractual basis after he or she has been retired for 1
 1834 calendar month, in accordance with s. 121.021(39). A district
 1835 school board may reemploy a retired member as instructional
 1836 personnel, as defined in s. 1012.01(2)(a), on an annual
 1837 contractual basis after he or she has been retired for 1
 1838 calendar month, in accordance with s. 121.021(39). Any other
 1839 retired member who is reemployed within 1 calendar month after

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1840 retirement shall void his or her application for retirement
 1841 benefits. District school boards reemploying such teachers,
 1842 education paraprofessionals, transportation assistants, bus
 1843 drivers, or food service workers are subject to the retirement
 1844 contribution required by subparagraph 7.

1845 4. A community college board of trustees may reemploy a
 1846 retired member as an adjunct instructor, that is, an instructor
 1847 who is noncontractual and part-time, or as a participant in a
 1848 phased retirement program within the Florida Community College
 1849 System, after he or she has been retired for 1 calendar month,
 1850 in accordance with s. 121.021(39). Any retired member who is
 1851 reemployed within 1 calendar month after retirement shall void
 1852 his or her application for retirement benefits. Boards of
 1853 trustees reemploying such instructors are subject to the
 1854 retirement contribution required in subparagraph 7. A retired
 1855 member may be reemployed as an adjunct instructor for no more
 1856 than 780 hours during the first 12 months of retirement. Any
 1857 retired member reemployed for more than 780 hours during the
 1858 first 12 months of retirement shall give timely notice in
 1859 writing to the employer and to the division of the date he or
 1860 she will exceed the limitation. The division shall suspend his
 1861 or her retirement benefits for the remainder of the first 12
 1862 months of retirement. Any person employed in violation of this
 1863 subparagraph and any employing agency which knowingly employs or
 1864 appoints such person without notifying the Division of
 1865 Retirement to suspend retirement benefits shall be jointly and
 1866 severally liable for reimbursement to the retirement trust fund
 1867 of any benefits paid during the reemployment limitation period.
 1868 To avoid liability, such employing agency shall have a written

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1869 statement from the retiree that he or she is not retired from a
 1870 state-administered retirement system. Any retirement benefits
 1871 received by a retired member while reemployed in excess of 780
 1872 hours during the first 12 months of retirement shall be repaid
 1873 to the Retirement System Trust Fund, and retirement benefits
 1874 shall remain suspended until repayment is made. Benefits
 1875 suspended beyond the end of the retired member's first 12 months
 1876 of retirement shall apply toward repayment of benefits received
 1877 in violation of the 780-hour reemployment limitation.

1878 5. The State University System may reemploy a retired
 1879 member as an adjunct faculty member or as a participant in a
 1880 phased retirement program within the State University System
 1881 after the retired member has been retired for 1 calendar month,
 1882 in accordance with s. 121.021(39). Any retired member who is
 1883 reemployed within 1 calendar month after retirement shall void
 1884 his or her application for retirement benefits. The State
 1885 University System is subject to the retired contribution
 1886 required in subparagraph 7., as appropriate. A retired member
 1887 may be reemployed as an adjunct faculty member or a participant
 1888 in a phased retirement program for no more than 780 hours during
 1889 the first 12 months of his or her retirement. Any retired
 1890 member reemployed for more than 780 hours during the first 12
 1891 months of retirement shall give timely notice in writing to the
 1892 employer and to the division of the date he or she will exceed
 1893 the limitation. The division shall suspend his or her
 1894 retirement benefits for the remainder of the first 12 months of
 1895 retirement. Any person employed in violation of this
 1896 subparagraph and any employing agency which knowingly employs or
 1897 appoints such person without notifying the Division of

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1898 Retirement to suspend retirement benefits shall be jointly and
 1899 severally liable for reimbursement to the retirement trust fund
 1900 of any benefits paid during the reemployment limitation period.

1901 To avoid liability, such employing agency shall have a written
 1902 statement from the retiree that he or she is not retired from a
 1903 state-administered retirement system. Any retirement benefits
 1904 received by a retired member while reemployed in excess of 780
 1905 hours during the first 12 months of retirement shall be repaid
 1906 to the Retirement System Trust Fund, and retirement benefits
 1907 shall remain suspended until repayment is made. Benefits
 1908 suspended beyond the end of the retired member's first 12 months
 1909 of retirement shall apply toward repayment of benefits received
 1910 in violation of the 780-hour reemployment limitation.

1911 6. The Board of Trustees of the Florida School for the
 1912 Deaf and the Blind may reemploy a retired member as a substitute
 1913 teacher, substitute residential instructor, or substitute nurse
 1914 on a noncontractual basis after he or she has been retired for 1
 1915 calendar month, in accordance with s. 121.021(39). Any retired
 1916 member who is reemployed within 1 calendar month after
 1917 retirement shall void his or her application for retirement
 1918 benefits. The Board of Trustees of the Florida School for the
 1919 Deaf and the Blind reemploying such teachers, residential
 1920 instructors, or nurses is subject to the retirement contribution
 1921 required by subparagraph 7. Reemployment of a retired member as
 1922 a substitute teacher, substitute residential instructor, or
 1923 substitute nurse is limited to 780 hours during the first 12
 1924 months of his or her retirement. Any retired member reemployed
 1925 for more than 780 hours during the first 12 months of retirement
 1926 shall give timely notice in writing to the employer and to the

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1927 division of the date he or she will exceed the limitation. The
 1928 division shall suspend his or her retirement benefits for the
 1929 remainder of the first 12 months of retirement. Any person
 1930 employed in violation of this subparagraph and any employing
 1931 agency which knowingly employs or appoints such person without
 1932 notifying the Division of Retirement to suspend retirement
 1933 benefits shall be jointly and severally liable for reimbursement
 1934 to the retirement trust fund of any benefits paid during the
 1935 reemployment limitation period. To avoid liability, such
 1936 employing agency shall have a written statement from the retiree
 1937 that he or she is not retired from a state-administered
 1938 retirement system. Any retirement benefits received by a retired
 1939 member while reemployed in excess of 780 hours during the first
 1940 12 months of retirement shall be repaid to the Retirement System
 1941 Trust Fund, and his or her retirement benefits shall remain
 1942 suspended until payment is made. Benefits suspended beyond the
 1943 end of the retired member's first 12 months of retirement shall
 1944 apply toward repayment of benefits received in violation of the
 1945 780-hour reemployment limitation.

1946 7. The employment by an employer of any retiree or DROP
 1947 participant of any state-administered retirement system shall
 1948 have no effect on the average final compensation or years of
 1949 creditable service of the retiree or DROP participant. Prior to
 1950 July 1, 1991, upon employment of any person, other than an
 1951 elected officer as provided in s. 121.053, who has been retired
 1952 under any state-administered retirement program, the employer
 1953 shall pay retirement contributions in an amount equal to the
 1954 unfunded actuarial liability portion of the employer
 1955 contribution which would be required for regular members of the

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1956 Florida Retirement System. Effective July 1, 1991, contributions
 1957 shall be made as provided in s. 121.122 for retirees with
 1958 renewed membership or subsection (13) with respect to DROP
 1959 participants.

1960 8. Any person who has previously retired and who is
 1961 holding an elective public office or an appointment to an
 1962 elective public office eligible for the Elected Officers' Class
 1963 on or after July 1, 1990, shall be enrolled in the Florida
 1964 Retirement System as provided in s. 121.053(1)(b) or, if holding
 1965 an elective public office that does not qualify for the Elected
 1966 Officers' Class on or after July 1, 1991, shall be enrolled in
 1967 the Florida Retirement System as provided in s. 121.122, and
 1968 shall continue to receive retirement benefits as well as
 1969 compensation for the elected officer's service for as long as he
 1970 or she remains in elective office. However, any retired member
 1971 who served in an elective office prior to July 1, 1990,
 1972 suspended his or her retirement benefit, and had his or her
 1973 Florida Retirement System membership reinstated shall, upon
 1974 retirement from such office, have his or her retirement benefit
 1975 recalculated to include the additional service and compensation
 1976 earned.

1977 9. Any person who is holding an elective public office
 1978 which is covered by the Florida Retirement System and who is
 1979 concurrently employed in nonelected covered employment may elect
 1980 to retire while continuing employment in the elective public
 1981 office, provided that he or she shall be required to terminate
 1982 his or her nonelected covered employment. Any person who
 1983 exercises this election shall receive his or her retirement
 1984 benefits in addition to the compensation of the elective office

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1985 without regard to the time limitations otherwise provided in
 1986 this subsection. No person who seeks to exercise the provisions
 1987 of this subparagraph, as the same existed prior to May 3, 1984,
 1988 shall be deemed to be retired under those provisions, unless
 1989 such person is eligible to retire under the provisions of this
 1990 subparagraph, as amended by chapter 84-11, Laws of Florida.

1991 10. The limitations of this paragraph apply to
 1992 reemployment in any capacity with an "employer" as defined in s.
 1993 121.021(10), irrespective of the category of funds from which
 1994 the person is compensated.

1995 11. An employing agency may reemploy a retired member as a
 1996 firefighter or paramedic after the retired member has been
 1997 retired for 1 calendar month, in accordance with s. 121.021(39).
 1998 Any retired member who is reemployed within 1 calendar month
 1999 after retirement shall void his or her application for
 2000 retirement benefits. The employing agency reemploying such
 2001 firefighter or paramedic is subject to the retired contribution
 2002 required in subparagraph 8. Reemployment of a retired
 2003 firefighter or paramedic is limited to no more than 780 hours
 2004 during the first 12 months of his or her retirement. Any retired
 2005 member reemployed for more than 780 hours during the first 12
 2006 months of retirement shall give timely notice in writing to the
 2007 employer and to the division of the date he or she will exceed
 2008 the limitation. The division shall suspend his or her retirement
 2009 benefits for the remainder of the first 12 months of retirement.
 2010 Any person employed in violation of this subparagraph and any
 2011 employing agency which knowingly employs or appoints such person
 2012 without notifying the Division of Retirement to suspend
 2013 retirement benefits shall be jointly and severally liable for

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2014 reimbursement to the Retirement System Trust Fund of any
 2015 benefits paid during the reemployment limitation period. To
 2016 avoid liability, such employing agency shall have a written
 2017 statement from the retiree that he or she is not retired from a
 2018 state-administered retirement system. Any retirement benefits
 2019 received by a retired member while reemployed in excess of 780
 2020 hours during the first 12 months of retirement shall be repaid
 2021 to the Retirement System Trust Fund, and retirement benefits
 2022 shall remain suspended until repayment is made. Benefits
 2023 suspended beyond the end of the retired member's first 12 months
 2024 of retirement shall apply toward repayment of benefits received
 2025 in violation of the 780-hour reemployment limitation.

2026 (10) FUTURE BENEFITS BASED ON ACTUARIAL DATA.--It is the
 2027 intent of the Legislature that future benefit increases enacted
 2028 into law in this chapter shall be financed concurrently by
 2029 increased contributions or other adequate funding, and such
 2030 funding shall be based on sound actuarial data as developed by
 2031 the actuary or state retirement actuary, as provided in ss.
 2032 121.021(6) and 121.192.

2033 (11) A member who becomes eligible to retire and has
 2034 accumulated the maximum benefit of 100 percent of average final
 2035 compensation may continue in active service, and, if upon the
 2036 member's retirement the member elects to receive a retirement
 2037 compensation pursuant to subsection (2), subsection (6), or
 2038 subsection (7), the actuarial equivalent percentage factor
 2039 applicable to the age of such member at the time the member
 2040 reached the maximum benefit and to the age, at that time, of the
 2041 member's spouse shall determine the amount of benefits to be
 2042 paid.

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2043 (12) SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN SURVIVOR
 2044 BENEFITS.--Notwithstanding any provision of this chapter to the
 2045 contrary, for members with an effective date of retirement, or
 2046 date of death if prior to retirement, on or after January 1,
 2047 1996, the named joint annuitant, as defined in s.
 2048 121.021(28)(b), who is eligible to receive benefits under
 2049 subparagraph (6)(a)3. or subparagraph (6)(a)4., shall receive
 2050 the maximum monthly retirement benefit that would have been
 2051 payable to the member under subparagraph (6)(a)1.; however,
 2052 payment of such benefit shall cease the month the joint
 2053 annuitant attains age 25 unless such joint annuitant is disabled
 2054 and incapable of self-support, in which case, benefits shall
 2055 cease when the joint annuitant is no longer disabled. The
 2056 administrator may require proof of disability or continued
 2057 disability in the same manner as is provided for a member
 2058 seeking or receiving a disability retirement benefit under
 2059 subsection (4).

2060 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
 2061 subject to the provisions of this section, the Deferred
 2062 Retirement Option Program, hereinafter referred to as the DROP,
 2063 is a program under which an eligible member of the Florida
 2064 Retirement System may elect to participate, deferring receipt of
 2065 retirement benefits while continuing employment with his or her
 2066 Florida Retirement System employer. The deferred monthly
 2067 benefits shall accrue in the System Trust Fund on behalf of the
 2068 participant, plus interest compounded monthly, for the specified
 2069 period of the DROP participation, as provided in paragraph (c).
 2070 Upon termination of employment, the participant shall receive
 2071 the total DROP benefits and begin to receive the previously

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2072 determined normal retirement benefits. Participation in the DROP
 2073 does not guarantee employment for the specified period of DROP.
 2074 Participation in the DROP by an eligible member beyond the
 2075 initial 60-month period as authorized in this subsection shall
 2076 be on an annual contractual basis for all participants.

2077 (a) Eligibility of member to participate in the DROP.--All
 2078 active Florida Retirement System members in a regularly
 2079 established position, and all active members of either the
 2080 Teachers' Retirement System established in chapter 238 or the
 2081 State and County Officers' and Employees' Retirement System
 2082 established in chapter 122 which systems are consolidated within
 2083 the Florida Retirement System under s. 121.011, are eligible to
 2084 elect participation in the DROP provided that:

2085 1. The member is not a renewed member of the Florida
 2086 Retirement System under s. 121.122, or a member of the State
 2087 Community College System Optional Retirement Program under s.
 2088 121.051, the Senior Management Service Optional Annuity Program
 2089 under s. 121.055, or the optional retirement program for the
 2090 State University System under s. 121.35.

2091 2. Except as provided in subparagraph 6., election to
 2092 participate is made within 12 months immediately following the
 2093 date on which the member first reaches normal retirement date,
 2094 or, for a member who reaches normal retirement date based on
 2095 service before he or she reaches age 62, or age 55 for Special
 2096 Risk Class members, election to participate may be deferred to
 2097 the 12 months immediately following the date the member attains
 2098 57, or age 52 for Special Risk Class members. For a member who
 2099 first reached normal retirement date or the deferred eligibility
 2100 date described above prior to the effective date of this

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2101 section, election to participate shall be made within 12 months
 2102 after the effective date of this section. A member who fails to
 2103 make an election within such 12-month limitation period shall
 2104 forfeit all rights to participate in the DROP. The member shall
 2105 advise his or her employer and the division in writing of the
 2106 date on which the DROP shall begin. Such beginning date may be
 2107 subsequent to the 12-month election period, but must be within
 2108 the 60-month or, with respect to members who are instructional
 2109 personnel employed by the Florida School for the Deaf and the
 2110 Blind and who have received authorization by the Board of
 2111 Trustees of the Florida School for the Deaf and the Blind to
 2112 participate in the DROP beyond 60 months, or who are
 2113 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
 2114 grades K-12 and who have received authorization by the district
 2115 school superintendent to participate in the DROP beyond 60
 2116 months, the 96-month limitation period as provided in
 2117 subparagraph (b)1. When establishing eligibility of the member
 2118 to participate in the DROP for the 60-month or, with respect to
 2119 members who are instructional personnel employed by the Florida
 2120 School for the Deaf and the Blind and who have received
 2121 authorization by the Board of Trustees of the Florida School for
 2122 the Deaf and the Blind to participate in the DROP beyond 60
 2123 months, or who are instructional personnel as defined in s.
 2124 1012.01(2)(a)-(d) in grades K-12 and who have received
 2125 authorization by the district school superintendent to
 2126 participate in the DROP beyond 60 months, the 96-month maximum
 2127 participation period, the member may elect to include or exclude
 2128 any optional service credit purchased by the member from the
 2129 total service used to establish the normal retirement date. A

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2130 member with dual normal retirement dates shall be eligible to
 2131 elect to participate in DROP within 12 months after attaining
 2132 normal retirement date in either class.

2133 3. The employer of a member electing to participate in the
 2134 DROP, or employers if dually employed, shall acknowledge in
 2135 writing to the division the date the member's participation in
 2136 the DROP begins and the date the member's employment and DROP
 2137 participation will terminate.

2138 4. Simultaneous employment of a participant by additional
 2139 Florida Retirement System employers subsequent to the
 2140 commencement of participation in the DROP shall be permissible
 2141 provided such employers acknowledge in writing a DROP
 2142 termination date no later than the participant's existing
 2143 termination date or the 60-month limitation period as provided
 2144 in subparagraph (b)1.

2145 5. A DROP participant may change employers while
 2146 participating in the DROP, subject to the following:

2147 a. A change of employment must take place without a break
 2148 in service so that the member receives salary for each month of
 2149 continuous DROP participation. If a member receives no salary
 2150 during a month, DROP participation shall cease unless the
 2151 employer verifies a continuation of the employment relationship
 2152 for such participant pursuant to s. 121.021(39)(b).

2153 b. Such participant and new employer shall notify the
 2154 division on forms required by the division as to the identity of
 2155 the new employer.

2156 c. The new employer shall acknowledge, in writing, the
 2157 participant's DROP termination date, which may be extended but
 2158 not beyond the original 60-month or, with respect to members who

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2159 are instructional personnel employed by the Florida School for
 2160 the Deaf and the Blind and who have received authorization by
 2161 the Board of Trustees of the Florida School for the Deaf and the
 2162 Blind to participate in the DROP beyond 60 months, or who are
 2163 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
 2164 grades K-12 and who have received authorization by the district
 2165 school superintendent to participate in the DROP beyond 60
 2166 months, the 96-month period provided in subparagraph (b)1.,
 2167 shall acknowledge liability for any additional retirement
 2168 contributions and interest required if the participant fails to
 2169 timely terminate employment, and shall be subject to the
 2170 adjustment required in sub-subparagraph (c)5.d.

2171 6. Effective July 1, 2001, for instructional personnel as
 2172 defined in s. 1012.01(2), election to participate in the DROP
 2173 shall be made at any time following the date on which the member
 2174 first reaches normal retirement date. The member shall advise
 2175 his or her employer and the division in writing of the date on
 2176 which the Deferred Retirement Option Program shall begin. When
 2177 establishing eligibility of the member to participate in the
 2178 DROP for the 60-month or, with respect to members who are
 2179 instructional personnel employed by the Florida School for the
 2180 Deaf and the Blind and who have received authorization by the
 2181 Board of Trustees of the Florida School for the Deaf and the
 2182 Blind to participate in the DROP beyond 60 months, or who are
 2183 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
 2184 grades K-12 and who have received authorization by the district
 2185 school superintendent to participate in the DROP beyond 60
 2186 months, the 96-month maximum participation period, as provided
 2187 in subparagraph (b)1., the member may elect to include or

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2188 exclude any optional service credit purchased by the member from
 2189 the total service used to establish the normal retirement date.
 2190 A member with dual normal retirement dates shall be eligible to
 2191 elect to participate in either class.

2192 (b) Participation in the DROP.--

2193 1. An eligible member may elect to participate in the DROP
 2194 for a period not to exceed a maximum of 60 calendar months or,
 2195 with respect to members who are instructional personnel employed
 2196 by the Florida School for the Deaf and the Blind and who have
 2197 received authorization by the Board of Trustees of the Florida
 2198 School for the Deaf and the Blind to participate in the DROP
 2199 beyond 60 months, or who are instructional personnel as defined
 2200 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
 2201 authorization by the district school superintendent to
 2202 participate in the DROP beyond 60 calendar months, 96 calendar
 2203 months immediately following the date on which the member first
 2204 reaches his or her normal retirement date or the date to which
 2205 he or she is eligible to defer his or her election to
 2206 participate as provided in subparagraph (a)2. However, a member
 2207 who has reached normal retirement date prior to the effective
 2208 date of the DROP shall be eligible to participate in the DROP
 2209 for a period of time not to exceed 60 calendar months or, with
 2210 respect to members who are instructional personnel employed by
 2211 the Florida School for the Deaf and the Blind and who have
 2212 received authorization by the Board of Trustees of the Florida
 2213 School for the Deaf and the Blind to participate in the DROP
 2214 beyond 60 months, or who are instructional personnel as defined
 2215 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
 2216 authorization by the district school superintendent to

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2217 participate in the DROP beyond 60 calendar months, 96 calendar
 2218 months immediately following the effective date of the DROP,
 2219 except a member of the Special Risk Class who has reached normal
 2220 retirement date prior to the effective date of the DROP and
 2221 whose total accrued value exceeds 75 percent of average final
 2222 compensation as of his or her effective date of retirement shall
 2223 be eligible to participate in the DROP for no more than 36
 2224 calendar months immediately following the effective date of the
 2225 DROP.

2226 2. Upon deciding to participate in the DROP, the member
 2227 shall submit, on forms required by the division:

2228 a. A written election to participate in the DROP;

2229 b. Selection of the DROP participation and termination
 2230 dates, which satisfy the limitations stated in paragraph (a) and
 2231 subparagraph 1. Such termination date shall be in a binding
 2232 letter of resignation with the employer, establishing a deferred
 2233 termination date. The member may change the termination date
 2234 within the limitations of subparagraph 1., but only with the
 2235 written approval of his or her employer;

2236 c. A properly completed DROP application for service
 2237 retirement as provided in this section; and

2238 d. Any other information required by the division.

2239 3. The DROP participant shall be a retiree under the
 2240 Florida Retirement System for all purposes, except for paragraph
 2241 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
 2242 and 121.122. However, participation in the DROP does not alter
 2243 the participant's employment status and such employee shall not
 2244 be deemed retired from employment until his or her deferred

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2245 resignation is effective and termination occurs as provided in
 2246 s. 121.021(39).

2247 4. Elected officers shall be eligible to participate in
 2248 the DROP subject to the following:

2249 a. An elected officer who reaches normal retirement date
 2250 during a term of office may defer the election to participate in
 2251 the DROP until the next succeeding term in that office. Such
 2252 elected officer who exercises this option may participate in the
 2253 DROP for up to 60 calendar months or a period of no longer than
 2254 such succeeding term of office, whichever is less.

2255 b. An elected or a nonelected participant may run for a
 2256 term of office while participating in DROP and, if elected,
 2257 extend the DROP termination date accordingly, except, however,
 2258 if such additional term of office exceeds the 60-month
 2259 limitation established in subparagraph 1., and the officer does
 2260 not resign from office within such 60-month limitation, the
 2261 retirement and the participant's DROP shall be null and void as
 2262 provided in sub-subparagraph (c)5.d.

2263 c. An elected officer who is dually employed and elects to
 2264 participate in DROP shall be required to satisfy the definition
 2265 of termination within the 60-month or, with respect to members
 2266 who are instructional personnel employed by the Florida School
 2267 for the Deaf and the Blind and who have received authorization
 2268 by the Board of Trustees of the Florida School for the Deaf and
 2269 the Blind to participate in the DROP beyond 60 months, or who
 2270 are instructional personnel as defined in s. 1012.01(2)(a)-(d)
 2271 in grades K-12 and who have received authorization by the
 2272 district school superintendent to participate in the DROP beyond
 2273 60 months, the 96-month limitation period as provided in

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2274 subparagraph 1. for the nonelected position and may continue
 2275 employment as an elected officer as provided in s. 121.053. The
 2276 elected officer will be enrolled as a renewed member in the
 2277 Elected Officers' Class or the Regular Class, as provided in ss.
 2278 121.053 and 121.22, on the first day of the month after
 2279 termination of employment in the nonelected position and
 2280 termination of DROP. Distribution of the DROP benefits shall be
 2281 made as provided in paragraph (c).

2282 (c) Benefits payable under the DROP.--

2283 1. Effective with the date of DROP participation, the
 2284 member's initial normal monthly benefit, including creditable
 2285 service, optional form of payment, and average final
 2286 compensation, and the effective date of retirement shall be
 2287 fixed. The beneficiary established under the Florida Retirement
 2288 System shall be the beneficiary eligible to receive any DROP
 2289 benefits payable if the DROP participant dies prior to the
 2290 completion of the period of DROP participation. In the event a
 2291 joint annuitant predeceases the member, the member may name a
 2292 beneficiary to receive accumulated DROP benefits payable. Such
 2293 retirement benefit, the annual cost of living adjustments
 2294 provided in s. 121.101, and interest shall accrue monthly in the
 2295 System Trust Fund. Such interest shall accrue at an effective
 2296 annual rate of 6.5 percent compounded monthly, on the prior
 2297 month's accumulated ending balance, up to the month of
 2298 termination or death.

2299 2. Each employee who elects to participate in the DROP
 2300 shall be allowed to elect to receive a lump-sum payment for
 2301 accrued annual leave earned in accordance with agency policy
 2302 upon beginning participation in the DROP. Such accumulated leave

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2303 payment certified to the division upon commencement of DROP
 2304 shall be included in the calculation of the member's average
 2305 final compensation. The employee electing such lump-sum payment
 2306 upon beginning participation in DROP will not be eligible to
 2307 receive a second lump-sum payment upon termination, except to
 2308 the extent the employee has earned additional annual leave which
 2309 combined with the original payment does not exceed the maximum
 2310 lump-sum payment allowed by the employing agency's policy or
 2311 rules. Such early lump-sum payment shall be based on the hourly
 2312 wage of the employee at the time he or she begins participation
 2313 in the DROP. If the member elects to wait and receive such
 2314 lump-sum payment upon termination of DROP and termination of
 2315 employment with the employer, any accumulated leave payment made
 2316 at that time cannot be included in the member's retirement
 2317 benefit, which was determined and fixed by law when the employee
 2318 elected to participate in the DROP.

2319 3. The effective date of DROP participation and the
 2320 effective date of retirement of a DROP participant shall be the
 2321 first day of the month selected by the member to begin
 2322 participation in the DROP, provided such date is properly
 2323 established, with the written confirmation of the employer, and
 2324 the approval of the division, on forms required by the division.

2325 4. Normal retirement benefits and interest thereon shall
 2326 continue to accrue in the DROP until the established termination
 2327 date of the DROP, or until the participant terminates employment
 2328 or dies prior to such date. Although individual DROP accounts
 2329 shall not be established, a separate accounting of each
 2330 participant's accrued benefits under the DROP shall be
 2331 calculated and provided to participants.

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2332 5. At the conclusion of the participant's DROP, the
 2333 division shall distribute the participant's total accumulated
 2334 DROP benefits, subject to the following provisions:

2335 a. The division shall receive verification by the
 2336 participant's employer or employers that such participant has
 2337 terminated employment as provided in s. 121.021(39)(b).

2338 b. The terminated DROP participant or, if deceased, such
 2339 participant's named beneficiary, shall elect on forms provided
 2340 by the division to receive payment of the DROP benefits in
 2341 accordance with one of the options listed below. For a
 2342 participant or beneficiary who fails to elect a method of
 2343 payment within 60 days of termination of the DROP, the division
 2344 will pay a lump sum as provided in sub-sub-subparagraph (I).

2345 (I) Lump sum.--All accrued DROP benefits, plus interest,
 2346 less withholding taxes remitted to the Internal Revenue Service,
 2347 shall be paid to the DROP participant or surviving beneficiary.

2348 (II) Direct rollover.--All accrued DROP benefits, plus
 2349 interest, shall be paid from the DROP directly to the custodian
 2350 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
 2351 the Internal Revenue Code. However, in the case of an eligible
 2352 rollover distribution to the surviving spouse of a deceased
 2353 participant, an eligible retirement plan is an individual
 2354 retirement account or an individual retirement annuity as
 2355 described in s. 402(c)(9) of the Internal Revenue Code.

2356 (III) Partial lump sum.--A portion of the accrued DROP
 2357 benefits shall be paid to the DROP participant or surviving
 2358 spouse, less withholding taxes remitted to the Internal Revenue
 2359 Service, and the remaining DROP benefits shall be transferred
 2360 directly to the custodian of an eligible retirement plan as

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2361 defined in s. 402(c)(8)(B) of the Internal Revenue Code.
 2362 However, in the case of an eligible rollover distribution to the
 2363 surviving spouse of a deceased participant, an eligible
 2364 retirement plan is an individual retirement account or an
 2365 individual retirement annuity as described in s. 402(c)(9) of
 2366 the Internal Revenue Code. The proportions shall be specified by
 2367 the DROP participant or surviving beneficiary.

2368 c. The form of payment selected by the DROP participant or
 2369 surviving beneficiary complies with the minimum distribution
 2370 requirements of the Internal Revenue Code.

2371 d. A DROP participant who fails to terminate employment as
 2372 defined in s. 121.021(39)(b) shall be deemed not to be retired,
 2373 and the DROP election shall be null and void. Florida
 2374 Retirement System membership shall be reestablished
 2375 retroactively to the date of the commencement of the DROP, and
 2376 each employer with whom the participant continues employment
 2377 shall be required to pay to the System Trust Fund the difference
 2378 between the DROP contributions paid in paragraph (i) and the
 2379 contributions required for the applicable Florida Retirement
 2380 System class of membership during the period the member
 2381 participated in the DROP, plus 6.5 percent interest compounded
 2382 annually.

2383 6. The accrued benefits of any DROP participant, and any
 2384 contributions accumulated under such program, shall not be
 2385 subject to assignment, execution, attachment, or to any legal
 2386 process whatsoever, except for qualified domestic relations
 2387 orders by a court of competent jurisdiction, income deduction
 2388 orders as provided in s. 61.1301, and federal income tax levies.

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2389 7. DROP participants shall not be eligible for disability
2390 retirement benefits as provided in subsection (4).

2391 (d) Death benefits under the DROP.--

2392 1. Upon the death of a DROP participant, the named
2393 beneficiary shall be entitled to apply for and receive the
2394 accrued benefits in the DROP as provided in sub-subparagraph
2395 (c)5.b.

2396 2. The normal retirement benefit accrued to the DROP
2397 during the month of a participant's death shall be the final
2398 monthly benefit credited for such DROP participant.

2399 3. Eligibility to participate in the DROP terminates upon
2400 death of the participant. If the participant dies on or after
2401 the effective date of enrollment in the DROP, but prior to the
2402 first monthly benefit being credited to the DROP, Florida
2403 Retirement System benefits shall be paid in accordance with
2404 subparagraph (7)(c)1. or subparagraph 2.

2405 4. A DROP participants' survivors shall not be eligible to
2406 receive Florida Retirement System death benefits as provided in
2407 paragraph (7)(d).

2408 (e) Cost-of-living adjustment.--On each July 1, the
2409 participants' normal retirement benefit shall be increased as
2410 provided in s. 121.101.

2411 (f) Retiree health insurance subsidy.--DROP participants
2412 are not eligible to apply for the retiree health insurance
2413 subsidy payments as provided in s. 112.363 until such
2414 participants have terminated employment and participation in the
2415 DROP.

2416 (g) Renewed membership.--DROP participants shall not be
2417 eligible for renewed membership in the Florida Retirement System

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2418 under ss. 121.053 and 121.122 until termination of employment is
 2419 effectuated as provided in s. 121.021(39)(b).

2420 (h) Employment limitation after DROP participation.--Upon
 2421 satisfying the definition of termination of employment as
 2422 provided in s. 121.021(39)(b), DROP participants shall be
 2423 subject to such reemployment limitations as other retirees.
 2424 Reemployment restrictions applicable to retirees as provided in
 2425 subsection (9) shall not apply to DROP participants until their
 2426 employment and participation in the DROP are terminated.

2427 (i) Contributions.--

2428 1. All employers paying the salary of a DROP participant
 2429 filling a regularly established position shall contribute 8.0
 2430 percent of such participant's gross compensation for the period
 2431 of July 1, 2002, through June 30, 2003, and 11.56 percent of
 2432 such compensation thereafter, which shall constitute the entire
 2433 employer DROP contribution with respect to such participant.
 2434 Such contributions, payable to the System Trust Fund in the same
 2435 manner as required in s. 121.071, shall be made as appropriate
 2436 for each pay period and are in addition to contributions
 2437 required for social security and the Retiree Health Insurance
 2438 Subsidy Trust Fund. Such employer, social security, and health
 2439 insurance subsidy contributions are not included in the DROP.

2440 2. The employer shall, in addition to subparagraph 1.,
 2441 also withhold one-half of the entire social security
 2442 contribution required for the participant. Contributions for
 2443 social security by each participant and each employer, in the
 2444 amount required for social security coverage as now or hereafter
 2445 provided by the federal Social Security Act, shall be in
 2446 addition to contributions specified in subparagraph 1.

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2447 3. All employers paying the salary of a DROP participant
 2448 filling a regularly established position shall contribute the
 2449 percent of such participant's gross compensation required in s.
 2450 121.071(4), which shall constitute the employer's health
 2451 insurance subsidy contribution with respect to such participant.
 2452 Such contributions shall be deposited by the administrator in
 2453 the Retiree Health Insurance Subsidy Trust Fund.

2454 (j) Forfeiture of retirement benefits.--Nothing in this
 2455 section shall be construed to remove DROP participants from the
 2456 scope of s. 8(d), Art. II of the State Constitution, s.
 2457 112.3173, and paragraph (5)(f). DROP participants who commit a
 2458 specified felony offense while employed will be subject to
 2459 forfeiture of all retirement benefits, including DROP benefits,
 2460 pursuant to those provisions of law.

2461 (k) Administration of program.--The division shall make
 2462 such rules as are necessary for the effective and efficient
 2463 administration of this subsection. The division shall not be
 2464 required to advise members of the federal tax consequences of an
 2465 election related to the DROP but may advise members to seek
 2466 independent advice.

2467 (14) PAYMENT OF BENEFITS.--This subsection applies to the
 2468 payment of benefits to a payee (retiree or beneficiary) under
 2469 the Florida Retirement System:

2470 (a) Federal income tax shall be withheld in accordance
 2471 with federal law, unless the payee elects otherwise on Form W-
 2472 4P. The division shall prepare and distribute to each recipient
 2473 of monthly retirement benefits an appropriate income tax form
 2474 that reflects the recipient's income and federal income tax
 2475 withheld for the calendar year just ended.

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2476 (b) Subject to approval by the division in accordance with
 2477 rule 60S-4.015, Florida Administrative Code, a payee receiving
 2478 retirement benefits under the Florida Retirement System may also
 2479 have the following payments deducted from his or her monthly
 2480 benefit:

2481 1. Premiums for life and health-related insurance policies
 2482 from approved companies.

2483 2. Life insurance premiums for the State Group Life
 2484 Insurance Plan, if authorized in writing by the payee and by the
 2485 Department of Management Services.

2486 3. Repayment of overpayments from the Florida Retirement
 2487 System Trust Fund, the State Employees' Health Insurance Trust
 2488 Fund, or the State Employees' Life Insurance Trust Fund, upon
 2489 notification of the payee.

2490 4. Payments to an alternate payee for alimony, child
 2491 support, or division of marital assets pursuant to a qualified
 2492 domestic relations order under s. 222.21 or an income deduction
 2493 order under s. 61.1301.

2494 5. Payments to the Internal Revenue Service for federal
 2495 income tax levies, upon notification of the division by the
 2496 Internal Revenue Service.

2497 (c) A payee shall notify the division of any change in his
 2498 or her address. The division may suspend benefit payments to a
 2499 payee if correspondence sent to the payee's mailing address is
 2500 returned due to an incorrect address. Benefit payments shall be
 2501 resumed upon notification to the division of the payee's new
 2502 address.

2503 (d) A payee whose retirement benefits are reduced by the
 2504 application of maximum benefit limits under s. 415(b) of the

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2505 Internal Revenue Code, as specified in s. 121.30(5), shall have
 2506 the portion of his or her calculated benefit in the Florida
 2507 Retirement System defined benefit plan which exceeds such
 2508 federal limitation paid through the Florida Retirement System
 2509 Preservation of Benefits Plan, as provided in s. 121.1001.

2510 (e) No benefit may be reduced for the purpose of
 2511 preserving the member's eligibility for a federal program.

2512 (f) The division shall adopt rules establishing procedures
 2513 for determining that the persons to whom benefits are being paid
 2514 are still living. The division shall suspend the benefits being
 2515 paid to any payee when it is unable to contact such payee and to
 2516 confirm that he or she is still living.

2517 Section 25. Subsection (1) of section 121.095, Florida
 2518 Statutes, is amended to read:

2519 121.095 Florida Retirement System Preservation of Benefits
 2520 Plan Trust Fund.--

2521 (1) The Florida Retirement System Preservation of Benefits
 2522 Plan Trust Fund is created in the State Treasury to be
 2523 administered by the State Board of Administration ~~within the~~
 2524 ~~Division of Retirement.~~

2525 (a) Funds to be credited to the trust fund shall consist
 2526 of Florida Retirement System monthly retirement contributions
 2527 required to meet the requirements for payment of restored
 2528 benefits under the Florida Retirement System Preservation of
 2529 Benefits Plan, as specified in s. 121.1001.

2530 (b) The trust fund shall be maintained and utilized solely
 2531 for the purpose of providing benefits under the Preservation of
 2532 Benefits Plan, as specified in s. 121.1001.

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2533 (c) The trust fund shall be separate and apart from the
 2534 Florida Retirement System Trust Fund. The trust fund moneys and
 2535 assets shall not be commingled with nor ever receive a transfer
 2536 of moneys and assets from the remainder of the Florida
 2537 Retirement System, including, but not limited to, the Florida
 2538 Retirement System Trust Fund, or any other qualified retirement
 2539 plan administered by the Division of Retirement.

2540 (d) The trust fund shall be funded on a month-to-month
 2541 basis. Trust fund assets shall not be accumulated to pay future
 2542 benefits.

2543 Section 26. Paragraph (b) of subsection (7) of section
 2544 121.101, Florida Statutes, is amended to read:

2545 121.101 Cost-of-living adjustment of benefits.--

2546 (7) The purpose of this subsection is to establish a
 2547 supplemental cost-of-living adjustment for certain retirees and
 2548 beneficiaries who receive monthly retirement benefits under the
 2549 provisions of this chapter and the existing systems consolidated
 2550 therein, s. 112.05 for certain state officers and employees, and
 2551 s. 238.171 for certain elderly incapacitated teachers.

2552 (b) Application for the supplemental cost-of-living
 2553 adjustment provided by this subsection shall include
 2554 certification by the retiree or annuitant that he or she is not
 2555 receiving, and is not eligible to receive, social security
 2556 benefits and shall include written authorization for the
 2557 division ~~department~~ to have access to information from the
 2558 Social Security Administration concerning his or her entitlement
 2559 to, or eligibility for, social security benefits. Such
 2560 supplemental cost-of-living adjustment shall not be paid unless

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2561 and until the application requirements of this paragraph are
 2562 met.

2563 Section 27. Paragraph (e) of subsection (2) of section
 2564 121.111, Florida Statutes, is amended to read:

2565 121.111 Credit for military service.--

2566 (2) Any member whose initial date of employment is before
 2567 January 1, 1987, who has military service as defined in s.
 2568 121.021(20)(b), and who does not claim such service under
 2569 subsection (1) may receive creditable service for such military
 2570 service if:

2571 (e) Any member claiming credit under this subsection must
 2572 certify on the form prescribed by the division ~~department~~ that
 2573 credit for such service has not and will not be claimed for
 2574 retirement purposes under any other federal, state, or local
 2575 retirement or pension system where "length of service" is a
 2576 factor in determining the amount of compensation received,
 2577 except where credit for such service has been granted in a
 2578 pension system providing retired pay for nonregular service as
 2579 provided in paragraph (d). If the member dies prior to
 2580 retirement, the member's beneficiary must make the required
 2581 certification before credit may be claimed. If such
 2582 certification is not made by the member or the member's
 2583 beneficiary, credit for wartime military service shall not be
 2584 allowed.

2585 Section 28. Section 121.133, Florida Statutes, is amended
 2586 to read:

2587 121.133 Cancellation of uncashed
 2588 warrants.--Notwithstanding the provisions of s. 17.26 or s.
 2589 717.123 to the contrary, if any state warrant issued by the

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2590 Chief Financial Officer for the payment of retirement benefits
 2591 from the Florida Retirement System Trust Fund, or any other
 2592 pension trust fund administered by the division ~~department~~, is
 2593 not presented for payment within 1 year after the last day of
 2594 the month in which it was originally issued, the Chief Financial
 2595 Officer shall cancel the benefit warrant and credit the amount
 2596 of the warrant to the Florida Retirement System Trust Fund or
 2597 other pension trust fund administered by the division
 2598 ~~department~~, as appropriate. The division ~~department~~ may provide
 2599 for issuance of a replacement warrant when deemed appropriate.

2600 Section 29. Section 121.135, Florida Statutes, is amended
 2601 to read:

2602 121.135 Annual report to Legislature concerning the
 2603 Florida Retirement System ~~state-administered retirement~~
 2604 ~~systems~~.--The board ~~department~~ shall make to each regular
 2605 session of the Legislature a written report on the operation and
 2606 condition of the Florida Retirement System ~~the state-~~
 2607 ~~administered retirement systems~~.

2608 Section 30. Section 121.136, Florida Statutes, is amended
 2609 to read:

2610 121.136 Annual benefit statement to members.--Beginning
 2611 January 1, 1993, and each January thereafter, the board
 2612 ~~department~~ shall provide each active member of the Florida
 2613 Retirement System with 5 or more years of creditable service an
 2614 annual statement of benefits. Such statement should provide the
 2615 member with basic data about the member's retirement account.
 2616 Minimally, it shall include the member's retirement plan, the
 2617 amount of funds on deposit in the retirement account, and an
 2618 estimate of retirement benefits.

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2619 Section 31. Section 121.1905, Florida Statutes, is amended
 2620 to read:

2621 121.1905 Division of Retirement; mission creation.--

2622 ~~(1) There is created the Division of Retirement within the~~
 2623 ~~Department of Management Services.~~

2624 ~~(2)~~ The mission of the Division of Retirement is to
 2625 provide quality and cost-effective retirement services as
 2626 measured by member satisfaction and by comparison with
 2627 administrative costs of comparable retirement systems.

2628 Section 32. Section 121.192, Florida Statutes, is amended
 2629 to read:

2630 121.192 State retirement actuary.--The division ~~department~~
 2631 may employ an actuary. Such actuary shall, together with such
 2632 other duties as the administrator assigns ~~secretary may assign~~,
 2633 be responsible for:

2634 (1) Advising the administrator ~~secretary~~ on actuarial
 2635 matters of the state retirement systems.

2636 (2) Making periodic valuations of the retirement systems.

2637 (3) Providing actuarial analyses to the Legislature
 2638 concerning proposed changes in the retirement systems.

2639 (4) Assisting the administrator ~~secretary~~ in developing a
 2640 sound and modern retirement system.

2641 Section 33. Section 121.193, Florida Statutes, is amended
 2642 to read:

2643 121.193 External compliance audits.--

2644 (1) The division ~~department~~ shall conduct audits of the
 2645 payroll and personnel records of participating agencies. These
 2646 audits shall be made to determine the accuracy of reports
 2647 submitted to the division ~~department~~ and to assess the degree of

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2648 compliance with applicable statutes, rules, and coverage
 2649 agreements. Audits shall be scheduled on a regular basis, as the
 2650 result of concerns known to exist at an agency, or as a followup
 2651 to ensure agency action was taken to correct deficiencies found
 2652 in an earlier audit.

2653 (2) Upon request, participating agencies shall furnish the
 2654 division ~~department~~ with information and documents that the
 2655 division ~~department~~ requires to conduct the audit. The division
 2656 ~~department~~ may prescribe by rule the documents that may be
 2657 requested.

2658 (3) The division ~~department~~ shall review the agency's
 2659 operations concerning retirement and social security coverage.
 2660 Preliminary findings shall be discussed with agency personnel at
 2661 the close of the audit. An audit report of findings and
 2662 recommendations shall be submitted to division ~~department~~
 2663 management and an audit summary letter shall be submitted to the
 2664 agency noting any concerns and necessary corrective action.

2665 Section 34. Subsection (1) of section 121.22, Florida
 2666 Statutes, is amended to read:

2667 121.22 State Retirement Commission; creation; membership;
 2668 compensation.--

2669 (1) There is created within the Division of Retirement
 2670 ~~Department of Management Services~~ a State Retirement Commission
 2671 composed of three members: One member who is retired under a
 2672 state-supported retirement system administered by the division
 2673 ~~department~~; one member who is an active member of a state-
 2674 supported retirement system that is administered by the division
 2675 ~~department~~; and one member who is neither a retiree,
 2676 beneficiary, or member of a state-supported retirement system

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2677 administered by the division ~~department~~. Each member shall have
 2678 a different occupational background from the other members.

2679 Section 35. Subsection (1) of section 121.23, Florida
 2680 Statutes, is amended to read:

2681 121.23 Disability retirement and special risk membership
 2682 applications; Retirement Commission; powers and duties; judicial
 2683 review.--The provisions of this section apply to all proceedings
 2684 in which the administrator has made a written final decision on
 2685 the merits respecting applications for disability retirement,
 2686 reexamination of retired members receiving disability benefits,
 2687 applications for special risk membership, and reexamination of
 2688 special risk members in the Florida Retirement System. The
 2689 jurisdiction of the State Retirement Commission under this
 2690 section shall be limited to written final decisions of the
 2691 administrator on the merits.

2692 (1) In accordance with the rules of procedure adopted by
 2693 the division ~~Department of Management Services~~, the
 2694 administrator shall:

2695 (a) Give reasonable notice of his or her proposed action,
 2696 or decision to refuse action, together with a summary of the
 2697 factual, legal, and policy grounds therefor.

2698 (b) Give affected members, or their counsel, an
 2699 opportunity to present to the division written evidence in
 2700 opposition to the proposed action or refusal to act or a written
 2701 statement challenging the grounds upon which the administrator
 2702 has chosen to justify his or her action or inaction.

2703 (c) If the objections of the member are overruled, provide
 2704 a written explanation within 21 days.

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2705 Section 36. Subsections (2), (3), and (4) of section
 2706 121.24, Florida Statutes, are amended to read:

2707 121.24 Conduct of commission business; legal and other
 2708 assistance; compensation.--

2709 (2) Legal counsel for the commission may be provided by
 2710 the Department of Legal Affairs or by the division ~~Department of~~
 2711 ~~Management Services~~, with the concurrence of the commission, and
 2712 shall be paid by the division ~~Department of Management Services~~
 2713 from the appropriate funds.

2714 (3) The division ~~Department of Management Services~~ shall
 2715 provide timely and appropriate training for newly appointed
 2716 members of the commission. Such training shall be designed to
 2717 acquaint new members of the commission with the duties and
 2718 responsibilities of the commission.

2719 (4) The division ~~Department of Management Services~~ shall
 2720 furnish administrative and secretarial assistance to the
 2721 commission and shall provide a place where the commission may
 2722 hold its meetings.

2723 Section 37. Subsection (9) of section 121.30, Florida
 2724 Statutes, is amended to read:

2725 121.30 Statements of purpose and intent and other
 2726 provisions required for qualification under the Internal Revenue
 2727 Code of the United States.--Any other provisions in this chapter
 2728 to the contrary notwithstanding, it is specifically provided
 2729 that:

2730 (9) The division ~~department~~ may adopt any rule necessary
 2731 to accomplish the purpose of the section which is not
 2732 inconsistent with this chapter.

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2733 Section 38. Paragraph (c) of subsection (2), paragraphs
 2734 (c) and (e) of subsection (3), paragraphs (a), (b), and (c) of
 2735 subsection (4), and subsection (6) of section 121.35, Florida
 2736 Statutes, are amended to read:

2737 121.35 Optional retirement program for the State
 2738 University System.--

2739 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL PROGRAM.--

2740 (c) For purposes of this section, the State Board of
 2741 Administration ~~Department of Management Services~~ is referred to
 2742 as the "board department."

2743 (3) ELECTION OF OPTIONAL PROGRAM.--

2744 (c) Any employee who becomes eligible to participate in
 2745 the optional retirement program on or after January 1, 1993,
 2746 shall be a compulsory participant of the program unless such
 2747 employee elects membership in the Florida Retirement System.
 2748 Such election shall be made in writing and filed with the
 2749 personnel officer of the employer. Any eligible employee who
 2750 fails to make such election within the prescribed time period
 2751 shall be deemed to have elected to participate in the optional
 2752 retirement program.

2753 1. Any employee whose optional retirement program
 2754 eligibility results from initial employment shall be enrolled in
 2755 the program at the commencement of employment. If, within 90
 2756 days after commencement of employment, the employee elects
 2757 membership in the Florida Retirement System, such membership
 2758 shall be effective retroactive to the date of commencement of
 2759 employment.

2760 2. Any employee whose optional retirement program
 2761 eligibility results from a change in status due to the

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2762 subsequent designation of the employee's position as one of
 2763 those specified in paragraph (2)(a) or due to the employee's
 2764 appointment, promotion, transfer, or reclassification to a
 2765 position specified in paragraph (2)(a) shall be enrolled in the
 2766 optional retirement program upon such change in status and shall
 2767 be notified by the employer of such action. If, within 90 days
 2768 after the date of such notification, the employee elects to
 2769 retain membership in the Florida Retirement System, such
 2770 continuation of membership shall be retroactive to the date of
 2771 the change in status.

2772 3. Notwithstanding the provisions of this paragraph,
 2773 effective July 1, 1997, any employee who is eligible to
 2774 participate in the Optional Retirement Program and who fails to
 2775 execute a contract with one of the approved companies and to
 2776 notify the board ~~department~~ in writing as provided in subsection
 2777 (4) within 90 days after the date of eligibility shall be deemed
 2778 to have elected membership in the Florida Retirement System,
 2779 except as provided in s. 121.051(1)(a). This provision shall
 2780 also apply to any employee who terminates employment in an
 2781 eligible position before executing the required annuity contract
 2782 and notifying the board ~~department~~. Such membership shall be
 2783 retroactive to the date of eligibility, and all appropriate
 2784 contributions shall be transferred to the Florida Retirement
 2785 System Trust Fund and the Health Insurance Subsidy Trust Fund.

2786 (e) The election by an eligible employee to participate in
 2787 the optional retirement program shall be irrevocable for so long
 2788 as the employee continues to meet the eligibility requirements
 2789 specified in subsection (2), except as provided in paragraph
 2790 (h). In the event that an employee participates in the optional

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2791 retirement program for 90 days or more and is subsequently
 2792 employed in an administrative or professional position which has
 2793 been determined by the board ~~department~~, under subparagraph
 2794 (2)(a)2., to be not otherwise eligible for participation in the
 2795 optional retirement program, the employee shall continue
 2796 participation in the optional program so long as the employee
 2797 meets the other eligibility requirements for the program, except
 2798 as provided in paragraph (h).

2799 (4) CONTRIBUTIONS.--

2800 (a) Through June 30, 2001, each employer shall contribute
 2801 on behalf of each participant in the optional retirement program
 2802 an amount equal to the normal cost portion of the employer
 2803 retirement contribution which would be required if the
 2804 participant were a regular member of the Florida Retirement
 2805 System defined benefit program, plus the portion of the
 2806 contribution rate required in s. 112.363(8) that would otherwise
 2807 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
 2808 Effective July 1, 2001, each employer shall contribute on behalf
 2809 of each participant in the optional program an amount equal to
 2810 10.43 percent of the participant's gross monthly compensation.
 2811 The board, pursuant to s. 215.44(4), ~~department~~ shall deduct an
 2812 amount ~~approved by the Legislature~~ to provide for the
 2813 administration of this program. The payment of the contributions
 2814 to the optional program which is required by this paragraph for
 2815 each participant shall be made by the employer to the board
 2816 ~~department~~, which shall forward the contributions to the
 2817 designated company or companies contracting for payment of
 2818 benefits for the participant under the program. However, such
 2819 contributions paid on behalf of an employee described in

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2820 paragraph (3)(c) shall not be forwarded to a company and shall
 2821 not begin to accrue interest until the employee has executed an
 2822 annuity contract and notified the board ~~department~~.

2823 (b) Each employer shall contribute on behalf of each
 2824 participant in the optional retirement program an amount equal
 2825 to the unfunded actuarial accrued liability portion of the
 2826 employer contribution which would be required for members of the
 2827 Florida Retirement System. This contribution shall be paid to
 2828 the board ~~department~~ for transfer to the Florida Retirement
 2829 System Trust Fund.

2830 (c) An Optional Retirement Program Trust Fund shall be
 2831 established in the State Treasury and administered by the board
 2832 ~~department~~ to make payments to the provider companies on behalf
 2833 of the optional retirement program participants, and to transfer
 2834 the unfunded liability portion of the state optional retirement
 2835 program contributions to the Florida Retirement System Trust
 2836 Fund.

2837 (6) ADMINISTRATION OF PROGRAM.--

2838 (a) The optional retirement program authorized by this
 2839 section shall be administered by the board ~~department~~. The board
 2840 ~~department~~ shall adopt rules establishing the responsibilities
 2841 of the State Board of Education and institutions in the State
 2842 University System in administering the optional retirement
 2843 program. The State Board of Education shall, no more than 90
 2844 days after July 1, 1983, submit to the board ~~department~~ its
 2845 recommendations for the contracts to be offered by the companies
 2846 chosen by the board ~~department~~. The recommendations of the State
 2847 Board of Education shall include the following:

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2848 1. The nature and extent of the rights and benefits in
 2849 relation to the required contributions; and
 2850 2. The suitability of the rights and benefits to the needs
 2851 of the participants and the interests of the institutions in the
 2852 recruitment and retention of eligible employees.

2853 (b) After receiving and considering the recommendations of
 2854 the State Board of Education, the board ~~department~~ shall
 2855 designate no more than four companies from which contracts may
 2856 be purchased under the program and shall approve the form and
 2857 content of the optional retirement program contracts. Upon
 2858 application by a qualified Florida domestic company, the board
 2859 ~~department~~ shall give reasonable notice to all other such
 2860 companies that it intends to designate one of such companies as
 2861 a fifth company from which contracts may be purchased pursuant
 2862 to this section and that they may apply for such designation
 2863 prior to the deadline established by said notice. At least 60
 2864 days after giving such notice and upon receipt of the
 2865 recommendation of the State Board of Education, the board
 2866 ~~department~~ shall so designate one of such companies as the fifth
 2867 company from which such contracts may be purchased.

2868 (c) ~~Effective July 1, 1997, the State Board of~~
 2869 ~~Administration shall review and make recommendations to the~~
 2870 ~~department on the acceptability of all investment products~~
 2871 ~~proposed by provider companies of the optional retirement~~
 2872 ~~program before they are offered through annuity contracts to the~~
 2873 ~~participants and may advise the department of any changes~~
 2874 ~~necessary to ensure that the optional retirement program offers~~
 2875 ~~an acceptable mix of investment products. The board department~~
 2876 shall determine which ~~make the final determination as to whether~~

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2877 ~~an investment products product~~ will be included in ~~approved for~~
 2878 the program.

2879 (d) The provisions of each contract applicable to a
 2880 participant in the optional retirement program shall be
 2881 contained in a written program description which shall include a
 2882 report of pertinent financial and actuarial information on the
 2883 solvency and actuarial soundness of the program and the benefits
 2884 applicable to the participant. Such description shall be
 2885 furnished by the companies to each participant in the program
 2886 and to the board ~~department~~ upon commencement of participation
 2887 in the program and annually thereafter.

2888 (e) The board ~~department~~ shall ensure that each
 2889 participant in the optional retirement program is provided an
 2890 accounting of the total contribution and the annual contribution
 2891 made by and on behalf of such participant.

2892 Section 39. Paragraph (b) of subsection (3), paragraph (a)
 2893 of subsection (12), and paragraphs (a) and (b) of subsection
 2894 (14) of section 121.40, Florida Statutes, are amended to read:

2895 121.40 Cooperative extension personnel at the Institute of
 2896 Food and Agricultural Sciences; supplemental retirement
 2897 benefits.--

2898 (3) DEFINITIONS.--The definitions provided in s. 121.021
 2899 shall not apply to this section except when specifically cited.

2900 For the purposes of this section, the following words or
 2901 phrases have the respective meanings set forth:

2902 (b) "Division ~~Department~~" means the Division of Retirement
 2903 of the State Board of Administration ~~Department of Management~~
 2904 ~~Services~~.

2905 (12) CONTRIBUTIONS.--

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2906 (a) For the purposes of funding the supplemental benefits
 2907 provided by this section, the institute is authorized and
 2908 required to pay, commencing July 1, 1985, the necessary monthly
 2909 contributions from its appropriated budget. These amounts shall
 2910 be paid into the Institute of Food and Agricultural Sciences
 2911 Supplemental Retirement Trust Fund, which is hereby created in
 2912 the State Treasury to be administered by the State Board of
 2913 Administration.

2914 (14) ADMINISTRATION OF SYSTEM.--

2915 (a) The division ~~department~~ shall make such rules as are
 2916 necessary for the effective and efficient administration of this
 2917 system. The executive director of the State Board of
 2918 Administration ~~secretary of the department~~ shall be the
 2919 administrator of the system. The funds to pay the expenses for
 2920 such administration are ~~shall be~~ appropriated from the interest
 2921 earned on investments made for the trust fund.

2922 (b) The division ~~department~~ is authorized to require
 2923 oaths, by affidavit or otherwise, and acknowledgments from
 2924 persons in connection with the administration of its duties and
 2925 responsibilities under this section.

2926 Section 40. Subsection (3) of section 121.45, Florida
 2927 Statutes, is amended to read:

2928 121.45 Interstate compacts relating to pension
 2929 portability.--

2930 (3) ESTABLISHMENT OF COMPACTS.--

2931 (a) The division ~~Department of Management Services~~ is
 2932 authorized and directed to survey other state retirement systems
 2933 to determine if such retirement systems are interested in
 2934 developing an interstate compact with Florida.

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2935 (b) If any such state is interested in pursuing the
 2936 matter, the division ~~department~~ shall confer with the other
 2937 state and the consulting actuaries of both states, and shall
 2938 present its findings to the committees having jurisdiction over
 2939 retirement matters in the Legislature, and to representatives of
 2940 affected certified bargaining units, in order to determine the
 2941 feasibility of developing a portability compact, what groups
 2942 should be covered, and the goals and priorities which should
 2943 guide such development.

2944 (c) Upon a determination that such a compact is feasible
 2945 and upon request of the Legislature, the division ~~department~~,
 2946 together with its consulting actuaries, shall, in accordance
 2947 with such ~~said~~ goals and priorities, develop a proposal under
 2948 which retirement credit may be transferred to or from Florida in
 2949 an actuarially sound manner.

2950 (d) Once a proposal has been developed, the division
 2951 ~~department~~ shall contract with its consulting actuaries to
 2952 conduct an actuarial study of the proposal to determine the cost
 2953 to the Florida Retirement System Trust Fund and the State of
 2954 Florida.

2955 (e) After the actuarial study has been completed, the
 2956 division ~~department~~ shall present its findings and the actuarial
 2957 study to the Legislature for consideration. If either house of
 2958 the Legislature elects to enter into such a compact, it shall be
 2959 introduced in the form of a proposed committee bill to the full
 2960 Legislature during the same or next regular session.

2961 Section 41. Subsection (2), paragraph (a) of subsection
 2962 (5), paragraphs (a), (b), (c), and (e) of subsection (8),
 2963 paragraph (c) of subsection (9), paragraphs (a), (c), and (f) of

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2964 subsection (10), subsection (11), and subsection (19) of section
 2965 121.4501, Florida Statutes, are amended to read:

2966 121.4501 Public Employee Optional Retirement Program.--

2967 (2) DEFINITIONS.--As used in this part, the term:

2968 (a) "Approved provider" or "provider" means a private
 2969 sector company that is selected and approved by the ~~state~~ board
 2970 to offer one or more investment products or services to the
 2971 Public Employee Optional Retirement Program. The term includes a
 2972 bundled provider that offers participants a range of
 2973 individually allocated or unallocated investment products and
 2974 may offer a range of administrative and customer services, which
 2975 may include accounting and administration of individual
 2976 participant benefits and contributions; individual participant
 2977 recordkeeping; asset purchase, control, and safekeeping; direct
 2978 execution of the participant's instructions as to asset and
 2979 contribution allocation; calculation of daily net asset values;
 2980 direct access to participant account information; periodic
 2981 reporting to participants, at least quarterly, on account
 2982 balances and transactions; guidance, advice, and allocation
 2983 services directly relating to its own investment options or
 2984 products, but only if the bundled provider complies with the
 2985 standard of care of s. 404(a)(1)(A-B) of the Employee Retirement
 2986 Income Security Act of 1974 (ERISA) and if providing such
 2987 guidance, advice, or allocation services does not constitute a
 2988 prohibited transaction under s. 4975(c)(1) of the Internal
 2989 Revenue Code or s. 406 of ERISA, notwithstanding that such
 2990 prohibited transaction provisions do not apply to the optional
 2991 retirement program; a broad array of distribution options; asset
 2992 allocation; and retirement counseling and education. Private

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2993 sector companies include investment management companies,
 2994 insurance companies, depositories, and mutual fund companies.

2995 (b) "Average monthly compensation" means one-twelfth of
 2996 average final compensation as defined in s. 121.021(24).

2997 (c) "Covered employment" means employment in a regularly
 2998 established position as defined in s. 121.021(52).

2999 ~~(d) "Department" means the Department of Management~~
 3000 ~~Services.~~

3001 (d)(e) "Division" means the Division of Retirement of the
 3002 State Board of Administration ~~within the Department of~~
 3003 ~~Management Services.~~

3004 (e)(f) "Eligible employee" means an officer or employee,
 3005 as defined in s. 121.021(11), who:

3006 1. Is a member of, or is eligible for membership in, the
 3007 Florida Retirement System, including any renewed member of the
 3008 Florida Retirement System;

3009 2. Participates in, or is eligible to participate in, the
 3010 Senior Management Service Optional Annuity Program as
 3011 established under s. 121.055(6) or the State Community College
 3012 Optional Retirement Program as established under s.
 3013 121.051(2)(c); or

3014 3. Is eligible to participate in, but does not participate
 3015 in, the State University System Optional Retirement Program
 3016 established under s. 121.35.

3017

3018 The term does not include any member participating in the
 3019 Deferred Retirement Option Program established under s.

3020 121.091(13) or any employee participating in an optional

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3021 retirement program established under s. 121.051(2)(c) or s.
 3022 121.35.

3023 (f)~~(g)~~ "Employer" means an employer, as defined in s.
 3024 121.021(10), of an eligible employee.

3025 (g)~~(h)~~ "Participant" means an eligible employee who elects
 3026 to participate in the Public Employee Optional Retirement
 3027 Program and enrolls in such optional program as provided in
 3028 subsection (4).

3029 (h)~~(i)~~ "Public Employee Optional Retirement Program,"
 3030 "optional program," or "optional retirement program" means the
 3031 alternative defined contribution retirement program established
 3032 under this section.

3033 (i)~~(j)~~ "State board" or "board" means the State Board of
 3034 Administration.

3035 (j)~~(k)~~ "Trustees" means Trustees of the State Board of
 3036 Administration.

3037 (k)~~(l)~~ "Vested" or "vesting" means the guarantee that a
 3038 participant is eligible to receive a retirement benefit upon
 3039 completion of the required years of service under the Public
 3040 Employee Optional Retirement Program.

3041 (5) CONTRIBUTIONS.--

3042 (a) Each employer shall contribute on behalf of each
 3043 participant in the Public Employee Optional Retirement Program,
 3044 as provided in part III of this chapter. The state board, acting
 3045 as plan fiduciary, shall ensure that all plan assets are held in
 3046 a trust, pursuant to s. 401 of the Internal Revenue Code. The
 3047 fiduciary shall ensure that said contributions are allocated as
 3048 follows:

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3049 1. The portion earmarked for participant accounts shall be
 3050 used to purchase interests in the appropriate investment
 3051 vehicles for the accounts of each participant as specified by
 3052 the participant, or in accordance with paragraph (4)(d).

3053 2. The portion earmarked for administrative and
 3054 educational expenses shall be transferred to the board.

3055 3. The portion earmarked for disability benefits shall be
 3056 transferred to the division ~~department~~.

3057 (8) ADMINISTRATION OF PROGRAM.--

3058 (a) The Public Employee Optional Retirement Program shall
 3059 be administered by the state board and affected employers. The
 3060 board is authorized to require oaths, by affidavit or otherwise,
 3061 and acknowledgments from persons in connection with the
 3062 administration of its duties and responsibilities under this
 3063 chapter. No oath, by affidavit or otherwise, shall be required
 3064 of an employee participant at the time of election.

3065 Acknowledgment of an employee's election to participate in the
 3066 program shall be no greater than necessary to confirm the
 3067 employee's election. The board shall adopt rules establishing
 3068 the role and responsibilities of affected state, local
 3069 government, and education-related employers, the state board,
 3070 ~~the department,~~ and third-party contractors in administering the
 3071 Public Employee Optional Retirement Program. The division
 3072 ~~department~~ shall adopt rules necessary to implement the optional
 3073 program in coordination with the defined benefit retirement
 3074 program and the disability benefits available under the optional
 3075 program.

3076 (b)1. The state board shall select and contract with one
 3077 third-party administrator to provide administrative services if

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3078 those services cannot be competitively ~~and contractually~~
 3079 provided by the division ~~of Retirement within the Department of~~
 3080 ~~Management Services~~. With the approval of the state board, the
 3081 third-party administrator may subcontract with other
 3082 organizations or individuals to provide components of the
 3083 administrative services. As a cost of administration, the board
 3084 may compensate any such contractor for its services, in
 3085 accordance with the terms of the contract, as is deemed
 3086 necessary or proper by the board. The third-party administrator
 3087 may not be an approved provider or be affiliated with an
 3088 approved provider.

3089 2. These administrative services may include, but are not
 3090 limited to, enrollment of eligible employees, collection of
 3091 employer contributions, disbursement of such contributions to
 3092 approved providers in accordance with the allocation directions
 3093 of participants; services relating to consolidated billing;
 3094 individual and collective recordkeeping and accounting; asset
 3095 purchase, control, and safekeeping; and direct disbursement of
 3096 funds to and from the third-party administrator, the division,
 3097 the board, employers, participants, approved providers, and
 3098 beneficiaries. This section does not prevent or prohibit a
 3099 bundled provider from providing any administrative or customer
 3100 service, including accounting and administration of individual
 3101 participant benefits and contributions; individual participant
 3102 recordkeeping; asset purchase, control, and safekeeping; direct
 3103 execution of the participant's instructions as to asset and
 3104 contribution allocation; calculation of daily net asset values;
 3105 direct access to participant account information; or periodic
 3106 reporting to participants, at least quarterly, on account

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3107 balances and transactions, if these services are authorized by
 3108 the board as part of the contract.

3109 3. The state board shall select and contract with one or
 3110 more organizations to provide educational services. With
 3111 approval of the board, the organizations may subcontract with
 3112 other organizations or individuals to provide components of the
 3113 educational services. As a cost of administration, the board may
 3114 compensate any such contractor for its services in accordance
 3115 with the terms of the contract, as is deemed necessary or proper
 3116 by the board. The education organization may not be an approved
 3117 provider or be affiliated with an approved provider.

3118 4. Educational services shall be designed by the board ~~and~~
 3119 ~~department~~ to assist employers, eligible employees,
 3120 participants, and beneficiaries in order to maintain compliance
 3121 with United States Department of Labor regulations under s.
 3122 404(c) of the Employee Retirement Income Security Act of 1974
 3123 and to assist employees in their choice of defined benefit or
 3124 defined contribution retirement alternatives. Educational
 3125 services include, but are not limited to, disseminating
 3126 educational materials; providing retirement planning education;
 3127 explaining the differences between the defined benefit
 3128 retirement plan and the defined contribution retirement plan;
 3129 and offering financial planning guidance on matters such as
 3130 investment diversification, investment risks, investment costs,
 3131 and asset allocation. An approved provider may also provide
 3132 educational information, including retirement planning and
 3133 investment allocation information concerning its products and
 3134 services.

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3135 (c)1. In evaluating and selecting a third-party
3136 administrator, the board shall establish criteria under which it
3137 shall consider the relative capabilities and qualifications of
3138 each proposed administrator. In developing such criteria, the
3139 board shall consider:

3140 a. The administrator's demonstrated experience in
3141 providing administrative services to public or private sector
3142 retirement systems.

3143 b. The administrator's demonstrated experience in
3144 providing daily valued recordkeeping to defined contribution
3145 plans.

3146 c. The administrator's ability and willingness to
3147 coordinate its activities with the Florida Retirement System
3148 employers, the board, and the division, and to supply to such
3149 employers, the board, and the division the information and data
3150 they require, including, but not limited to, monthly management
3151 reports, quarterly participant reports, and ad hoc reports
3152 requested by the ~~department or~~ board.

3153 d. The cost-effectiveness and levels of the administrative
3154 services provided.

3155 e. The administrator's ability to interact with the
3156 participants, the employers, the board, the division, and the
3157 providers; the means by which participants may access account
3158 information, direct investment of contributions, make changes to
3159 their accounts, transfer moneys between available investment
3160 vehicles, and transfer moneys between investment products; and
3161 any fees that apply to such activities.

3162 f. Any other factor deemed necessary by the Trustees of
3163 the State Board of Administration.

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3164 g. The recommendations of the Public Employee Optional
 3165 Retirement Program Advisory Committee established in subsection
 3166 (12).

3167 2. In evaluating and selecting an educational provider,
 3168 the board shall establish criteria under which it shall consider
 3169 the relative capabilities and qualifications of each proposed
 3170 educational provider. In developing such criteria, the board
 3171 shall consider:

3172 a. Demonstrated experience in providing educational
 3173 services to public or private sector retirement systems.

3174 b. Ability and willingness to coordinate its activities
 3175 with the Florida Retirement System employers, the board, and the
 3176 division, and to supply to such employers, the board, and the
 3177 division the information and data they require, including, but
 3178 not limited to, reports on educational contacts.

3179 c. The cost-effectiveness and levels of the educational
 3180 services provided.

3181 d. Ability to provide educational services via different
 3182 media, including, but not limited to, the Internet, personal
 3183 contact, seminars, brochures, and newsletters.

3184 e. Any other factor deemed necessary by the Trustees of
 3185 the State Board of Administration.

3186 f. The recommendations of the Public Employee Optional
 3187 Retirement Program Advisory Committee established in subsection
 3188 (12).

3189 3. The establishment of the criteria shall be solely
 3190 within the discretion of the board.

3191 (e)~~4~~. The board may contract with any consultant for
 3192 professional services, including legal, consulting, accounting,

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3193 and actuarial services, deemed necessary to implement and
 3194 administer the optional program by the Trustees of the State
 3195 Board of Administration. The board may enter into a contract
 3196 with one or more vendors to provide low-cost investment advice
 3197 to participants, supplemental to education provided by the
 3198 third-party administrator. All fees under any such contract
 3199 shall be paid by those participants who choose to use the
 3200 services of the vendor.

3201 ~~2. The department may contract with consultants for~~
 3202 ~~professional services, including legal, consulting, accounting,~~
 3203 ~~and actuarial services, deemed necessary to implement and~~
 3204 ~~administer the optional program in coordination with the defined~~
 3205 ~~benefit program of the Florida Retirement System. The~~
 3206 ~~department, in coordination with the board, may enter into a~~
 3207 ~~contract with the third party administrator in order to~~
 3208 ~~coordinate services common to the various programs within the~~
 3209 ~~Florida Retirement System.~~

3210 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.--

3211 (c) In evaluating and selecting approved providers and
 3212 products, the board shall establish criteria under which it
 3213 shall consider the relative capabilities and qualifications of
 3214 each proposed provider company and product. In developing such
 3215 criteria, the board shall consider the following to the extent
 3216 such factors may be applied in connection with investment
 3217 products, services, or providers:

3218 1. Experience in the United States providing retirement
 3219 products and related financial services under defined
 3220 contribution retirement plans.

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3221 2. Financial strength and stability which shall be
 3222 evidenced by the highest ratings assigned by nationally
 3223 recognized rating services when comparing proposed providers
 3224 that are so rated.

3225 3. Intrastate and interstate portability of the product
 3226 offered, including early withdrawal options.

3227 4. Compliance with the Internal Revenue Code.

3228 5. The cost-effectiveness of the product provided and the
 3229 levels of service supporting the product relative to its
 3230 benefits and its characteristics, including, without limitation,
 3231 the level of risk borne by the provider.

3232 6. The provider company's ability and willingness to
 3233 coordinate its activities with Florida Retirement System
 3234 employers, the division ~~department~~, and the board, and to supply
 3235 to such employers, the division ~~department~~, and the board the
 3236 information and data they require.

3237 7. The methods available to participants to interact with
 3238 the provider company; the means by which participants may access
 3239 account information, direct investment of contributions, make
 3240 changes to their accounts, transfer moneys between available
 3241 investment vehicles, and transfer moneys between provider
 3242 companies; and any fees that apply to such activities.

3243 8. The provider company's policies with respect to the
 3244 transfer of individual account balances, contributions, and
 3245 earnings thereon, both internally among investment products
 3246 offered by the provider company and externally between approved
 3247 providers, as well as any fees, charges, reductions, or
 3248 penalties that may be applied.

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3249 9. An evaluation of specific investment products, taking
 3250 into account each product's experience in meeting its investment
 3251 return objectives net of all related fees, expenses, and
 3252 charges, including, but not limited to, investment management
 3253 fees, loads, distribution and marketing fees, custody fees,
 3254 recordkeeping fees, education fees, annuity expenses, and
 3255 consulting fees.

3256 10. Organizational factors, including, but not limited to,
 3257 financial solvency, organizational depth, and experience in
 3258 providing institutional and retail investment services.

3259 (10) EDUCATION COMPONENT.--

3260 (a) The board, ~~in coordination with the department,~~ shall
 3261 provide for an education component for system members in a
 3262 manner consistent with the provisions of this section. The
 3263 education component must be available to eligible employees at
 3264 least 90 days prior to the beginning date of the election period
 3265 for the employees of the respective types of employers.

3266 (c) The board, ~~in coordination with the department,~~ shall
 3267 provide for an initial and ongoing transfer education component
 3268 to provide system members with information necessary to make
 3269 informed plan choice decisions. The transfer education component
 3270 must include, but is not limited to, information on:

3271 1. The amount of money available to a member to transfer
 3272 to the defined contribution program.

3273 2. The features of and differences between the defined
 3274 benefit program and the defined contribution program, both
 3275 generally and specifically, as those differences may affect the
 3276 member.

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3277 3. The expected benefit available if the member were to
 3278 retire under each of the retirement programs, based on
 3279 appropriate alternative sets of assumptions.

3280 4. The rate of return from investments in the defined
 3281 contribution program and the period of time over which such rate
 3282 of return must be achieved to equal or exceed the expected
 3283 monthly benefit payable to the member under the defined benefit
 3284 program.

3285 5. The historical rates of return for the investment
 3286 alternatives available in the defined contribution programs.

3287 6. The benefits and historical rates of return on
 3288 investments available in a typical deferred compensation plan or
 3289 a typical plan under s. 403(b) of the Internal Revenue Code for
 3290 which the employee may be eligible.

3291 7. The program choices available to employees of the State
 3292 University System and the comparative benefits of each available
 3293 program, if applicable.

3294 8. Payout options available in each of the retirement
 3295 programs.

3296 (f) The board ~~and the department~~ shall also establish a
 3297 communication component to provide program information to
 3298 participating employers and the employers' personnel and payroll
 3299 officers and to explain their respective responsibilities in
 3300 conjunction with the retirement programs.

3301 (11) PARTICIPANT INFORMATION REQUIREMENTS.--The board
 3302 shall ensure that each participant is provided a quarterly
 3303 statement that accounts for the contributions made on behalf of
 3304 such participant; the interest and investment earnings thereon;

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3305 and any fees, penalties, or other deductions that apply thereto.

3306 At a minimum, such statements must:

3307 (a) Indicate the participant's investment options.

3308 (b) State the market value of the account at the close of
3309 the current quarter and previous quarter.

3310 (c) Show account gains and losses for the period and
3311 changes in account accumulation unit values for the period.

3312 (d) Itemize account contributions for the quarter.

3313 (e) Indicate any account changes due to adjustment of
3314 contribution levels, reallocation of contributions, balance
3315 transfers, or withdrawals.

3316 (f) Set forth any fees, charges, penalties, and deductions
3317 that apply to the account.

3318 (g) Indicate the amount of the account in which the
3319 participant is fully vested and the amount of the account in
3320 which the participant is not vested.

3321 (h) Indicate each investment product's performance
3322 relative to an appropriate market benchmark.

3323

3324 The third-party administrator shall provide quarterly and annual
3325 summary reports to the board and any other reports requested by
3326 ~~the department or~~ the board. In any solicitation or offer of
3327 coverage under an optional retirement program, a provider
3328 company shall be governed by the contract readability provisions
3329 of s. 627.4145, notwithstanding s. 627.4145(6)(c). In addition,
3330 all descriptive materials must be prepared under the assumption
3331 that the participant is an unsophisticated investor. Provider
3332 companies must maintain an internal system of quality assurance,
3333 have proven functional systems that are date-calculation

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3334 compliant, and be subject to a due-diligence inquiry that proves
 3335 their capacity and fitness to undertake service
 3336 responsibilities.

3337 (19) PARTICIPANT RECORDS.--All personal identifying
 3338 information regarding a participant in the Public Employee
 3339 Optional Retirement Program contained in Florida Retirement
 3340 System records held by the State Board of Administration ~~or the~~
 3341 ~~Department of Management Services,~~ or its their agents,
 3342 employees, or contractors is exempt from the provisions of s.
 3343 119.07(1) and s. 24(a), Art. I of the State Constitution. The
 3344 ~~department or~~ board may use such exempt information as necessary
 3345 in any legal or administrative proceeding. This subsection is
 3346 subject to the Open Government Sunset Review Act of 1995 in
 3347 accordance with s. 119.15, and shall stand repealed October 2,
 3348 2007, unless reviewed and saved from repeal through reenactment
 3349 by the Legislature.

3350 Section 42. Section 121.4503, Florida Statutes, is amended
 3351 to read:

3352 121.4503 Florida Retirement System Contributions Clearing
 3353 Trust Fund.--

3354 (1) The Florida Retirement System Contributions Clearing
 3355 Trust Fund is created in the State Treasury as a clearing fund
 3356 for disbursing employer contributions to the component plans of
 3357 the Florida Retirement System and shall be administered by the
 3358 State Board of Administration ~~Department of Management Services~~.
 3359 Funds shall be credited to the trust fund as provided in this
 3360 chapter and shall be held in trust for the contributing
 3361 employers until such time as the assets are transferred by the
 3362 board ~~department~~ to the Florida Retirement System Trust Fund,

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3363 the Public Employee Optional Retirement Program Trust Fund, or
 3364 other trust funds as authorized by law, to be used for the
 3365 purposes of this chapter. The trust fund is exempt from the
 3366 service charges imposed by s. 215.20.

3367 (2) The Florida Retirement System Contributions Clearing
 3368 Trust Fund is a clearing trust fund of the State Board of
 3369 Administration ~~Department of Management Services~~ pursuant to s.
 3370 19(f), Art. III of the State Constitution, and is not subject to
 3371 termination.

3372 (3) The State Board of Administration ~~Department of~~
 3373 ~~Management Services~~ may adopt rules governing the receipt and
 3374 disbursement of amounts received by the Florida Retirement
 3375 System Contributions Clearing Trust Fund from employers
 3376 contributing to the component plans of the Florida Retirement
 3377 System.

3378 Section 43. Section 121.591, Florida Statutes, is amended
 3379 to read:

3380 121.591 Benefits payable under the Public Employee
 3381 Optional Retirement Program of the Florida Retirement
 3382 System.--Benefits may not be paid under this section unless the
 3383 member has terminated employment as provided in s.
 3384 121.021(39)(a) or is deceased and a proper application has been
 3385 filed in the manner prescribed by the state board or the
 3386 division ~~department~~. The state board or division ~~department~~, as
 3387 appropriate, may cancel an application for retirement benefits
 3388 when the member or beneficiary fails to timely provide the
 3389 information and documents required by this chapter and the rules
 3390 of the state board and division ~~department~~. In accordance with
 3391 their respective responsibilities as provided herein, the State

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3392 Board of Administration and the division ~~Department of~~
 3393 ~~Management Services~~ shall adopt rules establishing procedures
 3394 for application for retirement benefits and for the cancellation
 3395 of such application when the required information or documents
 3396 are not received.

3397 (1) NORMAL BENEFITS.--Under the Public Employee Optional
 3398 Retirement Program:

3399 (a) Benefits in the form of vested accumulations as
 3400 described in s. 121.4501(6) shall be payable under this
 3401 subsection in accordance with the following terms and
 3402 conditions:

3403 1. To the extent vested, benefits shall be payable only to
 3404 a participant.

3405 2. Benefits shall be paid by the third-party administrator
 3406 or designated approved providers in accordance with the law, the
 3407 contracts, and any applicable board rule or policy.

3408 3. To receive benefits under this subsection, the
 3409 participant must be terminated from all employment with all
 3410 Florida Retirement System employers, as provided in s.
 3411 121.021(39).

3412 (b) If a participant elects to receive his or her benefits
 3413 upon termination of employment, the participant must submit a
 3414 written application to the third-party administrator indicating
 3415 his or her preferred distribution date and selecting an
 3416 authorized method of distribution as provided in paragraph (c).
 3417 The participant may defer receipt of benefits until he or she
 3418 chooses to make such application, subject to federal
 3419 requirements.

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3420 (c) Upon receipt by the third-party administrator of a
 3421 properly executed application for distribution of benefits, the
 3422 total accumulated benefit shall be payable to the participant,
 3423 as:

- 3424 1. A lump-sum distribution to the participant;
- 3425 2. A lump-sum direct rollover distribution whereby all
 3426 accrued benefits, plus interest and investment earnings, are
 3427 paid from the participant's account directly to the custodian of
 3428 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
 3429 the Internal Revenue Code, on behalf of the participant; or
- 3430 3. Periodic distributions, as authorized by the state
 3431 board.

3432 (2) DISABILITY RETIREMENT BENEFITS.--Benefits provided
 3433 under this subsection are payable in lieu of the benefits which
 3434 would otherwise be payable under the provisions of subsection
 3435 (1). Such benefits shall be funded entirely from employer
 3436 contributions made under s. 121.571, transferred participant
 3437 funds accumulated pursuant to paragraph (a), and interest and
 3438 earnings thereon. Pursuant thereto:

3439 (a) Transfer of funds.--To qualify to receive monthly
 3440 disability benefits under this subsection:

- 3441 1. All moneys accumulated in the participant's Public
 3442 Employee Optional Retirement Program accounts, including vested
 3443 and nonvested accumulations as described in s. 121.4501(6),
 3444 shall be transferred from such individual accounts to the
 3445 Division of Retirement for deposit in the disability account of
 3446 the Florida Retirement System Trust Fund. Such moneys shall be
 3447 separately accounted for. Earnings shall be credited on an
 3448 annual basis for amounts held in the disability accounts of the

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3449 Florida Retirement System Trust Fund based on actual earnings of
 3450 the Florida Retirement System Trust Fund.

3451 2. If the participant has retained retirement credit he or
 3452 she had earned under the defined benefit program of the Florida
 3453 Retirement System as provided in s. 121.4501(3)(b), a sum
 3454 representing the actuarial present value of such credit within
 3455 the Florida Retirement System Trust Fund shall be reassigned by
 3456 the Division of Retirement from the defined benefit program to
 3457 the disability program as implemented under this subsection and
 3458 shall be deposited in the disability account of the Florida
 3459 Retirement System Trust Fund. Such moneys shall be separately
 3460 accounted for.

3461 (b) Disability retirement; entitlement.--

3462 1. A participant of the Public Employee Optional
 3463 Retirement Program who becomes totally and permanently disabled,
 3464 as defined in s. 121.091(4)(b), after completing 8 years of
 3465 creditable service, or a participant who becomes totally and
 3466 permanently disabled in the line of duty regardless of his or
 3467 her length of service, shall be entitled to a monthly disability
 3468 benefit as provided herein.

3469 2. In order for service to apply toward the 8 years of
 3470 service required to vest for regular disability benefits, or
 3471 toward the creditable service used in calculating a service-
 3472 based benefit as provided for under paragraph (g), the service
 3473 must be creditable service as described below:

3474 a. The participant's period of service under the Public
 3475 Employee Optional Retirement Program will be considered
 3476 creditable service, except as provided in subparagraph d.

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3477 b. If the participant has elected to retain credit for his
 3478 or her service under the defined benefit program of the Florida
 3479 Retirement System as provided under s. 121.4501(3)(b), all such
 3480 service will be considered creditable service.

3481 c. If the participant has elected to transfer to his or
 3482 her participant accounts a sum representing the present value of
 3483 his or her retirement credit under the defined benefit program
 3484 as provided under s. 121.4501(3)(c), the period of service under
 3485 the defined benefit program represented in the present value
 3486 amounts transferred will be considered creditable service for
 3487 purposes of vesting for disability benefits, except as provided
 3488 in subparagraph d.

3489 d. Whenever a participant has terminated employment and
 3490 has taken distribution of his or her funds as provided in
 3491 subsection (1), all creditable service represented by such
 3492 distributed funds is forfeited for purposes of this subsection.

3493 (c) Disability retirement effective date.--The effective
 3494 retirement date for a participant who applies and is approved
 3495 for disability retirement shall be established as provided under
 3496 s. 121.091(4)(a)2. and 3.

3497 (d) Total and permanent disability.--A participant shall
 3498 be considered totally and permanently disabled if, in the
 3499 opinion of the division, he or she is prevented, by reason of a
 3500 medically determinable physical or mental impairment, from
 3501 rendering useful and efficient service as an officer or
 3502 employee.

3503 (e) Proof of disability.--The division, before approving
 3504 payment of any disability retirement benefit, shall require
 3505 proof that the participant is totally and permanently disabled

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3506 in the same manner as provided for members of the defined
 3507 benefit program of the Florida Retirement System under s.
 3508 121.091(4)(c).

3509 (f) Disability retirement benefit.--Upon the disability
 3510 retirement of a participant under this subsection, the
 3511 participant shall receive a monthly benefit that shall begin to
 3512 accrue on the first day of the month of disability retirement,
 3513 as approved by the division, and shall be payable on the last
 3514 day of that month and each month thereafter during his or her
 3515 lifetime and continued disability. All disability benefits
 3516 payable to such member shall be paid out of the disability
 3517 account of the Florida Retirement System Trust Fund established
 3518 under this subsection.

3519 (g) Computation of disability retirement benefit.--The
 3520 amount of each monthly payment shall be calculated in the same
 3521 manner as provided for members of the defined benefit program of
 3522 the Florida Retirement System under s. 121.091(4)(f). For such
 3523 purpose, creditable service under both the defined benefit
 3524 program and the Public Employee Optional Retirement Program of
 3525 the Florida Retirement System shall be applicable as provided
 3526 under paragraph (b).

3527 (h) Reapplication.--A participant whose initial
 3528 application for disability retirement has been denied may
 3529 reapply for disability benefits in the same manner, and under
 3530 the same conditions, as provided for members of the defined
 3531 benefit program of the Florida Retirement System under s.
 3532 121.091(4)(g).

3533 (i) Membership.--Upon approval of an application for
 3534 disability benefits under this subsection, the applicant shall

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3535 be transferred to the defined benefit program of the Florida
 3536 Retirement System, effective upon his or her disability
 3537 retirement effective date.

3538 (j) Option to cancel.--Any participant whose application
 3539 for disability benefits is approved may cancel his or her
 3540 application for disability benefits, provided that the
 3541 cancellation request is received by the division before a
 3542 disability retirement warrant has been deposited, cashed, or
 3543 received by direct deposit. Upon such cancellation:

3544 1. The participant's transfer to the defined benefit
 3545 program under paragraph (i) shall be nullified;

3546 2. The participant shall be retroactively reinstated in
 3547 the Public Employee Optional Retirement Program without hiatus;

3548 3. All funds transferred to the Florida Retirement System
 3549 Trust Fund under paragraph (a) shall be returned to the
 3550 participant accounts from which such funds were drawn; and

3551 4. The participant may elect to receive the benefit
 3552 payable under the provisions of subsection (1) in lieu of
 3553 disability benefits as provided under this subsection.

3554 (k) Recovery from disability.--

3555 1. The division may require periodic reexaminations at the
 3556 expense of the disability program account of the Florida
 3557 Retirement System Trust Fund. Except as otherwise provided in
 3558 subparagraph 2., the requirements, procedures, and restrictions
 3559 relating to the conduct and review of such reexaminations,
 3560 discontinuation or termination of benefits, reentry into
 3561 employment, disability retirement after reentry into covered
 3562 employment, and all other matters relating to recovery from

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3563 disability shall be the same as are set forth under s.

3564 121.091(4)(h).

3565 2. Upon recovery from disability, any recipient of
 3566 disability retirement benefits under this subsection shall be a
 3567 compulsory member of the Public Employee Optional Retirement
 3568 Program of the Florida Retirement System. The net difference
 3569 between the recipient's original account balance transferred to
 3570 the Florida Retirement System Trust Fund, including earnings,
 3571 under paragraph (a) and total disability benefits paid to such
 3572 recipient, if any, shall be determined as provided in sub-
 3573 subparagraph a.

3574 a. An amount equal to the total benefits paid shall be
 3575 subtracted from that portion of the transferred account balance
 3576 consisting of vested accumulations as described under s.
 3577 121.4501(6), if any, and an amount equal to the remainder of
 3578 benefit amounts paid, if any, shall then be subtracted from any
 3579 remaining portion consisting of nonvested accumulations as
 3580 described under s. 121.4501(6).

3581 b. Amounts subtracted under sub-subparagraph a. shall be
 3582 retained within the disability account of the Florida Retirement
 3583 System Trust Fund. Any remaining account balance shall be
 3584 transferred to the third-party administrator for disposition as
 3585 provided under sub-subparagraph c. or sub-subparagraph d., as
 3586 appropriate.

3587 c. If the recipient returns to covered employment,
 3588 transferred amounts shall be deposited in individual accounts
 3589 under the Public Employee Optional Retirement Program, as
 3590 directed by the participant. Vested and nonvested amounts shall
 3591 be separately accounted for as provided in s. 121.4501(6).

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3592 d. If the recipient fails to return to covered employment
3593 upon recovery from disability:

3594 (I) Any remaining vested amount shall be deposited in
3595 individual accounts under the Public Employee Optional
3596 Retirement Program, as directed by the participant, and shall be
3597 payable as provided in subsection (1).

3598 (II) Any remaining nonvested amount shall be held in a
3599 suspense account and shall be forfeitable after 5 years as
3600 provided in s. 121.4501(6).

3601 3. If present value was reassigned from the defined
3602 benefit program to the disability program of the Florida
3603 Retirement System as provided under subparagraph (a)2., the full
3604 present value amount shall be returned to the defined benefit
3605 account within the Florida Retirement System Trust Fund and the
3606 affected individual's associated retirement credit under the
3607 defined benefit program shall be reinstated in full. Any benefit
3608 based upon such credit shall be calculated as provided in s.
3609 121.091(4)(h)1.

3610 (1) Nonadmissible causes of disability.--A participant
3611 shall not be entitled to receive a disability retirement benefit
3612 if the disability results from any injury or disease sustained
3613 or inflicted as described in s. 121.091(4)(i).

3614 (m) Disability retirement of justice or judge by order of
3615 Supreme Court.--

3616 1. If a participant is a justice of the Supreme Court,
3617 judge of a district court of appeal, circuit judge, or judge of
3618 a county court who has served for 6 years or more as an elected
3619 constitutional judicial officer, including service as a judicial
3620 officer in any court abolished pursuant to Art. V of the State

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3621 Constitution, and who is retired for disability by order of the
 3622 Supreme Court upon recommendation of the Judicial Qualifications
 3623 Commission pursuant to the provisions of Art. V of the State
 3624 Constitution, the participant's Option 1 monthly disability
 3625 benefit amount as provided in s. 121.091(6)(a)1. shall be two-
 3626 thirds of his or her monthly compensation as of the
 3627 participant's disability retirement date. Such a participant
 3628 may alternatively elect to receive an actuarially adjusted
 3629 disability retirement benefit under any other option as provided
 3630 in s. 121.091(6)(a), or to receive the normal benefit payable
 3631 under the Public Employee Optional Retirement Program as set
 3632 forth in subsection (1).

3633 2. If any justice or judge who is a participant of the
 3634 Public Employee Optional Retirement Program of the Florida
 3635 Retirement System is retired for disability by order of the
 3636 Supreme Court upon recommendation of the Judicial Qualifications
 3637 Commission pursuant to the provisions of Art. V of the State
 3638 Constitution and elects to receive a monthly disability benefit
 3639 under the provisions of this paragraph:

3640 a. Any present value amount that was transferred to his or
 3641 her program account and all employer contributions made to such
 3642 account on his or her behalf, plus interest and earnings
 3643 thereon, shall be transferred to and deposited in the disability
 3644 account of the Florida Retirement System Trust Fund; and

3645 b. The monthly benefits payable under this paragraph for
 3646 any affected justice or judge retired from the Florida
 3647 Retirement System pursuant to Art. V of the State Constitution
 3648 shall be paid from the disability account of the Florida
 3649 Retirement System Trust Fund.

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3650 (n) Death of retiree or beneficiary.--Upon the death of a
 3651 disabled retiree or beneficiary thereof who is receiving monthly
 3652 benefits under this subsection, the monthly benefits shall be
 3653 paid through the last day of the month of death and shall
 3654 terminate, or be adjusted, if applicable, as of that date in
 3655 accordance with the optional form of benefit selected at the
 3656 time of retirement. The deceased disabled retiree's beneficiary
 3657 shall also receive the amount of the participant's remaining
 3658 account balance, if any, in the Florida Retirement System Trust
 3659 Fund. The Division of Retirement ~~Department of Management~~
 3660 ~~Services~~ may adopt rules necessary to administer this paragraph.

3661 (3) DEATH BENEFITS.--Under the Public Employee Optional
 3662 Retirement Program:

3663 (a) Survivor benefits shall be payable in accordance with
 3664 the following terms and conditions:

3665 1. To the extent vested, benefits shall be payable only to
 3666 a participant's beneficiary or beneficiaries as designated by
 3667 the participant. If a participant designates a primary
 3668 beneficiary other than the participant's spouse, the
 3669 participant's spouse shall be notified of the designation. This
 3670 requirement shall not apply to the designation of one or more
 3671 contingent beneficiaries to receive any benefits remaining upon
 3672 the death of the primary beneficiary or beneficiaries.

3673 2. Benefits shall be paid by the third-party administrator
 3674 or designated approved providers in accordance with the law, the
 3675 contracts, and any applicable board rule or policy.

3676 3. To receive benefits under this subsection, the
 3677 participant must be deceased.

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3678 (b) In the event of a participant's death, all vested
 3679 accumulations as described in s. 121.4501(6), less withholding
 3680 taxes remitted to the Internal Revenue Service, shall be
 3681 distributed, as provided in paragraph (c), to the participant's
 3682 designated beneficiary or beneficiaries, or to the participant's
 3683 estate, as if the participant retired on the date of death. No
 3684 other death benefits shall be available for survivors of
 3685 participants under the Public Employee Optional Retirement
 3686 Program, except for such benefits, or coverage for such
 3687 benefits, as are otherwise provided by law or are separately
 3688 afforded by the employer, at the employer's discretion.

3689 (c) Upon receipt by the third-party administrator of a
 3690 properly executed application for distribution of benefits, the
 3691 total accumulated benefit shall be payable by the third-party
 3692 administrator to the participant's surviving beneficiary or
 3693 beneficiaries, as:

3694 1. A lump-sum distribution payable to the beneficiary or
 3695 beneficiaries, or to the deceased participant's estate;

3696 2. An eligible rollover distribution on behalf of the
 3697 surviving spouse of a deceased participant, whereby all accrued
 3698 benefits, plus interest and investment earnings, are paid from
 3699 the deceased participant's account directly to the custodian of
 3700 an eligible retirement plan, as described in s. 402(c)(8)(B) of
 3701 the Internal Revenue Code, on behalf of the surviving spouse; or

3702 3. A partial lump-sum payment whereby a portion of the
 3703 accrued benefit is paid to the deceased participant's surviving
 3704 spouse or other designated beneficiaries, less withholding taxes
 3705 remitted to the Internal Revenue Service, and the remaining
 3706 amount is transferred directly to the custodian of an eligible

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3707 retirement plan, as described in s. 402(c)(8)(B) of the Internal
 3708 Revenue Code, on behalf of the surviving spouse. The proportions
 3709 must be specified by the participant or the surviving
 3710 beneficiary.

3711
 3712 This paragraph does not abrogate other applicable provisions of
 3713 state or federal law providing for payment of death benefits.

3714 (4) LIMITATION ON LEGAL PROCESS.--The benefits payable to
 3715 any person under the Public Employee Optional Retirement
 3716 Program, and any contributions accumulated under such program,
 3717 are not subject to assignment, execution, attachment, or any
 3718 legal process, except for qualified domestic relations orders by
 3719 a court of competent jurisdiction, income deduction orders as
 3720 provided in s. 61.1301, and federal income tax levies.

3721 Section 44. Section 121.5911, Florida Statutes, is amended
 3722 to read:

3723 121.5911 Disability retirement program; qualified status;
 3724 rulemaking authority.--It is the intent of the Legislature that
 3725 the disability retirement program for participants of the Public
 3726 Employee Optional Retirement Program as created in this act must
 3727 meet all applicable requirements of federal law for a qualified
 3728 plan. The Department of Management Services or the Division of
 3729 Retirement shall seek a private letter ruling from the Internal
 3730 Revenue Service on the disability retirement program for
 3731 participants of the Public Employee Optional Retirement Program.
 3732 Consistent with the private letter ruling, the division
 3733 ~~Department of Management Services~~ shall adopt any necessary
 3734 rules required to maintain the qualified status of the

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3735 disability retirement program and the Florida Retirement System
3736 defined benefit plan.

3737 Section 45. Subsection (1) of section 121.72, Florida
3738 Statutes, is amended to read:

3739 121.72 Allocations to optional retirement program
3740 participant accounts; percentage amounts.--

3741 (1) The allocations established in subsection (4) shall
3742 fund retirement benefits under the optional retirement program
3743 and shall be transferred monthly by the State Board of
3744 Administration ~~Division of Retirement~~ from the Florida
3745 Retirement System Contributions Clearing Trust Fund to the
3746 third-party administrator for deposit in each participating
3747 employee's individual account based on the membership class of
3748 the participant.

3749 Section 46. Subsection (1) of section 121.73, Florida
3750 Statutes, is amended to read:

3751 121.73 Allocations for optional retirement program
3752 participant disability coverage; percentage amounts.--

3753 (1) The allocations established in subsection (3) shall be
3754 used to provide disability coverage for participants in the
3755 optional retirement program and shall be transferred monthly by
3756 the State Board of Administration ~~Division of Retirement~~ from
3757 the Florida Retirement System Contributions Clearing Trust Fund
3758 to the disability account of the Florida Retirement System Trust
3759 Fund.

3760 Section 47. Section 121.74, Florida Statutes, is amended
3761 to read:

3762 121.74 Administrative and educational expenses.--Effective
3763 July 1, 2003, in addition to contributions required under s.

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3764 121.71, employers participating in the Florida Retirement System
 3765 shall contribute an amount equal to 0.10 percent of the payroll
 3766 reported for each class or subclass of Florida Retirement System
 3767 membership, which amount shall be transferred by the State Board
 3768 of Administration ~~Division of Retirement~~ from the Florida
 3769 Retirement System Contributions Clearing Trust Fund to the
 3770 board's ~~State Board of Administration's~~ Administrative Trust
 3771 Fund to offset the costs of administering the optional
 3772 retirement program and the costs of providing educational
 3773 services to participants in the defined benefit program and the
 3774 optional retirement program. Approval of the Trustees of the
 3775 State Board of Administration is required prior to the
 3776 expenditure of these funds. Payments for third-party
 3777 administrative or educational expenses shall be made only
 3778 pursuant to the terms of the approved contracts for such
 3779 services.

3780 Section 48. Subsections (1) and (6) of section 122.02,
 3781 Florida Statutes, are amended to read:

3782 122.02 Definitions.--The following words and phrases as
 3783 used in this chapter shall have the following meaning unless a
 3784 different meaning is plainly required by the context:

3785 (1) "State and county officers and employees" shall
 3786 include all full-time officers or employees who receive
 3787 compensation for services rendered from state or county funds,
 3788 or from funds of drainage districts or mosquito control
 3789 districts of a county or counties, or from funds of the State
 3790 Board of Administration or from funds of closed bank
 3791 receivership accounts or from funds of any state institution or
 3792 who receive compensation for employment or service from any

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3793 agency, branch, department, institution or board of the state,
 3794 or any county of the state, for service rendered the state or
 3795 county from funds from any source provided for their employment
 3796 or service regardless of whether the same is paid by state or
 3797 county warrant or not; provided that such compensation in
 3798 whatever form paid shall be specified in terms of fixed monthly
 3799 salaries by the employing state or county agency or state or
 3800 county official and shall not include amounts allowed for
 3801 professional employees for special or particular service or for
 3802 subsistence or travel expenses; provided further the division
 3803 ~~department~~ shall prescribe appropriate procedure for
 3804 contribution deduction out of such compensation in accordance
 3805 with the provisions of this chapter, provided further that such
 3806 officers and employees defined herein shall not include those
 3807 officers and employees excepted from the provisions by s. 122.18
 3808 of this law.

3809 (6) "Division" means the Division of Retirement of the
 3810 State Board of Administration ~~"Department" means the Department~~
 3811 ~~of Management Services.~~

3812 Section 49. Paragraph (d) of subsection (6) and subsection
 3813 (9) of section 122.03, Florida Statutes, are amended to read:

3814 122.03 Contributions; participants; prior service
 3815 credit.--

3816 (6) Any officer or employee who held office or was
 3817 employed by the state or a county of the state continuously from
 3818 May 1, 1959, and who has not previously received credit for, or
 3819 is not eligible to claim credit for, prior years of service
 3820 under subsection (2); or any officer or employee who holds
 3821 office or is employed by the state or a county of the state on

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3822 June 1, 1961, and is continuously employed; or any officer or
 3823 employee who holds office or is employed by the state or county
 3824 of the state after June 1, 1961, and who is continuously
 3825 employed for 3 years, during which period of time no back
 3826 payments may be made:

3827 (d) Prior service allowance may be made only for those
 3828 periods in which state or county records of service and salary
 3829 are available, or at least three affidavits and such other
 3830 information as might be required by the division ~~department~~ to
 3831 meet the provisions of this law.

3832 (9) The surviving spouse or other dependent of any member
 3833 whose employment is terminated by death shall, upon application
 3834 to the division ~~department~~, be permitted to pay the required
 3835 contributions for any service performed by the member which
 3836 could have been claimed by the member at the time of death. Such
 3837 service shall be added to the creditable service of the member
 3838 and shall be used in the calculation of any benefits which may
 3839 be payable to the surviving spouse or other surviving dependent.

3840 Section 50. Subsection (2) of section 122.05, Florida
 3841 Statutes, is amended to read:

3842 122.05 Legislator services included.--

3843 (2) The division ~~department~~ and state officials
 3844 administering such ~~said~~ retirement system shall make the
 3845 contribution deductions required by law from the compensation
 3846 hereafter received by any of the ~~said~~ participating members of
 3847 the Legislature for service rendered the State Legislature in
 3848 the same manner as in the case of other state employment.

3849 Section 51. Subsection (2) of section 122.06, Florida
 3850 Statutes, is amended to read:

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3851 122.06 Legislative employee services included.--

3852 (2) The division ~~department~~ and other state officials
 3853 administering such ~~said~~ retirement system shall make the
 3854 contribution deductions required by law from the compensation
 3855 hereafter received by any of the such ~~said~~ participating
 3856 attaches for service rendered the State Legislature in the same
 3857 manner as in the case of other state employment.

3858 Section 52. Subsection (2) of section 122.07, Florida
 3859 Statutes, is amended to read:

3860 122.07 Seasonal state employment included; time limit and
 3861 procedure for claiming.--

3862 (2) Any state employee as described in subsection (1) in
 3863 the classification set forth in s. 122.01 may elect to receive
 3864 credit as a state employee under the State and County Officers
 3865 and Employees' Retirement System by providing to the division
 3866 ~~department~~ a statement from the state in which he or she was
 3867 employed, listing days employed and monthly earnings and such
 3868 other information as may, in the opinion of the division
 3869 ~~department~~, be necessary or appropriate in the carrying out of
 3870 this section. Credit shall be granted upon payment to the
 3871 division ~~department~~ by such employee of an amount equal to the
 3872 total retirement contribution that would have been required had
 3873 the member worked in this state during the period based on the
 3874 salary drawn by such employee during his or her last full month
 3875 of employment by the state or any department thereof for each
 3876 month during said fiscal year for which such employee was not
 3877 employed by the state or any department thereof, but was
 3878 employed by some other state, plus interest compounded annually
 3879 each June 30 from the date of the service in another state to

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3880 the date of payment at the rate of 4 percent until July 1, 1975,
 3881 and 6.5 percent thereafter. The member shall have until his or
 3882 her date of retirement to claim and purchase credit for such
 3883 employment in another state.

3884 Section 53. Paragraph (a) of subsection (1), paragraph (b)
 3885 of subsection (4), and subsections (5) and (9) of section
 3886 122.08, Florida Statutes, are amended to read:

3887 122.08 Requirements for retirement;
 3888 classifications.--There shall be two retirement classifications
 3889 for all state and county officers and employees participating
 3890 herein as hereafter provided in this section:

3891 (1)(a) Any state or county officer or employee who has
 3892 attained normal retirement age, which shall be age 60 for a
 3893 person who had become a member prior to July 1, 1963, and age 62
 3894 for a person who had or shall become a member on or after July
 3895 1, 1963, and has accumulated at least 10 years' service in the
 3896 aggregate within the contemplation of this law, and who has made
 3897 or makes contributions to the State and County Officers and
 3898 Employees' Retirement Trust Fund for 5 or more years as
 3899 prescribed in this law, may voluntarily retire from office or
 3900 employment and be entitled to receive retirement compensation,
 3901 the amount of which shall be 2 percent for each year of service
 3902 rendered, based upon the average final compensation, payable in
 3903 equal monthly installments, upon his or her own requisition.
 3904 Requisition requirements shall be set by the division
 3905 ~~department~~.

3906 (4)

3907 (b) A member who elects an option in paragraph (a) shall
 3908 on a form provided for that purpose designate his or her spouse

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3909 as beneficiary to receive the benefits which continue to be
 3910 payable upon the death of the member. After such benefits have
 3911 commenced under an option in paragraph (a), the retired member
 3912 may change the designation of his or her spouse as beneficiary
 3913 only twice. If such a retired member remarries and wishes to
 3914 make such a change, he or she may do so by filing with the
 3915 division ~~department~~ a notarized change of spouse designation
 3916 form and shall notify the former spouse in writing of such
 3917 change. Upon receipt of a completed change of spouse designation
 3918 form, the division ~~department~~ shall adjust the member's monthly
 3919 benefit by the application of actuarial tables and calculations
 3920 developed to ensure that the benefit paid is the actuarial
 3921 equivalent of the present value of the member's current benefit.
 3922 The consent of a retired member's formerly designated spouse as
 3923 beneficiary to any such change shall not be required.

3924 (5) Tables for computing the actuarial equivalent shall be
 3925 approved by the division ~~department~~.

3926 (9) Notwithstanding any other provision in this chapter to
 3927 the contrary, the following provisions shall apply to any
 3928 officer or employee who has accumulated at least 10 years of
 3929 service and dies:

3930 (a) If the deceased member's surviving spouse has
 3931 previously received a refund of the member's contributions made
 3932 to the retirement trust fund, such spouse may pay to the
 3933 division ~~department~~ an amount equal to the sum of the amount of
 3934 the deceased member's contributions previously refunded and
 3935 interest at 3 percent compounded annually on the amount of such
 3936 refunded contributions from the date of refund until July 1,
 3937 1975, and thereafter at the rate of 6.5 percent interest

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3938 compounded annually to the date of payment to the division
 3939 ~~department~~, and by so doing be entitled to receive the monthly
 3940 retirement benefit provided in paragraph (c).

3941 (b) If the deceased member's surviving spouse has not
 3942 received a refund of the deceased member's contributions, such
 3943 spouse shall, upon application to the division ~~department~~,
 3944 receive the monthly retirement benefit provided in paragraph
 3945 (c).

3946 (c) The monthly benefit payable to the spouse described in
 3947 paragraph (a) or paragraph (b) shall be the amount which would
 3948 have been payable to the deceased member's spouse, assuming that
 3949 the member retired on the date of death and had selected the
 3950 option in subsection (4) which would afford the surviving spouse
 3951 the greatest amount of benefits, such benefit to be based on the
 3952 ages of the spouse and member as of the date of death of the
 3953 member. Such benefit shall commence on the first day of the
 3954 month following the payment of the aforesaid amount to the
 3955 division ~~department~~, if paragraph (a) is applicable, or on the
 3956 first day of the month following the receipt of the spouse's
 3957 application by the division ~~department~~, if paragraph (b) is
 3958 applicable.

3959 Section 54. Section 122.09, Florida Statutes, is amended
 3960 to read:

3961 122.09 Disability retirement; medical
 3962 examinations.--Whenever any officer or employee of the state or
 3963 county of the state has service credit as such officer or
 3964 employee for 10 years within the contemplation of this law, the
 3965 last 5 years of which, except for a single break not to exceed 1
 3966 year, must be continuous, unbroken service and who is regularly

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3967 contributing to the State and County Officers and Employees'
 3968 Retirement Trust Fund and shall while holding such office or
 3969 employment become permanently and totally disabled, physically
 3970 or mentally, or both, from rendering useful and efficient
 3971 service as such officer or employee, such officer or employee
 3972 may retire from his or her office or employment, and upon such
 3973 retirement the officer or employee shall be paid, so long as the
 3974 permanent and total disability continues, on his or her own
 3975 monthly requisition, from the State and County Officers and
 3976 Employees' Retirement Trust Fund hereinafter established,
 3977 retirement compensation as provided in s. 122.08; provided that
 3978 no officer or employee retiring under this section shall receive
 3979 less than 50 percent of his or her average final compensation
 3980 not to exceed \$75. No officer or employee of the state and
 3981 county of the state shall be permitted to retire under the
 3982 provisions of this section until examined by a duly qualified
 3983 physician or surgeon or board of physicians and surgeons, to be
 3984 selected by the Governor for that purpose, and found to be
 3985 disabled in the degree and in the manner specified in this
 3986 section. Any officer or employee retiring under this section
 3987 shall be examined periodically by a duly qualified physician or
 3988 surgeon or board of physicians and surgeons to be selected by
 3989 the Governor for that purpose and paid from the retirement trust
 3990 fund herein provided for, at such time as the division
 3991 ~~Department of Management Services~~ shall direct to determine if
 3992 such total disability has continued and in the event it be
 3993 disclosed by said examination that said total disability has
 3994 ceased to exist, then such officer or employee shall forthwith
 3995 cease to be paid benefits under this section. Reference to s.

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3996 122.08 is for the purpose of computing benefits only. Any
 3997 person heretofore retired under this section shall be eligible
 3998 to qualify for the minimum benefits provided herein; however,
 3999 minimum benefits shall not be paid retroactively.

4000 Section 55. Subsection (4) of section 122.10, Florida
 4001 Statutes, is amended to read:

4002 122.10 Separation from service; refund of contributions.--

4003 (4) Should any officer or employee elect to receive a
 4004 refund as provided in this section, his or her application for
 4005 refund shall be submitted in the manner prescribed by the
 4006 regulations adopted by the division ~~department~~ and shall
 4007 accompany the payroll certification, submitted to the division
 4008 ~~department~~, on which he or she was last paid prior to
 4009 termination. The division ~~department~~ shall pay the entire
 4010 refund due within 45 days after the first day of the month
 4011 subsequent to receipt of such application for refund and said
 4012 payroll certification.

4013 Section 56. Subsection (1) of section 122.12, Florida
 4014 Statutes, is amended to read:

4015 122.12 Designation of beneficiary; death of participant;
 4016 forfeiture of contributions after benefits paid; survivor
 4017 benefits.--

4018 (1) Any officer or employee may file, in writing, a
 4019 designation of beneficiary and it shall be the duty of the
 4020 division ~~department~~ to refund 100 percent, without interest, of
 4021 the contributions made to the retirement trust fund by such
 4022 deceased officer or employee to such designated beneficiary.
 4023 The officer or employee shall have the privilege of changing, in
 4024 writing, the designated beneficiary at any time. Upon failure to

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4025 designate a beneficiary, the refund shall be made to the persons
 4026 in the same order as designated in s. 222.15, for wages due
 4027 deceased employees. If the deceased officer or employee has
 4028 received any benefits under this law, no refund shall be made
 4029 unless such officer or employee has elected to accept benefits
 4030 under s. 122.08(3) or (4).

4031 Section 57. Section 122.13, Florida Statutes, is amended
 4032 to read:

4033 122.13 Administration of law; appropriation.--The division
 4034 ~~department~~ shall make such rules as are necessary for the
 4035 effective administration of this chapter, and the cost is hereby
 4036 annually appropriated and shall be paid into the State and
 4037 County Officers and Employees' Retirement Trust Fund out of the
 4038 Intangible Tax Fund in the State Treasury in the amount
 4039 necessary to administer efficiently the state and county
 4040 retirement law. At the end of each fiscal year, beginning with
 4041 fiscal year 1959-1960, the administrative cost of the state and
 4042 county retirement system for the fiscal year just ended shall be
 4043 refunded to the General Revenue Fund from interest earned on
 4044 investments made subsequent to June 30, 1959.

4045 Section 58. Subsection (2) of section 122.15, Florida
 4046 Statutes, is amended to read:

4047 122.15 Benefits exempt from taxes and execution.--

4048 (2) This subsection shall have no effect upon this section
 4049 except that the division ~~department~~ may, upon written request
 4050 from the retired member, deduct premiums for group
 4051 hospitalization insurance from the retirement benefit paid such
 4052 retired member.

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4053 Section 59. Paragraph (b) of subsection (2) of section
 4054 122.16, Florida Statutes, is amended to read:

4055 122.16 Employment after retirement.--

4056 (2)

4057 (b) Any person to whom the limitation in paragraph (a)
 4058 applies who violates such reemployment limitation and is
 4059 reemployed with any agency participating in the Florida
 4060 Retirement System prior to completion of the 12-month limitation
 4061 period shall give timely notice of this fact in writing to his
 4062 or her employer and to the division ~~department~~; and his or her
 4063 retirement benefits shall be suspended for the balance of the
 4064 12-month limitation period. Any person employed in violation of
 4065 this subsection and any employing agency which knowingly employs
 4066 or appoints such person without notifying the division
 4067 ~~department~~ to suspend retirement benefits shall be jointly and
 4068 severally liable for reimbursement to the retirement trust fund
 4069 of any benefits paid during the reemployment limitation period.

4070 To avoid liability, such employing agency shall have a written
 4071 statement from the retiree that he or she is not retired from a
 4072 state-administered retirement system. Any retirement benefits
 4073 received by such person while he or she is reemployed during
 4074 this reemployment limitation period shall be repaid to the
 4075 retirement trust fund, and his or her retirement benefits shall
 4076 remain suspended until such repayment has been made. Any
 4077 benefits suspended beyond the reemployment limitation period
 4078 shall apply toward the repayment of benefits received in
 4079 violation of the reemployment limitation.

4080 Section 60. Subsection (3) of section 122.23, Florida
 4081 Statutes, is amended to read:

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4082 122.23 Definitions; ss. 122.21-122.321.--In addition to
 4083 those definitions set forth in s. 122.02 the following words and
 4084 phrases used in ss. 122.21-122.24, 122.26 to 122.321, inclusive,
 4085 have the respective meanings set forth:

4086 (3) "Division" means the Division of Retirement of the
 4087 State Board of Administration ~~"Department"~~ ~~means the Department~~
 4088 ~~of Management Services.~~

4089 Section 61. Subsections (1) and (5) of section 122.30,
 4090 Florida Statutes, are amended to read:

4091 122.30 Appropriations.--

4092 (1) There is hereby annually appropriated from the
 4093 intangible tax fund of the state to the division ~~department~~ as
 4094 the state agency designated in chapter 650, a sum not to exceed
 4095 \$10,000 to defray the expenses of such agency in connection with
 4096 its continuing duties in relation to the social security
 4097 coverage provided by this law.

4098 (5) In addition to amounts appropriated by other
 4099 provisions of this chapter or other laws to defray cost of
 4100 administration of this system, there is hereby appropriated out
 4101 of the Intangible Tax Fund of the state for use of the division
 4102 ~~department~~ in its administration of the two divisions of this
 4103 system, the sum of \$100,000, or so much thereof as may be
 4104 required for that purpose.

4105 Section 62. Paragraphs (b) and (c) of subsection (1) and
 4106 subsection (11) of section 122.34, Florida Statutes, are amended
 4107 to read:

4108 122.34 Special provisions for certain sheriffs and full-
 4109 time deputy sheriffs.--

4110 (1)

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4111 (b) Only those members who are full-time criminal law
 4112 enforcement officers or agents, as certified by the employing
 4113 authority, who perform duties according to rule, order, or
 4114 established custom as full-time criminal law enforcement
 4115 officers or agents shall be certified to the division ~~department~~
 4116 as high hazard members, and only such members will be approved
 4117 by the division ~~department~~.

4118 (c) The division ~~department~~ shall make such rules as are
 4119 necessary for the effective administration of the intent of this
 4120 section.

4121 (11) No high hazard member shall be permitted to receive
 4122 benefits under this section until examined by a duly qualified
 4123 physician or surgeon, or board of physicians and surgeons, to be
 4124 selected by the Governor for that purpose, and found to be
 4125 disabled in the degree and in the manner specified in this
 4126 section. At such time as the division ~~Department of Management~~
 4127 ~~Services~~ directs, any high hazard member receiving disability
 4128 benefits under this section shall submit to a medical
 4129 examination to determine if such disability has continued, and
 4130 the cost of such examination shall be paid from the retirement
 4131 trust fund herein provided for; and in the event it is declared
 4132 by said examination that said disability has cleared, such
 4133 member shall be ordered to return to active duty with the same
 4134 rank and salary that he or she had at the time of disability.
 4135 Any such member who shall fail to return to duty following such
 4136 order shall forfeit all rights and claims under this law. Every
 4137 high hazard member retiring under this provision shall be paid
 4138 so long as the member's permanent total or partial disability
 4139 continues, on his or her own requisition.

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4140 Section 63. Section 122.351, Florida Statutes, is amended
 4141 to read:

4142 122.351 Funding by local agencies.--Commencing on July 1,
 4143 1969, all county and local agencies covered under the provisions
 4144 of s. 122.35 shall accumulate and be responsible for the payment
 4145 of social security and retirement matching costs as required
 4146 under s. 122.35, from the intangible tax allocation of that
 4147 county and any other source available to the local governmental
 4148 units, except that all agencies, other than the school boards,
 4149 shall be given credit for 50 percent of their 1967-1969 actual
 4150 employer matching cost, actual cost being that cost in cash
 4151 actually paid by the employer for matching retirement and social
 4152 security into the fund by the agency for said biennium. The
 4153 above credit of 50 percent shall be calculated by the division
 4154 ~~department~~.

4155 Section 64. Subsection (6) of section 175.032, Florida
 4156 Statutes, is amended to read:

4157 175.032 Definitions.--For any municipality, special fire
 4158 control district, chapter plan, local law municipality, local
 4159 law special fire control district, or local law plan under this
 4160 chapter, the following words and phrases have the following
 4161 meanings:

4162 (6) "Division" means the Division of Retirement of the
 4163 State Board of Administration ~~Department of Management Services~~.

4164 Section 65. Subsection (1) of section 175.121, Florida
 4165 Statutes, is amended to read:

4166 175.121 Department of Revenue and Division of Retirement
 4167 to keep accounts of deposits; disbursements.--For any

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4168 municipality or special fire control district having a chapter
 4169 or local law plan established pursuant to this chapter:

4170 (1) The Department of Revenue shall keep a separate
 4171 account of all moneys collected for each municipality and each
 4172 special fire control district under the provisions of this
 4173 chapter. Seven and three-tenths percent of all moneys so
 4174 collected shall be transferred to the General Revenue Fund. The
 4175 balance of all moneys so collected shall ~~must~~ be transferred to
 4176 the Police and Firefighters' Premium Tax Trust Fund and shall be
 4177 separately accounted for by the division. The moneys budgeted as
 4178 necessary to pay the expenses of the division for the daily
 4179 oversight and monitoring of the firefighters' pension plans
 4180 under this chapter and for the oversight and actuarial reviews
 4181 conducted under part VII of chapter 112 are annually
 4182 appropriated from the interest and investment income earned on
 4183 the moneys collected for each municipality or special fire
 4184 control district and deposited in the Police and Firefighters'
 4185 Premium Tax Trust Fund. Interest and investment income remaining
 4186 thereafter in the trust fund which is unexpended and otherwise
 4187 unallocated by law shall be transferred ~~revert~~ to the General
 4188 Revenue Fund on June 30 of each year.

4189 Section 66. Section 175.1215, Florida Statutes, is amended
 4190 to read:

4191 175.1215 Police and Firefighters' Premium Tax Trust
 4192 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
 4193 created in the State Treasury, to be administered by the
 4194 Division of Retirement ~~of the Department of Management Services~~.
 4195 Funds credited to the trust fund, as provided in chapter 95-250,

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4196 Laws of Florida, or similar legislation, shall be expended for
 4197 the purposes set forth in that legislation.

4198 Section 67. Subsection (1) of section 175.341, Florida
 4199 Statutes, is amended to read:

4200 175.341 Duties of Division of Retirement; rulemaking
 4201 authority; investments by State Board of Administration.--

4202 (1) The division shall be responsible for the daily
 4203 oversight and monitoring for actuarial soundness of the
 4204 firefighters' pension plans, whether chapter or local law plans,
 4205 established under this chapter, for receiving and holding the
 4206 premium tax moneys collected under this chapter, and, upon
 4207 determining compliance with the provisions of this chapter, for
 4208 disbursing those moneys to the firefighters' pension plans. The
 4209 funds necessary to pay expenses for such administration are
 4210 ~~shall be~~ annually appropriated from the interest and investment
 4211 income earned on moneys deposited in the trust fund.

4212 Section 68. Subsection (7) of section 185.02, Florida
 4213 Statutes, is amended to read:

4214 185.02 Definitions.--For any municipality, chapter plan,
 4215 local law municipality, or local law plan under this chapter,
 4216 the following words and phrases as used in this chapter shall
 4217 have the following meanings, unless a different meaning is
 4218 plainly required by the context:

4219 (7) "Division" means the Division of Retirement of the
 4220 State Board of Administration ~~Department of Management Services~~.

4221 Section 69. Subsection (1) of section 185.10, Florida
 4222 Statutes, is amended to read:

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4223 185.10 Department of Revenue and Division of Retirement to
 4224 keep accounts of deposits; disbursements.--For any municipality
 4225 having a chapter plan or local law plan under this chapter:

4226 (1) The Department of Revenue shall keep a separate
 4227 account of all moneys collected for each municipality under the
 4228 provisions of this chapter. Seven and three-tenths percent of
 4229 all moneys so collected shall be transferred to the General
 4230 Revenue Fund. The balance of all moneys so collected shall ~~must~~
 4231 be transferred to the Police and Firefighters' Premium Tax Trust
 4232 Fund and shall be separately accounted for by the division. The
 4233 moneys budgeted as necessary to pay the expenses of the division
 4234 for the daily oversight and monitoring of the police officers'
 4235 retirement plans under this chapter and for the oversight and
 4236 actuarial reviews conducted under part VII of chapter 112 are
 4237 annually appropriated from the interest and investment income
 4238 earned on the moneys collected for each municipality or special
 4239 fire control district and deposited in the Police and
 4240 Firefighters' Premium Tax Trust Fund. Interest and investment
 4241 income remaining thereafter in the trust fund which is
 4242 unexpended and otherwise unallocated by law shall be transferred
 4243 ~~revert~~ to the General Revenue Fund on June 30 of each year.

4244 Section 70. Section 185.105, Florida Statutes, is amended
 4245 to read:

4246 185.105 Police and Firefighters' Premium Tax Trust
 4247 Fund.--The Police and Firefighters' Premium Tax Trust Fund is
 4248 created in the State Treasury, to be administered by the
 4249 Division of Retirement ~~of the Department of Management Services~~.
 4250 Funds credited to the trust fund, as provided in chapter 95-250,

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4251 | Laws of Florida, or similar legislation, shall be expended for
 4252 | the purposes set forth in that legislation.

4253 | Section 71. Subsection (1) of section 185.23, Florida
 4254 | Statutes, is amended to read:

4255 | 185.23 Duties of Division of Retirement; rulemaking
 4256 | authority; investments by State Board of Administration.--

4257 | (1) The division shall be responsible for the daily
 4258 | oversight and monitoring for actuarial soundness of the
 4259 | municipal police officers' retirement plans, whether chapter or
 4260 | local law plans, established under this chapter, for receiving
 4261 | and holding the premium tax moneys collected under this chapter,
 4262 | and, upon determining compliance with the provisions of this
 4263 | chapter, for disbursing those moneys to the municipal police
 4264 | officers' retirement plans. The funds to pay the expenses for
 4265 | such administration are ~~shall be annually~~ appropriated from the
 4266 | interest and investment income earned on moneys deposited in the
 4267 | trust fund.

4268 | Section 72. Paragraph (o) of subsection (4) of section
 4269 | 215.20, Florida Statutes, is amended to read:

4270 | 215.20 Certain income and certain trust funds to
 4271 | contribute to the General Revenue Fund.--

4272 | (4) The income of a revenue nature deposited in the
 4273 | following described trust funds, by whatever name designated, is
 4274 | that from which the appropriations authorized by subsection (3)
 4275 | shall be made:

4276 | (o) Within the Department of Management Services:

- 4277 | 1. The Administrative Trust Fund.
- 4278 | 2. The Architects Incidental Trust Fund.
- 4279 | 3. The Bureau of Aircraft Trust Fund.

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- 4280 4. The Florida Facilities Pool Working Capital Trust Fund.
- 4281 5. The Grants and Donations Trust Fund.
- 4282 6. The Motor Vehicle Operating Trust Fund.
- 4283 ~~7. The Police and Firefighters' Premium Tax Trust Fund.~~
- 4284 7.8. The Public Employees Relations Commission Trust Fund.
- 4285 8.9. The State Personnel System Trust Fund.
- 4286 9.10. The Supervision Trust Fund.
- 4287 10.11. The Working Capital Trust Fund.

4288

4289 The enumeration of the foregoing moneys or trust funds shall not
 4290 prohibit the applicability thereto of s. 215.24 should the
 4291 Governor determine that for the reasons mentioned in s. 215.24
 4292 the money or trust funds should be exempt herefrom, as it is the
 4293 purpose of this law to exempt income from its force and effect
 4294 when, by the operation of this law, federal matching funds or
 4295 contributions or private grants to any trust fund would be lost
 4296 to the state.

4297 Section 73. Subsection (3) of section 215.28, Florida
 4298 Statutes, is amended to read:

4299 215.28 United States securities, purchase by state and
 4300 county officers and employees; deductions from salary.--

4301 (3) All deductions so made by any such disbursing
 4302 authority shall be deposited in a trust account separate and
 4303 apart from the funds of the state, county, or subordinate
 4304 agency. Such trust account shall be created in the State
 4305 Treasury and shall be administered by the State Board of
 4306 Administration. Such account will be subject to withdrawal only
 4307 for the purchase of United States securities on behalf of
 4308 officers and employees, or for refunds to such persons in

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4309 accordance with the provisions of this law. Whenever the sum of
 4310 \$18.75 or the purchase price of the security requested to be
 4311 purchased is accumulated from deductions so made from the
 4312 salaries or wages of an officer or employee, such disbursing
 4313 agent shall arrange the purchase of the bond or security applied
 4314 for and have it registered in the name or names requested in the
 4315 deduction authorization. Securities so purchased will be
 4316 delivered in such manner as may be convenient for the issuing
 4317 agent and the purchaser. Any interest earned on moneys in such
 4318 account while awaiting the accumulation of the purchase price of
 4319 the security shall be transferred to the Florida Retirement
 4320 System Trust Fund as reimbursement for administrative costs
 4321 incurred by the Division of Retirement of the State Board of
 4322 Administration ~~Department of Management Services~~ under this
 4323 section.

4324 Section 74. Subsection (7) of section 215.44, Florida
 4325 Statutes, is amended to read:

4326 215.44 Board of Administration; powers and duties in
 4327 relation to investment of trust funds.--

4328 (7) Investment and debt purchasing procedures and
 4329 contracts of funds held in trust by the State Board of
 4330 Administration, whether directly or incidentally related to the
 4331 investment or debt transactions, and purchases of commodities or
 4332 services related to the administration of pension benefits are
 4333 exempt from the provisions of chapter 287.

4334 Section 75. Subsection (3) of section 215.50, Florida
 4335 Statutes, is amended to read:

4336 215.50 Custody of securities purchased; income.--

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4337 (3) The Chief Financial Officer, as custodian of
 4338 securities owned by the Florida Retirement System Trust Fund and
 4339 the Florida Survivor Benefit Trust Fund, shall collect the
 4340 interest, dividends, prepayments, maturities, proceeds from
 4341 sales, and other income accruing from such assets. As such
 4342 income is collected by the Chief Financial Officer, it shall be
 4343 deposited directly into a commercial bank to the credit of the
 4344 State Board of Administration. Such bank accounts as may be
 4345 required for this purpose shall offer satisfactory collateral
 4346 security as provided by chapter 280. In the event funds so
 4347 deposited according to the provisions of this section are
 4348 required for the purpose of paying benefits or other operational
 4349 needs, the State Board of Administration shall remit to the
 4350 Florida Retirement System Trust Fund in the State Treasury such
 4351 amounts as are required ~~may be requested by the Department of~~
 4352 ~~Management Services.~~

4353 Section 76. Section 215.52, Florida Statutes, is amended
 4354 to read:

4355 215.52 Rules and regulations.--The board may adopt ~~shall~~
 4356 ~~have the power and authority to make reasonable rules and~~
 4357 ~~regulations necessary to~~ implement general law conferring powers
 4358 and duties upon it ~~carry out the provisions of ss. 215.44-~~
 4359 ~~215.53.~~

4360 Section 77. Subsections (2), (3), (11), and (13) of
 4361 section 238.01, Florida Statutes, are amended to read:

4362 238.01 Definitions.--The following words and phrases as
 4363 used in this chapter shall have the following meanings unless a
 4364 different meaning is plainly required by the context:

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4365 (2) "Division" means the Division of Retirement of the
 4366 State Board of Administration ~~"Department" means the Department~~
 4367 ~~of Management Services.~~

4368 (3) "Teacher" means any member of the teaching or
 4369 professional staff and any certificated employee of any public
 4370 free school, of any district school system and vocational
 4371 school, any member of the teaching or professional staff of the
 4372 Florida School for the Deaf and Blind, child training schools of
 4373 the Department of Juvenile Justice, the Department of
 4374 Corrections, and any tax-supported institution of higher
 4375 learning of the state, and any member and any certified employee
 4376 of the Department of Education, any certified employee of the
 4377 retirement system, any full-time employee of any nonprofit
 4378 professional association or corporation of teachers functioning
 4379 in Florida on a statewide basis, which seeks to protect and
 4380 improve public school opportunities for children and advance the
 4381 professional and welfare status of its members, any person now
 4382 serving as superintendent, or who was serving as county
 4383 superintendent of public instruction on July 1, 1939, and any
 4384 hereafter duly elected or appointed superintendent, who holds a
 4385 valid Florida teachers' certificate. In all cases of doubt the
 4386 division ~~Department of Management Services~~ shall determine
 4387 whether any person is a teacher as defined herein.

4388 (11) "Regular interest" means interest at such rate as may
 4389 be set from time to time by the division ~~Department of~~
 4390 ~~Management Services.~~

4391 (13) "Earnable compensation" means the full compensation
 4392 payable to a teacher working the full working time for his or
 4393 her position. In respect to plans A, B, C, and D only, in cases

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4394 where compensation includes maintenance, the division ~~Department~~
 4395 ~~of Management Services~~ shall fix the value of that part of the
 4396 compensation not paid in money; provided that all members shall
 4397 from July 1, 1955, make contributions to the retirement system
 4398 on the basis of "earnable compensation" as defined herein and
 4399 all persons who are members on July 1, 1955, may, upon
 4400 application, have their "earnable compensation" for the time
 4401 during which they have been members prior to that date
 4402 determined on the basis of "earnable compensation" as defined in
 4403 this law, upon paying to the retirement system, on or before the
 4404 date of retirement, a sum equal to the additional contribution
 4405 with accumulated regular interest thereon they would have made
 4406 if "earnable compensation" had been defined, at the time they
 4407 became members, as it is now defined. However, earnable
 4408 compensation for all plan years beginning on or after July 1,
 4409 1990, shall not include any amounts in excess of the
 4410 compensation limitation (originally \$200,000) established by s.
 4411 401(a)(17) of the Internal Revenue Code prior to the Omnibus
 4412 Budget Reconciliation Act of 1993, which limitation shall be
 4413 adjusted for changes in the cost of living since 1989, in the
 4414 manner provided by s. 401(a)(17) of the Internal Revenue Code of
 4415 1991. This limitation, which has been part of the Teachers'
 4416 Retirement System since plan years beginning on or after July 1,
 4417 1990, shall be adjusted as required by federal law for qualified
 4418 government plans.

4419 Section 78. Section 238.02, Florida Statutes, is amended
 4420 to read:

4421 238.02 Name and date of establishment.--A retirement
 4422 system is established and placed under the management of the

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4423 division ~~Department of Management Services~~ for the purpose of
 4424 providing retirement allowances and other benefits for teachers
 4425 of the state. The retirement system shall begin operations on
 4426 July 1, 1939. It has such powers and privileges of a
 4427 corporation as may be necessary to carry out effectively the
 4428 provisions of this chapter and shall be known as the "Teachers'
 4429 Retirement System of the State," and by such name all of its
 4430 business shall be transacted, all of its funds invested, and all
 4431 of its cash and securities and other property held in trust for
 4432 the purpose for which received.

4433 Section 79. Section 238.03, Florida Statutes, is amended
 4434 to read:

4435 238.03 Administration.--

4436 (1) The general administration and the responsibility for
 4437 the proper operation of the retirement system and for making
 4438 effective the provisions of this chapter are vested in the
 4439 division ~~Department of Management Services~~. Subject to the
 4440 limitation of this chapter, the division ~~department~~ shall, from
 4441 time to time, establish rules and regulations for the
 4442 administration and transaction of the business of the retirement
 4443 system and shall perform such other functions as are required
 4444 for the execution of this chapter.

4445 (2) The division ~~department~~ shall keep in convenient form
 4446 such data as shall be necessary for actuarial valuation of the
 4447 various funds created by this chapter and for checking the
 4448 experience of the retirement system.

4449 (3) The Department of Legal Affairs, at the option of the
 4450 State Board of Administration, shall be the legal adviser of the
 4451 division ~~department~~.

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4452 (4) The division ~~department~~ shall employ such agents,
 4453 servants and employees as in its judgment may be necessary to
 4454 carry out the terms and provisions of this chapter and shall
 4455 provide for their compensation. Among the employees of the
 4456 division ~~department~~ shall be an actuary who shall be the
 4457 technical adviser of the division ~~department~~ on matters
 4458 regarding the operation of the funds created by the provisions
 4459 of this chapter and who shall perform such other duties as are
 4460 required in connection therewith.

4461 (5) In the year 1943 and at least once in each 5-year
 4462 period thereafter, the actuary shall make an actuarial
 4463 investigation of the mortality, service and salary experience of
 4464 the members and beneficiaries as defined in this chapter, and
 4465 shall make a valuation of the various funds created by the
 4466 chapter, and having regard to such investigation and valuation,
 4467 the division ~~department~~ shall adopt such mortality and service
 4468 tables as shall be deemed necessary, and shall certify the rates
 4469 of contribution payable under the provisions of this chapter.

4470 (6) The actuary shall make an annual valuation of the
 4471 assets and liabilities of the funds of the retirement system on
 4472 the basis of the tables adopted by the division ~~department~~ in
 4473 accordance with the requirements of this section, and shall
 4474 prepare an annual statement of the amounts to be contributed by
 4475 the state in accordance with s. 238.09.

4476 (7) The division ~~department~~ shall publish annually the
 4477 valuation, as certified by the actuary, of the assets and
 4478 liabilities of the various funds created by this chapter, a
 4479 statement as to the receipts and disbursements of the funds, and

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4480 a statement as to the accumulated cash and securities of the
4481 funds.

4482 (8) The division ~~department~~ shall keep a record of all of
4483 its proceedings and such record shall be open to inspection by
4484 the public.

4485 (9) The division ~~department~~ is authorized to photograph
4486 and reduce to microfilm as a permanent record, its ledger sheets
4487 showing the salary and contributions of members of the
4488 retirement system, also the records of deceased members of the
4489 system and thereupon to destroy the documents from which such
4490 films are photographed.

4491 Section 80. Paragraph (b) of subsection (1), paragraphs
4492 (a) and (b) of subsection (3), and subsection (4) of section
4493 238.05, Florida Statutes, are amended to read:

4494 238.05 Membership.--

4495 (1) The membership of the retirement system shall consist
4496 of the following:

4497 (b) All persons who became or who become teachers on or
4498 after July 1, 1939, except as provided in paragraph (a) and
4499 subsection (5) hereof, shall become members of the retirement
4500 system by virtue of their appointment as teachers. However,
4501 employees who are not members of the teaching or professional
4502 staff shall only become members of the retirement system by
4503 filing a notice with the division ~~department~~ of their election
4504 to become members.

4505 (3) Except as otherwise provided in s. 238.07(9),
4506 membership of any person in the retirement system will cease if
4507 he or she is continuously unemployed as a teacher for a period
4508 of more than 5 consecutive years, or upon the withdrawal by the

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4509 member of his or her accumulated contributions as provided in s.
 4510 238.07(13), or upon retirement, or upon death; provided that the
 4511 adjustments prescribed below are to be made for persons who
 4512 enter the Armed Forces of the United States during a period of
 4513 war or national emergency and for persons who are granted leaves
 4514 of absence. Any member of the retirement system who within 1
 4515 year before the time of entering the Armed Forces of the United
 4516 States was a teacher, as defined in s. 238.01, or was engaged in
 4517 other public educational work within the state, and member of
 4518 the Teachers' Retirement System at the time of induction, or who
 4519 has been or is granted leave of absence, shall be permitted to
 4520 elect to continue his or her membership in the Teachers'
 4521 Retirement System; and membership service shall be allowed for
 4522 the period covered by service in the Armed Forces of the United
 4523 States or by leave of absence under the following conditions:

4524 (a) A person who has been granted leave of absence shall
 4525 file with the division ~~department~~ before his or her next
 4526 contribution is due an application to continue his or her
 4527 membership during the period covered by the person's leave of
 4528 absence and, if such application is filed, shall make his or her
 4529 contribution to the retirement system on the basis of his or her
 4530 last previous annual salary as a teacher, and shall, prior to
 4531 retirement, pay in full to the system such contributions with
 4532 accumulated regular interest. Such contributions with interest
 4533 may be paid at one time or in monthly, quarterly, semiannual, or
 4534 annual payments in the person's discretion.

4535 (b) A person who enters or who has entered the Armed
 4536 Forces of the United States may either continue his or her
 4537 membership according to the plan outlined under paragraph (a)

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4538 or, in lieu thereof, may file with the division ~~department~~ at
 4539 any time following the close of his or her military service an
 4540 application that his or her membership be continued and that
 4541 membership service be allowed for not more than 5 years of his
 4542 or her period of service in the Armed Forces of the United
 4543 States during any period of war or national emergency; provided
 4544 that any such person shall, prior to retirement, pay in full his
 4545 or her contributions with accumulated regular interest to the
 4546 retirement system for the period for which he or she is entitled
 4547 to membership service on the basis of his or her last previous
 4548 annual salary as a teacher. Such contributions with interest
 4549 may be paid to the division ~~department~~ at one time or in
 4550 monthly, quarterly, semiannual, or annual payments in the
 4551 person's discretion.

4552 (4) The division ~~department~~ may in its discretion deny the
 4553 right to become members to any class of teachers who are serving
 4554 on a temporary or any other than a per annum basis, and it may
 4555 also in its discretion make optional with members in any such
 4556 class their individual entrance into membership.

4557 Section 81. Subsections (3), (10), (12), (13), (15A), and
 4558 (16) of section 238.07, Florida Statutes, are amended to read:
 4559 238.07 Regular benefits; survivor benefits.--

4560 (3) Any member who, prior to July 1, 1955, elected to
 4561 retire under one of plans A, B, C, or D may elect, prior to
 4562 retirement, to retire under plan E in accordance with the terms
 4563 hereof. Any person who became a member on or after July 1,
 4564 1955, shall retire under plan E, except as provided for under s.
 4565 238.31. With respect to plans A, B, C, or D, any member shall
 4566 have the right at any time to change to a plan of retirement

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4567 requiring a lower rate of contribution. The division ~~Department~~
 4568 ~~of Management Services~~ shall also notify the member of the rate
 4569 of contribution such member must make from and after selecting
 4570 such plan of retirement. Any member in service may retire upon
 4571 reaching the age of retirement formerly selected by him or her,
 4572 upon the member's written application to the division ~~department~~
 4573 setting forth at which time, not more than 90 days subsequent to
 4574 the execution and filing of such application, it is his or her
 4575 desire to retire notwithstanding that during such period of
 4576 notification he or she may have separated from service. Upon
 4577 receipt of such application for retirement, the division
 4578 ~~department~~ shall retire such member not more than 90 days
 4579 thereafter. Before such member may retire he or she must file
 4580 with the division ~~department~~ his or her written selection of one
 4581 of the optional benefits provided in s. 238.08.

4582 (10) Any member in service, who has 10 or more years of
 4583 creditable service, may upon the application of his or her
 4584 employer or upon his or her own application, be retired by the
 4585 division ~~department~~ not less than 30 nor more than 90 days next
 4586 following the date of filing such application, on a disability
 4587 retirement allowance; provided that a physician licensed by this
 4588 state examines and certifies that such member is mentally or
 4589 physically incapacitated for the further performance of duty,
 4590 that such incapacity is likely to be permanent, and that such
 4591 member should be retired, and the division ~~department~~ concurs.
 4592 In making the determination, the division ~~department~~ may require
 4593 other evidence of disability as deemed appropriate.

4594 (12)(a) Once each year during the first 5 years following
 4595 the retirement of a member on a disability retirement allowance,

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4596 and once in every 3-year period thereafter, the division
 4597 ~~department~~ may require any disability beneficiary who has not
 4598 yet attained his or her minimum service retirement age to
 4599 undergo a medical examination by a physician licensed by this
 4600 state and to submit any other evidence of disability as required
 4601 by the division ~~department~~. Should a disability beneficiary who
 4602 has not yet attained his or her minimum service retirement age
 4603 refuse to submit to any such medical examination, his or her
 4604 retirement allowance shall be discontinued until his or her
 4605 withdrawal of such refusal, and should such refusal continue for
 4606 1 year, all of the disability beneficiary's rights in and to his
 4607 or her pension shall be forfeited.

4608 (b) If the division ~~department~~ finds that a disability
 4609 beneficiary is engaged in or is able to engage in a gainful
 4610 occupation paying more than the difference between his or her
 4611 disability retirement allowance and his or her average final
 4612 compensation, the amount of the beneficiary's pension shall be
 4613 reduced to an amount which, together with his or her annuity and
 4614 the amount earnable by him or her, shall equal the amount of his
 4615 or her average final compensation. Should the beneficiary's
 4616 earning capacity later be changed, the amount of his or her
 4617 pension may be further modified; provided that the pension so
 4618 modified shall not exceed the amount of the pension allowable
 4619 under subsection (11), at the time of retirement, nor an amount
 4620 which, when added to the amount earnable by the beneficiary,
 4621 together with his or her annuity, equals the amount of his or
 4622 her average final compensation. A beneficiary restored to
 4623 active service at a salary less than the average final

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4624 compensation upon the basis of which he or she was retired shall
 4625 not become a member of the retirement system at that time.

4626 (c) Should a disability beneficiary under his or her
 4627 minimum service retirement age be at any time in service at a
 4628 salary equal to or greater than his or her average final
 4629 compensation upon the basis of which he or she was retired, the
 4630 beneficiary's disability retirement allowance shall cease and he
 4631 or she shall again become a member of the retirement system and
 4632 shall contribute thereafter at the same rate at which he or she
 4633 paid prior to disability. Any prior service certificate, on the
 4634 basis of which his or her allowance was computed at the time of
 4635 his or her disability retirement, shall be restored to full
 4636 force and effect; and, in addition, upon his or her subsequent
 4637 retirement he or she shall be credited with all his or her
 4638 membership service on the basis of which his or her allowance
 4639 was computed at the time of his or her disability retirement.

4640 (13) Should a member cease to be a teacher except by death
 4641 or by retirement under the provisions of this chapter, the
 4642 member shall be paid the amount of his or her accumulated
 4643 contributions. Should a member die before retirement, the
 4644 amount of his or her accumulated contributions shall be paid to
 4645 such person, if any, as he or she shall have nominated by
 4646 written designation duly executed and filed with the division
 4647 ~~department~~; otherwise, to his or her executors or
 4648 administrators.

4649 (15A)(a) Any member of the Teachers' Retirement System who
 4650 has heretofore, or who hereafter, retires with no less than 10
 4651 years of creditable service and who has passed his or her 65th
 4652 birthday, may, upon application to the division ~~department~~, have

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4653 his or her retirement allowance redetermined and thereupon shall
 4654 be entitled to a monthly service retirement allowance which
 4655 shall be equal to \$4 multiplied by the number of years of the
 4656 member's creditable service which shall be payable monthly
 4657 during his or her retirement; provided, that the amount of
 4658 retirement allowance as determined hereunder, shall be reduced
 4659 by an amount equal to:

4660 1. Any social security benefits received by the member,
 4661 and

4662 2. Any social security benefits that the member is
 4663 eligible to receive by reason of his or her own right or through
 4664 his or her spouse.

4665 (b) No payment shall be made to a member of the Teachers'
 4666 Retirement System under this act, until the division ~~department~~
 4667 has determined the social security status of such member.

4668 (c) Eligibility of a member of the Teachers' Retirement
 4669 System shall be determined under the social security laws and
 4670 regulations; provided, however, that a member shall be
 4671 considered eligible if the member or the member's spouse has
 4672 reached 65 years of age and would draw social security if the
 4673 member or the member's spouse were not engaged in activity that
 4674 results in the member or the member's spouse receiving income
 4675 that would make him or her ineligible to receive social security
 4676 benefits. A member of the Teachers' Retirement System shall be
 4677 deemed to be eligible for social security benefits if the member
 4678 has this eligibility in his or her own right or through his or
 4679 her spouse.

4680 (d) The division ~~department~~ shall review, at least
 4681 annually, the social security status of all members of the

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4682 Teachers' Retirement System receiving payment under this act and
 4683 shall increase or decrease payments to such members as shall be
 4684 necessary to carry out the intent of this act.

4685 (e) No member of the Teachers' Retirement System shall
 4686 have his or her retirement allowance reduced or any of his or
 4687 her rights impaired by reason of this act.

4688 (f) This subsection shall take effect on January 1, 1962.

4689 (16)(a) Definitions under survivor benefits are:

4690 1. A dependent is a child, widow, widower, or parent of
 4691 the deceased member who was receiving not less than one-half of
 4692 his or her support from the deceased member at the time of the
 4693 death of such member.

4694 2. A child is a natural or legally adopted child of a
 4695 member, who:

4696 a. Is under 18 years of age, or

4697 b. Is over 18 years of age but not over 22 years of age
 4698 and is enrolled as a student in an accredited educational
 4699 institution, or

4700 c. Is 18 years of age or older and is physically or
 4701 mentally incapable of self-support, when such mental and
 4702 physical incapacity occurred prior to such child obtaining the
 4703 age of 18 years. Such person shall cease to be regarded as a
 4704 child upon the termination of such physical or mental
 4705 disability. The determination as to such physical or mental
 4706 incapability shall be vested in the division ~~department~~.

4707
 4708 No person shall be considered a child who has married or, except
 4709 as provided in sub-subparagraph 2.b. or as to a child who is

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4710 physically or mentally incapable of self-support as hereinbefore
 4711 set forth, has become 18 years of age.

4712 3. A parent is a natural parent of a member and includes a
 4713 lawful spouse of a natural parent.

4714 4. A beneficiary is a person who is entitled to benefits
 4715 under this subsection by reason of his or her relation to a
 4716 deceased member during the lifetime of such member.

4717 (b) In addition to all other benefits to which a member
 4718 shall, subject to the conditions set out below, be entitled, the
 4719 beneficiary of such member shall, upon the death of such member,
 4720 receive the following benefits:

4721

Minimum period of paid service of member in Florida as regular full-time teacher	Beneficiaries of deceased member	Benefits
--	-------------------------------------	----------

4722

4723

1. One calendar day	Widow or widower who has care of dependent child or children of deceased member.	\$190 per month for one child. \$250 per month if more than one child, maximum benefits \$250 per month.
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4724

4725

2. One calendar day	One or more	\$190 per month per
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dependent children child; maximum
 if there is no benefits \$250 per
 surviving widow or month if more than
 widower. one child.

4726

4727

3. One calendar day Dependent parents 65 For each parent,
 years or older. \$100 per month for
 life.

4728

4729

4. One calendar day Designated \$500 lump-sum death
 beneficiary and, if benefits payable
 no designated only once.
 beneficiary, then
 the executor or
 administrator of
 deceased member.

4730

4731

5. One calendar day Dependent widow or \$150 per month for
 widower 50 years of life.
 age and less than 65
 years of age.

4732

4733

6. Ten years Widow or widower 65 \$175 per month for

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years of age or life.
older.

4734

4735

7. Retired member Designated \$500 lump-sum death
beneficiary and if benefits payable
no designated only once.
beneficiary, then
the executor or
administrator of
deceased retired
member.

4736

4737 Beginning on July 1, 1971, the lump-sum death benefit, provided
4738 in item 7 above for the retired teacher, shall apply to all
4739 present and future retirees of the systems.

4740 (c) The payment of survivor benefits shall begin as of the
4741 month immediately following the death of the member except where
4742 the beneficiary has not reached the age required to receive
4743 benefits under paragraph (b), in which event the payment of
4744 survivor benefits shall begin as of the month immediately
4745 following the month in which the beneficiary reaches the
4746 required age. Provided that if death occurs during the first 3
4747 years of employment, the payment of survivor benefits shall be
4748 reduced by the amount of monthly benefits the member's survivors
4749 are entitled to receive under federal social security as either
4750 a survivor of the member or as a covered worker under federal
4751 social security.

4752 (d) Limitations on rights of beneficiary are:

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4753 1. The person named as beneficiary in paragraph (b) shall,
 4754 in no event, be entitled to receive the benefits set out in such
 4755 paragraph unless the death of the member under whom such
 4756 beneficiary claims occurs within the period of time after the
 4757 member has served in Florida as follows:

Minimum number of years of service in Florida	Period after serving in Florida in which death of member occurs
3 to 5....	2 years
6 to 9....	5 years
10 or more....	10 years

4766
 4767 2. Upon the death of a member, the division ~~department~~
 4768 shall make a determination of the beneficiary or beneficiaries
 4769 of the deceased member and shall pay survivor benefits to such
 4770 beneficiary or beneficiaries beginning 1 month immediately
 4771 following the death of the member except where the beneficiary
 4772 has not reached the age required to receive benefits under
 4773 paragraph (b), in which event the payment of survivor benefits
 4774 shall begin as of the month immediately following the month in
 4775 which the beneficiary reaches the required age. When required
 4776 by the division ~~department~~, the beneficiary or beneficiaries
 4777 shall file an application for survivor benefits upon forms
 4778 prescribed by the division ~~department~~.

4779 3. The beneficiaries of a member to receive survivor
 4780 benefits are fixed by this subsection, and a member may not buy
 4781 or otherwise change such benefits. He or she may, however,

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4782 designate the beneficiary to receive the \$500 death benefits.

4783 If a member fails to make this designation, the \$500 death
 4784 benefits shall be paid to his or her executor or administrator.

4785 4. The beneficiary or beneficiaries of a member whose
 4786 death occurs while he or she is in service or while he or she is
 4787 receiving a disability allowance under subsection (11), shall
 4788 receive survivor benefits under this subsection determined by
 4789 the years of service in Florida of the deceased member as set
 4790 out in paragraph (b). The requirement that the death of a
 4791 member must occur within a certain period of time after service
 4792 in Florida as set out in subparagraph (d)1. shall not apply to a
 4793 member receiving a disability benefit at the time of his or her
 4794 death.

4795 Section 82. Subsection (2), paragraph (b) of subsection
 4796 (5), and subsections (6) and (7) of section 238.08, Florida
 4797 Statutes, are amended to read:

4798 238.08 Optional benefits.--A member may elect to receive
 4799 his or her benefits under the terms of this chapter according to
 4800 the provisions of any one of the following options:

4801 (2) Option two. A member may elect to receive on
 4802 retirement the actuarial equivalent (at that time) of his or her
 4803 retirement allowance in a reduced retirement allowance payable
 4804 throughout life, with the provisions that if the member dies
 4805 before he or she has received in payment of his or her annuity
 4806 the amount of his or her accumulated contributions, as they were
 4807 at the time of his or her retirement, the balance shall be paid
 4808 to such person, if any, as he or she shall nominate by written
 4809 designation duly acknowledged and filed with the division

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4810 ~~department~~; otherwise, to his or her executors or
 4811 administrators.

4812 (5)

4813 (b) A member who elects Option three or Option four shall,
 4814 on a form provided for that purpose, designate his or her spouse
 4815 as beneficiary to receive the benefits which continue to be
 4816 payable upon the death of the member. After such benefits have
 4817 commenced under Option three or Option four, the retired member
 4818 may change the designation of his or her spouse as beneficiary
 4819 only twice. If such a retired member remarries and wishes to
 4820 make such a change, he or she may do so by filing with the
 4821 division ~~department~~ a notarized change of spouse designation
 4822 form and shall notify the former spouse in writing of such
 4823 change. Upon receipt of a completed change of spouse
 4824 designation form, the division ~~department~~ shall adjust the
 4825 member's monthly benefit by the application of actuarial tables
 4826 and calculations developed to ensure that the benefit paid is
 4827 the actuarial equivalent of the present value of the member's
 4828 current benefit. The consent of a retired member's formerly
 4829 designated spouse as beneficiary to any such change shall not be
 4830 required.

4831 (6) Notwithstanding any provision in this chapter to the
 4832 contrary, the following provisions shall apply to any member of
 4833 the retirement system who has accumulated at least 10 years of
 4834 service and dies prior to retirement:

4835 (a) If the deceased member's surviving spouse has
 4836 previously received a refund of the member's accumulated
 4837 contributions made to the retirement system, such spouse may pay
 4838 to the division ~~department~~ an amount equal to the sum of the

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4839 amount of the deceased member's contributions previously
 4840 refunded and regular interest compounded annually on the amount
 4841 of such refunded contributions from the date of refund to the
 4842 date of payment to the division ~~department~~, and by so doing be
 4843 entitled to receive the monthly retirement benefit provided in
 4844 paragraph (c).

4845 (b) If the deceased member's surviving spouse has not
 4846 received a refund of the deceased member's accumulated
 4847 contributions, such spouse shall, upon application to the
 4848 division ~~department~~ within 30 days of the death of the member,
 4849 receive the monthly retirement benefit provided in paragraph
 4850 (c).

4851 (c) The monthly benefit payable to the spouse described in
 4852 paragraph (a) or paragraph (b) shall be the amount which would
 4853 have been payable to the deceased member's spouse, assuming that
 4854 the member retired on the date of his or her death and had
 4855 selected the option in subsection (3), such benefit to be based
 4856 on the ages of the spouse and member as of the date of death of
 4857 the member. The benefit shall commence on the first day of the
 4858 month following the payment of the aforesaid amount to the
 4859 division ~~department~~, if paragraph (a) is applicable, or on the
 4860 first day of the month following the receipt of the spouse's
 4861 application by the division ~~department~~, if paragraph (b) is
 4862 applicable.

4863 (7) The surviving spouse or other dependent of any member
 4864 whose employment is terminated by death shall, upon application
 4865 to the division ~~department~~, be permitted to pay the required
 4866 contributions for any service performed by the member which
 4867 could have been claimed by the member at the time of his or her

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4868 death. Such service shall be added to the creditable service of
 4869 the member and shall be used in the calculation of any benefits
 4870 which may be payable to the surviving spouse or other surviving
 4871 dependent.

4872 Section 83. Paragraphs (a), (c), and (d) of subsection
 4873 (1), paragraphs (b) and (c) of subsection (3), subsection (4),
 4874 and paragraph (b) of subsection (5) of section 238.09, Florida
 4875 Statutes, are amended to read:

4876 238.09 Method of financing.--All of the assets of the
 4877 retirement system shall be credited, according to the purposes
 4878 for which they are held, to one of four funds; namely, the
 4879 Annuity Savings Trust Fund, the Pension Accumulation Trust Fund,
 4880 the Expense Trust Fund, and the Survivors' Benefit Trust Fund.

4881 (1) The Annuity Savings Trust Fund shall be a fund in
 4882 which shall be accumulated contributions made from the salaries
 4883 of members under the provisions of paragraph (c) or paragraph
 4884 (f). Contribution to, payments from, the Annuity Savings Trust
 4885 Fund shall be made as follows:

4886 (a) With respect to plan A, B, C, or D, upon the basis of
 4887 such tables as the division ~~Department of Management Services~~
 4888 shall adopt, and regular interest, the actuary of the retirement
 4889 system shall determine for each member the proportion of
 4890 earnable compensation which, when deducted from each payment of
 4891 his or her prospective earnable annual compensation prior to his
 4892 or her minimum service retirement age, and accumulated at
 4893 regular interest until such age, shall be computed to provide at
 4894 such age:

4895 1. An annuity equal to one one-hundred-fortieth of his or
 4896 her average final compensation multiplied by the number of his

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4897 or her years of membership in the case of each member electing
 4898 to retire under the provisions of plan A or B.

4899 2. An annuity equal to one one-hundred-twentieth of his or
 4900 her average final compensation multiplied by the number of his
 4901 or her years of membership service in the case of each member
 4902 electing to retire under the provisions of plan C.

4903 3. An annuity equal to one one-hundredth of his or her
 4904 average final compensation multiplied by the number of his or
 4905 her years of membership service in the case of each member
 4906 electing to retire under the provisions of plan D.

4907
 4908 In the case of any member who has attained his or her minimum
 4909 service retirement age prior to becoming a member, the
 4910 proportion of salary applicable to such member, with respect to
 4911 plan A, B, C, or D, shall be the proportion computed for the age
 4912 1 year younger than his or her minimum service retirement age.

4913 (c) The division ~~department~~ shall certify to each employer
 4914 the proportion of the earnable compensation of each member who
 4915 is compensated by the employer, and the employer shall cause to
 4916 be deducted from the salary of each member on each and every
 4917 payroll for each and every payroll period an amount equal to the
 4918 proportion of the member's earnable compensation so computed.
 4919 With respect to plan A, B, C, or D, the employer shall not make
 4920 any deduction for annuity purposes from the compensation of a
 4921 member who has attained the age of 60 years, if such member
 4922 elects not to contribute.

4923 (d) In determining the amount earnable by a member in a
 4924 payroll period, the division ~~department~~ may consider the rate of
 4925 compensation payable to such member on the first day of the

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4926 payroll period as continuing throughout such payroll period, and
 4927 it may omit deductions from compensation for any period less
 4928 than a full payroll period if a teacher was not a member on the
 4929 first day of the payroll period, and to facilitate the making of
 4930 deductions, it may modify any deduction required of any member
 4931 by such an amount as shall not exceed one-tenth of 1 percent of
 4932 the annual salary from which said deduction is to be made.

4933 (3) The Pension Accumulation Trust Fund shall be the fund
 4934 in which shall be accumulated all reserves for the payment of
 4935 all annuities or benefits in lieu of annuities on retired
 4936 members and all pensions and other benefits payable from
 4937 contributions made by the members and by the employers, from
 4938 which annuities, pensions and benefits in lieu thereof shall be
 4939 paid. Contributions to, and payments from, the Pension
 4940 Accumulation Trust Fund, other than as set forth in subsections
 4941 (2) and (3) herein, shall be made as follows:

4942 (b) On the basis of regular interest and of such mortality
 4943 and other tables as shall be adopted by the division ~~department~~,
 4944 the actuary engaged by the division ~~department~~ to make each
 4945 valuation required by this chapter shall, during the period over
 4946 which the accrued liability contribution is payable, determine,
 4947 immediately after making such valuation, the uniform and
 4948 constant percentage of the earnable compensation of the average
 4949 new entrant, which, if contributed on the basis of his or her
 4950 compensation throughout his or her entire period of service,
 4951 would be sufficient to provide for the payment of any pension
 4952 payable by the state on his or her account. The rate percent so
 4953 determined shall be known as the normal contribution rate.
 4954 After the accrued liability contribution has ceased to be

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4955 payable, the normal contribution rate shall be the rate percent
 4956 of the earnable compensation of all members, obtained by
 4957 deducting from the total liabilities of the Pension Accumulation
 4958 Trust Fund the amount of the funds in hand to the credit of that
 4959 fund and dividing the remainder by 1 percent of the present
 4960 value of the prospective future salaries of all members as
 4961 computed on the basis of the mortality and service tables
 4962 adopted by the division ~~department~~ and on the basis of regular
 4963 interest. The normal rate of contribution shall be determined
 4964 and certified to the division ~~department~~ by the actuary after
 4965 each valuation and shall continue in force until a new valuation
 4966 and certification are made.

4967 (c) Immediately succeeding the first valuation, the
 4968 actuary engaged by the division ~~department~~ shall compute the
 4969 rate percent of the total earnable compensation of all members
 4970 which is equivalent to 4 percent of the amount of the total
 4971 liability for pensions on account of all members and
 4972 beneficiaries and not dischargeable by the present assets of the
 4973 Pension Accumulation Trust Fund and by the aforesaid normal
 4974 contribution if made on account of such members during the
 4975 remainder of their active service. The rate percent, originally
 4976 so determined, shall be known as the accrued liability
 4977 contribution rate.

4978 (4) The Expense Trust Fund shall be the fund to which
 4979 shall be credited all moneys contributed for the administrative
 4980 expenses of the retirement system and from which shall be paid
 4981 all expenses incurred in connection with the administration and
 4982 operation of the retirement system. Contribution to the Expense
 4983 Trust Fund shall be made by transfer from interest earnings on

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4984 investments in the Annuity Savings Trust Fund. Such transfers
 4985 shall be approved by the State Board of Administration in
 4986 accordance with s. 215.44(4) regulated by the Legislature
 4987 ~~pursuant to budgets filed in accordance with the provisions of~~
 4988 ~~chapter 216.~~

4989 (5)

4990 (b) The division ~~department~~ shall annually certify to each
 4991 employer, at the time it makes the certification to the employer
 4992 under paragraph (1)(c), the rate of twenty-five-hundredths
 4993 percent to be applied by the employer to the salary of each
 4994 member who is compensated by the employer, and the employer
 4995 shall cause to be deducted from the salary of each member on
 4996 each and every payroll for each and every payroll period an
 4997 amount equal to twenty-five-hundredths percent of the member's
 4998 salary paid by the employer and the employer shall remit monthly
 4999 such deducted amounts to the division ~~department~~ which shall
 5000 place the same in the Survivors' Benefit Trust Fund of the
 5001 Teachers' Retirement System of the state. The amount of
 5002 contributions by a member to the Survivors' Benefit Trust Fund
 5003 shall, in no event, be refundable to the member or his or her
 5004 beneficiaries.

5005 Section 84. Section 238.10, Florida Statutes, is amended
 5006 to read:

5007 238.10 Management of funds.--The division ~~Department of~~
 5008 ~~Management Services~~, annually, shall allow regular interest on
 5009 the amount for the preceding year to the credit of each of the
 5010 funds of the retirement system, and to the credit of the
 5011 individual account therein, if any, with the exception of the

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5012 expense fund, from the interest and dividends earned from
 5013 investments.

5014 Section 85. Paragraph (b) of subsection (1) and
 5015 subsections (2) and (3) of section 238.11, Florida Statutes, are
 5016 amended to read:

5017 238.11 Collection of contributions.--

5018 (1) The collection of contributions shall be as follows:

5019 (b) Each employer shall transmit monthly to the division
 5020 ~~Department of Management Services~~ a warrant for the total amount
 5021 of such deductions. Each employer shall also transmit monthly to
 5022 the division ~~department~~ a warrant for such employer contribution
 5023 set aside as provided for in paragraph (a) of this subsection.
 5024 The division ~~department~~, after making records of all such
 5025 warrants, shall transmit them to the Department of Financial
 5026 Services for delivery to the Chief Financial Officer, who shall
 5027 collect them.

5028 (2) The collection of the state contribution shall be made
 5029 as follows:

5030 (a) The amounts required to be paid by the state into the
 5031 Teachers' Retirement System in this chapter shall be provided
 5032 therefor in the General Appropriations Act. However, in the
 5033 event a sufficient amount is not included in the General
 5034 Appropriations Act to meet the full amount needed to pay the
 5035 retirement compensation provided for in this chapter, the
 5036 additional amount needed for such retirement compensation is
 5037 hereby appropriated from the General Revenue Fund as approved by
 5038 the division ~~Department of Management Services~~.

5039 (b) The division ~~Department of Management Services~~ shall
 5040 certify one-fourth of the amount so ascertained for each year to

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5041 the Chief Financial Officer on or before the last day of July,
 5042 October, January, and April of each year. The Chief Financial
 5043 Officer shall, on or before the first day of August, November,
 5044 February, and May of each year, immediately transfer to the
 5045 several funds of the retirement system the amounts due.

5046 (3) All collection of contributions of a nonprofit
 5047 professional association or corporation of teachers as referred
 5048 to in s. 238.01(3) and (5) shall be made by such association or
 5049 corporation in the following manner:

5050 (a) On April 1 of each year, the division ~~Department of~~
 5051 ~~Management Services~~ shall certify to any such nonprofit
 5052 professional association or corporation of teachers the amounts
 5053 which will become due and payable during the ensuing fiscal year
 5054 to each of the funds of the retirement system to which such
 5055 contributions are payable as set forth in this law.

5056 (b) The division ~~Department of Management Services~~ shall
 5057 certify one-fourth of the amount so ascertained for each year to
 5058 the nonprofit professional association or corporation of
 5059 teachers on or before the last day of July, October, January,
 5060 and April of each year. The nonprofit professional association
 5061 or corporation of teachers shall, on or before the first day of
 5062 August, November, February, and May of each year, draw its check
 5063 payable to the division ~~department~~ for the respective amounts
 5064 due the several funds of the retirement system. Upon receipt of
 5065 the check, the division ~~department~~ shall immediately transfer to
 5066 the several funds of the retirement system the amounts due,
 5067 provided, however, that the amounts due the several funds of the
 5068 retirement system from any such association or corporation for

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5069 creditable service accruing to any such member before July 1,
 5070 1947, shall be paid prior to the retirement of any such member.

5071 Section 86. Section 238.12, Florida Statutes, is amended
 5072 to read:

5073 238.12 Duties of employers.--

5074 (1) Each employer shall keep such records and, from time
 5075 to time, shall furnish such information as the division
 5076 ~~Department of Management Services~~ may require in the discharge
 5077 of its duties. Upon the employment of any teacher to whom this
 5078 chapter may apply, the teacher shall be informed by his or her
 5079 employer of his or her duties and obligations in connection with
 5080 the retirement system as a condition of his or her employment.
 5081 Every teacher accepting employment shall be deemed to consent
 5082 and agree to any deductions from his or her compensation
 5083 required in this chapter and to all other provisions of this
 5084 chapter.

5085 (2) During September of each year, or at such other time
 5086 as the division ~~department~~ shall approve, each employer shall
 5087 certify to the division ~~department~~ the names of all teachers to
 5088 whom this chapter applies.

5089 (3) Each employer shall, on the first day of each calendar
 5090 month, or at such less frequent intervals as the division
 5091 ~~department~~ may approve, notify the division ~~department~~ of the
 5092 employment of new teachers, removals, withdrawals and changes in
 5093 salary of members that have occurred during the preceding month,
 5094 or the period covered since the last notification.

5095 Section 87. Section 238.14, Florida Statutes, is amended
 5096 to read:

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5097 238.14 Protection against fraud.--Any person who shall
 5098 knowingly make any false statement, or shall falsify or permit
 5099 to be falsified any record or records of this retirement system
 5100 in any attempt to defraud such system as a result of such act,
 5101 shall be guilty of a misdemeanor of the second degree,
 5102 punishable as provided in s. 775.082 or s. 775.083. Should any
 5103 change or error in records result in any member or beneficiary
 5104 receiving from the retirement system more or less than he or she
 5105 would have been entitled to receive had the records been
 5106 correct, then on discovery of any such error the division
 5107 ~~department~~ shall correct such error, and, as far as practicable,
 5108 shall adjust the payments in such a manner that the actuarial
 5109 equivalent of the benefit, to which such member or beneficiary
 5110 was correctly entitled, shall be paid.

5111 Section 88. Section 238.15, Florida Statutes, is amended
 5112 to read:

5113 238.15 Exemption of funds from taxation, execution, and
 5114 assignment.--The pensions, annuities or any other benefits
 5115 accrued or accruing to any person under the provisions of this
 5116 chapter and the accumulated contributions and cash securities in
 5117 the funds created under this chapter are exempted from any
 5118 state, county or municipal tax of the state, and shall not be
 5119 subject to execution or attachment or to any legal process
 5120 whatsoever, and shall be unassignable, except:

5121 (1) That any teacher who has retired shall have the right
 5122 and power to authorize in writing the division ~~Department of~~
 5123 ~~Management Services~~ to deduct from his or her monthly retirement
 5124 allowance money for the payment of the premiums on group
 5125 insurance for hospital, medical and surgical benefits, under a

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5126 plan or plans for such benefits approved in writing by the Chief
 5127 Financial Officer, and upon receipt of such request the division
 5128 ~~department~~ shall make the monthly payments as directed; and

5129 (2) As may be otherwise specifically provided for in this
 5130 chapter.

5131 Section 89. Paragraph (a) of subsection (3) of section
 5132 238.171, Florida Statutes, is amended to read:

5133 238.171 Monthly allowance; when made.--

5134 (3)(a) On July 1, 1974, the Department of Management
 5135 Services ~~director of the Division of Retirement~~ shall adjust the
 5136 monthly allowance provided for incapacitated teachers under this
 5137 section by increasing said allowance by a percentage which shall
 5138 be equal to the percentage change in the average cost-of-living
 5139 index, as defined in chapter 121, over the period between April
 5140 1, 1967, and March 31, 1973. The percent of increase, as of July
 5141 1, 1974, shall be 25.4 percent, which is the average cost-of-
 5142 living increase percentage from April 1, 1967, through March 31,
 5143 1973.

5144 Section 90. Subsection (2) of section 238.181, Florida
 5145 Statutes, is amended to read:

5146 238.181 Reemployment after retirement; conditions and
 5147 limitations.--

5148 (2)(a) Any person retired under this chapter, except under
 5149 the disability retirement provisions of s. 238.07, may be
 5150 reemployed by any private or public employer after retirement
 5151 and receive retirement benefits and compensation from his or her
 5152 employer without limitation, except that no person may receive
 5153 both a salary from reemployment with any agency participating in
 5154 the Florida Retirement System and retirement benefits under this

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5155 chapter for a period of 12 months immediately subsequent to the
 5156 date of retirement.

5157 (b) Any person to whom the limitation in paragraph (a)
 5158 applies who violates such reemployment limitation and who is
 5159 reemployed with any agency participating in the Florida
 5160 Retirement System before completion of the 12-month limitation
 5161 period shall give timely notice of this fact in writing to his
 5162 or her employer and to the division ~~Department of Management~~
 5163 ~~Services~~ and shall have his or her retirement benefits suspended
 5164 for the balance of the 12-month limitation period. Any person
 5165 employed in violation of this paragraph and any employing agency
 5166 which knowingly employs or appoints such person without
 5167 notifying the division ~~department~~ to suspend retirement benefits
 5168 shall be jointly and severally liable for reimbursement to the
 5169 retirement trust fund of any benefits paid during the
 5170 reemployment limitation period. To avoid liability, such
 5171 employing agency shall have a written statement from the retiree
 5172 that he or she is not retired from a state-administered
 5173 retirement system. Any retirement benefits received while
 5174 reemployed during this reemployment limitation period shall be
 5175 repaid to the retirement trust fund, and retirement benefits
 5176 shall remain suspended until such repayment has been made.
 5177 Benefits suspended beyond the reemployment limitation shall
 5178 apply toward repayment of benefits received in violation of the
 5179 reemployment limitation.

5180 (c) A district school board may reemploy a retired member
 5181 as a substitute or hourly teacher on a noncontractual basis
 5182 after he or she has been retired for 1 calendar month, in
 5183 accordance with s. 121.021(39). Any retired member who is

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5184 reemployed within 1 calendar month after retirement shall void
 5185 his or her application for retirement benefits. District school
 5186 boards reemploying such teachers are subject to the retirement
 5187 contribution required by paragraph (g). Reemployment of a
 5188 retired member as a substitute or hourly teacher is limited to
 5189 780 hours during the first 12 months of his or her retirement.
 5190 Any retired member reemployed for more than 780 hours during his
 5191 or her first 12 months of retirement shall give timely notice in
 5192 writing to his or her employer and to the division ~~department~~ of
 5193 the date he or she will exceed the limitation. The division
 5194 ~~department~~ shall suspend his or her retirement benefits for the
 5195 remainder of his or her first 12 months of retirement. Any
 5196 person employed in violation of this paragraph and any employing
 5197 agency which knowingly employs or appoints such person without
 5198 notifying the division ~~department~~ to suspend retirement benefits
 5199 shall be jointly and severally liable for reimbursement to the
 5200 retirement trust fund of any benefits paid during the
 5201 reemployment limitation period. To avoid liability, such
 5202 employing agency shall have a written statement from the retiree
 5203 that he or she is not retired from a state-administered
 5204 retirement system. Any retirement benefits received by a
 5205 retired member while reemployed in excess of 780 hours during
 5206 his or her first 12 months of retirement shall be repaid to the
 5207 Retirement System Trust Fund, and his or her retirement benefits
 5208 shall remain suspended until repayment is made. Benefits
 5209 suspended beyond the end of the retired member's first 12 months
 5210 of retirement shall apply toward repayment of benefits received
 5211 in violation of the 780-hour reemployment limitation.

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5212 (d) A community college board of trustees may reemploy a
 5213 retired member as an adjunct instructor, that is, an instructor
 5214 who is noncontractual and part time, or as a participant in a
 5215 phased retirement program within a community college, after he
 5216 or she has been retired for 1 calendar month, in accordance with
 5217 s. 121.021(39). Any retired member who is reemployed within 1
 5218 calendar month after retirement shall void his or her
 5219 application for retirement benefits. Boards of trustees
 5220 reemploying such instructors are subject to the retirement
 5221 contribution required in paragraph (g). A retired member may be
 5222 reemployed as an adjunct instructor for no more than 780 hours
 5223 during the first 12 months of his or her retirement. Any
 5224 retired member reemployed for more than 780 hours during his or
 5225 her first 12 months of retirement shall give timely notice in
 5226 writing to his or her employer and to the division ~~department~~ of
 5227 the date he or she will exceed the limitation. The division
 5228 ~~department~~ shall suspend his or her retirement benefits for the
 5229 remainder of his or her first 12 months of retirement. Any
 5230 person employed in violation of this paragraph and any employing
 5231 agency which knowingly employs or appoints such person without
 5232 notifying the division ~~department~~ to suspend retirement benefits
 5233 shall be jointly and severally liable for reimbursement to the
 5234 retirement trust fund of any benefits paid during the
 5235 reemployment limitation period. To avoid liability, such
 5236 employing agency shall have a written statement from the retiree
 5237 that he or she is not retired from a state-administered
 5238 retirement system. Any retirement benefits received by a
 5239 retired member while reemployed in excess of 780 hours during
 5240 his or her first 12 months of retirement shall be repaid to the

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5241 Retirement System Trust Fund, and retirement benefits shall
 5242 remain suspended until repayment is made. Benefits suspended
 5243 beyond the end of the retired member's first 12 months of
 5244 retirement shall apply toward repayment of benefits received in
 5245 violation of the 780-hour reemployment limitation.

5246 (e) The Board of Trustees of the Florida School for the
 5247 Deaf and the Blind may reemploy a retired member as a substitute
 5248 teacher, substitute residential instructor, or substitute nurse
 5249 on a noncontractual basis after he or she has been retired for 1
 5250 calendar month, in accordance with s. 121.021(39). Any retired
 5251 member who is reemployed within 1 calendar month after
 5252 retirement shall void his or her application for retirement
 5253 benefits. The Board of Trustees of the Florida School for the
 5254 Deaf and the Blind reemploying such teachers, residential
 5255 instructors, or nurses is subject to the retirement contribution
 5256 required by paragraph (g). Reemployment of a retired member as
 5257 a substitute teacher, substitute residential instructor, or
 5258 substitute nurse is limited to 780 hours during the first 12
 5259 months of his or her retirement. Any retired member reemployed
 5260 for more than 780 hours during his or her first 12 months of
 5261 retirement shall give timely notice in writing to his or her
 5262 employer and to the division ~~department~~ of the date he or she
 5263 will exceed the limitation. The division ~~department~~ shall
 5264 suspend his or her retirement benefits for the remainder of his
 5265 or her first 12 months of retirement. Any person employed in
 5266 violation of this paragraph and any employing agency which
 5267 knowingly employs or appoints such person without notifying the
 5268 division ~~department~~ to suspend retirement benefits shall be
 5269 jointly and severally liable for reimbursement to the retirement

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5270 trust fund of any benefits paid during the reemployment
 5271 limitation period. To avoid liability, such employing agency
 5272 shall have a written statement from the retiree that he or she
 5273 is not retired from a state-administered retirement system. Any
 5274 retirement benefits received by a retired member while
 5275 reemployed in excess of 780 hours during his or her first 12
 5276 months of retirement shall be repaid to the Retirement System
 5277 Trust Fund, and his or her retirement benefits shall remain
 5278 suspended until payment is made. Benefits suspended beyond the
 5279 end of the retired member's first 12 months of retirement shall
 5280 apply toward repayment of benefits received in violation of the
 5281 780-hour reemployment limitation.

5282 (f) The State University System may reemploy a retired
 5283 member as an adjunct faculty member or as a participant in a
 5284 phased retirement program within the State University System
 5285 after the retired member has been retired for 1 calendar month,
 5286 in accordance with s. 121.021(39). Any retired member who is
 5287 reemployed within 1 calendar month after retirement shall void
 5288 his or her application for retirement benefits. The State
 5289 University System is subject to the retired contribution
 5290 required in paragraph (g), as appropriate. A retired member may
 5291 be reemployed as an adjunct faculty member or a participant in a
 5292 phased retirement program for no more than 780 hours during the
 5293 first 12 months of his or her retirement. Any retired member
 5294 reemployed for more than 780 hours during his or her first 12
 5295 months of retirement shall give timely notice in writing to his
 5296 or her employer and to the division ~~department~~ of the date he or
 5297 she will exceed the limitation. The division ~~department~~ shall
 5298 suspend his or her retirement benefits for the remainder of his

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5299 or her first 12 months of retirement. Any person employed in
 5300 violation of this paragraph and any employing agency which
 5301 knowingly employs or appoints such person without notifying the
 5302 division ~~department~~ to suspend retirement benefits shall be
 5303 jointly and severally liable for reimbursement to the retirement
 5304 trust fund of any benefits paid during the reemployment
 5305 limitation period. To avoid liability, such employing agency
 5306 shall have a written statement from the retiree that he or she
 5307 is not retired from a state-administered retirement system. Any
 5308 retirement benefits received by a retired member while
 5309 reemployed in excess of 780 hours during his or her first 12
 5310 months of retirement shall be repaid to the Retirement System
 5311 Trust Fund, and retirement benefits shall remain suspended until
 5312 repayment is made. Benefits suspended beyond the end of the
 5313 retired member's first 12 months of retirement shall apply
 5314 toward repayment of benefits received in violation of the 780-
 5315 hour reemployment limitation.

5316 (g) The employment by an employer of any retiree of a
 5317 state-administered retirement system shall have no effect on the
 5318 average final compensation or years of creditable service of
 5319 such retiree. Prior to July 1, 1991, upon employment of any
 5320 person, other than an elected officer as provided in s. 121.053,
 5321 who has been retired under any state-administered retirement
 5322 program, the employer shall pay retirement contributions in an
 5323 amount equal to the unfunded actuarial accrued liability portion
 5324 of the employer contribution which would be required for a
 5325 regular member of the Florida Retirement System. Effective July
 5326 1, 1991, contributions shall be made as provided in s. 121.122
 5327 for renewed membership.

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5328 (h) The limitations of this subsection apply to
 5329 reemployment in any capacity with an "employer" as defined in s.
 5330 121.021(10), irrespective of the category of funds from which
 5331 the person is compensated.

5332 Section 91. Section 238.32, Florida Statutes, is amended
 5333 to read:

5334 238.32 Service credit in disputed cases.--The division
 5335 ~~Department of Management Services~~ may in its discretion allow or
 5336 deny a member service credit in disputed or doubtful cases for
 5337 employment in Florida and out-of-state schools in order to serve
 5338 the best interests of the state and the member, subject to the
 5339 membership dates set forth in s. 238.06(4).

5340 Section 92. Subsection (4) of section 650.02, Florida
 5341 Statutes, is amended to read:

5342 650.02 Definitions.--For the purpose of this chapter:

5343 (4) The term "state agency" means the Division of
 5344 Retirement of the State Board of Administration ~~Department of~~
 5345 ~~Management Services~~.

5346 Section 93. Subsection (1) of section 650.06, Florida
 5347 Statutes, is amended to read:

5348 650.06 Social Security Contribution Trust Fund.--

5349 (1) There is hereby established in the State Treasury to
 5350 be administered by the State Board of Administration a special
 5351 fund to be known as the "Social Security Contribution Trust
 5352 Fund." Such fund shall consist of and there shall be deposited
 5353 in such fund:

5354 (a) All contributions, interest, and penalties collected
 5355 under ss. 650.04 and 650.05;

5356 (b) All moneys appropriated thereto under this chapter;

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5357 (c) Any property or securities and earnings thereof
 5358 acquired through the use of moneys belonging to the fund;
 5359 (d) Interest earned upon any moneys in the fund; and
 5360 (e) All sums recovered upon the bond of the custodian or
 5361 otherwise for losses sustained by the fund and all other moneys
 5362 received for the fund from any other source. All moneys in the
 5363 fund shall be mingled and undivided. Subject to the provisions
 5364 of this chapter, the state agency is vested with full power,
 5365 authority and jurisdiction over the fund, including all moneys
 5366 and property or securities belonging thereto, and may perform
 5367 any and all acts whether or not specifically designated, which
 5368 are necessary to the administration thereof and are consistent
 5369 with the provisions of this chapter.

5370 Section 94. The Department of Management Services may
 5371 contract with the State Board of Administration to administer
 5372 ss. 112.05, 121.1815, 238.171, 250.22, and 112.351-112.362,
 5373 Florida Statutes.

5374 Section 95. The Division of Retirement of the State Board
 5375 of Administration is a state agency for the purpose of making
 5376 payments under the retirement plans and other benefit programs
 5377 administered by the board and the Division of Retirement. The
 5378 Department of Financial Services shall issue benefit payments to
 5379 persons or governmental entities eligible for such payments
 5380 under the retirement plans and other benefit programs
 5381 administered by the board and the Division of Retirement. The
 5382 board is authorized to requisition the appropriate amounts from
 5383 trust funds in the State Treasury established for this purpose.

5384 Section 96. This act shall take effect July 1, 2004.