

By the Committee on Ways and Means; and Senator Constantine

576-2233-05

1                                   A bill to be entitled  
2           An act relating to deferred compensation  
3           programs; amending s. 112.215, F.S.; revising  
4           the term "employee" and defining the term  
5           "governmental entity"; authorizing governmental  
6           entities, by ordinance, contract agreement, or  
7           other documentation, to participate in the  
8           deferred compensation plan of the state and  
9           specifying responsibility of the Chief  
10          Financial Officer with respect thereto;  
11          amending s. 20.121, F.S., relating to the  
12          Department of Financial Services, to conform;  
13          providing effective dates.

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

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17           Section 1. Paragraph (d) of subsection (2) of section  
18 20.121, Florida Statutes, is amended to read:

19           20.121 Department of Financial Services.--There is  
20 created a Department of Financial Services.

21           (2) DIVISIONS.--The Department of Financial Services  
22 shall consist of the following divisions:

23           (d) The Division of Treasury, which shall include a  
24 Bureau of Deferred Compensation responsible for administering  
25 the Government Employees Deferred Compensation Plan as  
26 provided in ~~established under~~ s. 112.215 ~~for state employees.~~

27           Section 2. Effective October 1, 2005, paragraph (d) of  
28 subsection (2) of section 20.121, Florida Statutes, as amended  
29 by chapter 2004-301, Laws of Florida, is amended to read:

30           20.121 Department of Financial Services.--There is  
31 created a Department of Financial Services.

1           (2) DIVISIONS.--The Department of Financial Services  
2 shall consist of the following divisions:

3           (d) The Division of Treasury, which shall include a  
4 Bureau of Deferred Compensation responsible for administering  
5 the Government Employees Deferred Compensation Plan as  
6 provided in ~~established under~~ s. 112.215 ~~for state employees.~~

7           Section 3. Subsection (2), paragraphs (a) and (d) of  
8 subsection (4), and subsections (5), (6), and (12) of section  
9 112.215, Florida Statutes, are amended to read:

10           112.215 Government employees; deferred compensation  
11 program.--

12           (2)(a) For the purposes of this section, the term  
13 "employee" means any person, whether appointed, elected, or  
14 under contract, providing services for a governmental entity  
15 ~~the state; any state agency or county or other political~~  
16 ~~subdivision of the state; any municipality; any state~~  
17 ~~university board of trustees; or any constitutional county~~  
18 ~~officer under s. 1(d), Art. VIII of the State Constitution for~~  
19 which compensation or statutory fees are paid.

20           (b) "Governmental entity" means the state; any state  
21 agency or county or other political subdivision of the state;  
22 any municipality; any state university board of trustees; or  
23 any constitutional county officer under s. 1(d), Art. VIII of  
24 the State Constitution.

25           (4)(a) The Chief Financial Officer, with the approval  
26 of the State Board of Administration, shall establish such  
27 plan or plans of deferred compensation for ~~state~~ employees of  
28 governmental entities, including all such investment vehicles  
29 or products incident thereto, as may be available through, or  
30 offered by, qualified companies or persons, and may approve  
31 one or more such plans for implementation by and on behalf of

1 ~~governmental entities the state and their its agencies and~~  
2 employees.

3 (d) In accordance with such approved plan, and upon  
4 contract or agreement with an eligible employee, deferrals of  
5 compensation may be accomplished by payroll deductions made by  
6 the appropriate officer or officers of the governmental entity  
7 ~~state~~, with such funds being thereafter held and administered  
8 in accordance with the plan.

9 (5) Any county, municipality, or other political  
10 subdivision of the state may by ordinance, and any  
11 constitutional county officer under s. 1(d), Art. VIII of the  
12 State Constitution of 1968 may by contract agreement or other  
13 documentation constituting approval, for itself and its  
14 employees:

15 (a) Adopt and establish ~~for itself and its employees~~ a  
16 deferred compensation program. The ordinance shall designate  
17 an appropriate official of the county, municipality, or  
18 political subdivision to approve and administer a deferred  
19 compensation plan or otherwise provide for such approval and  
20 administration. The ordinance shall also designate a public  
21 official or body to make the determinations provided for in  
22 paragraph (6)(b). If a constitutional county officer elects to  
23 adopt and establish for that office and its employees a  
24 deferred compensation program, the constitutional county  
25 officer shall be the appropriate official to make the  
26 determinations provided for in this subsection and in  
27 paragraph (6)(b);-

28 (b) Adopt the deferred compensation program of the  
29 state; or

30 (c) Both adopt and establish a deferred compensation  
31 program and adopt the state's deferred compensation program.

1           (6)(a) No deferred compensation plan of the state  
2 shall become effective until approved by the State Board of  
3 Administration and the Chief Financial Officer is satisfied by  
4 opinion from such federal agency or agencies as may be deemed  
5 necessary that the compensation deferred thereunder, ~~and/or~~  
6 the investment products purchased pursuant to the plan, or  
7 both will not be included in the employee's taxable income  
8 under federal or state law until it is actually received by  
9 such employee under the terms of the plan, and that such  
10 compensation will nonetheless be deemed compensation at the  
11 time of deferral for the purposes of social security coverage,  
12 for the purposes of the state retirement system, or ~~and~~ for  
13 any other retirement, pension, or benefit program established  
14 by law.

15           (b) No deferred compensation plan adopted and  
16 established by ~~of~~ a county, municipality, other political  
17 subdivision, or constitutional county officer shall become  
18 effective until the appropriate official or body designated  
19 under subsection (5) is satisfied by opinion from such federal  
20 agency or agencies as may be deemed necessary that the  
21 compensation deferred thereunder, ~~and/or~~ the investment  
22 products purchased pursuant to the plan, or both will not be  
23 included in the employee's taxable income under federal or  
24 state law until it is actually received by such employee under  
25 the terms of the plan, and that such compensation will  
26 nonetheless be deemed compensation at the time of deferral for  
27 the purposes of social security coverage, for the purposes of  
28 the retirement system of the appropriate county, municipality,  
29 political subdivision, or constitutional county officer, and  
30 for any other retirement, pension, or benefit program  
31 established by law.

1           (12) The Chief Financial Officer may adopt any rule  
2 necessary to administer and implement this act with respect to  
3 deferred compensation plans for ~~state~~ employees of  
4 governmental entities that have adopted the state's plan .

5           Section 4. Except as otherwise provided herein, this  
6 act shall take effect upon becoming a law.

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8                           STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
9   COMMITTEE SUBSTITUTE FOR  
10   Senate Bill 1254

11 Amends ss. 20.121 and 112.215, F.S., to expand the eligibility  
12 requirements of the deferred compensation program to include  
13 all employees of government entities including local  
14 governments.  
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