

Bill No. SB 688

Barcode 045734

CHAMBER ACTION

Senate

House

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

.  
. .  
. .  
. .  
. .  
. .

---

The Committee on Education (Lynn) recommended the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Paragraph (b) of subsection (1) of section 121.055, Florida Statutes, is amended to read:

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

(1)

(b)1. Except as provided in subparagraph 2., effective January 1, 1990, participation in the Senior Management Service Class shall be compulsory for the president of each community college, the manager of each participating city or county, and all appointed district school superintendents. Effective January 1, 1994, additional positions may be

Bill No. SB 688

Barcode 045734

1 designated for inclusion in the Senior Management Service  
2 Class of the Florida Retirement System, provided that:

3 a. Positions to be included in the class shall be  
4 designated by the local agency employer. Notice of intent to  
5 designate positions for inclusion in the class shall be  
6 published once a week for 2 consecutive weeks in a newspaper  
7 of general circulation published in the county or counties  
8 affected, as provided in chapter 50.

9 b. Up to 10 nonelective full-time positions may be  
10 designated for each local agency employer reporting to the  
11 Department of Management Services; for local agencies with 100  
12 or more regularly established positions, additional  
13 nonelective full-time positions may be designated, not to  
14 exceed 1 percent of the regularly established positions within  
15 the agency.

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

21 (I) Heads an organizational unit; or

22 (II) Has responsibility to effect or recommend  
23 personnel, budget, expenditure, or policy decisions in his or  
24 her areas of responsibility.

25 2. In lieu of participation in the Senior Management  
26 Service Class, members of the Senior Management Service Class  
27 pursuant to the provisions of subparagraph 1. may withdraw  
28 from the Florida Retirement System altogether. The decision to  
29 withdraw from the Florida Retirement System shall be  
30 irrevocable for as long as the employee holds such a position.  
31 Any service creditable under the Senior Management Service

Bill No. SB 688

Barcode 045734

1 Class shall be retained after the member withdraws from the  
 2 Florida Retirement System; however, additional service credit  
 3 in the Senior Management Service Class shall not be earned  
 4 after such withdrawal. Such members shall not be eligible to  
 5 participate in the Senior Management Service Optional Annuity  
 6 Program.

7 3. Effective January 1, 2006, through June 30, 2006,  
 8 an employee who has withdrawn from the Florida Retirement  
 9 System under subparagraph 2. has one opportunity to elect to  
 10 participate in either the defined benefit program or the  
 11 Public Employee Optional Retirement Program of the Florida  
 12 Retirement System.

13 a. If the employee elects to participate in the Public  
 14 Employee Optional Retirement Program, membership shall be  
 15 prospective, and the applicable provisions of s. 121.4501(4)  
 16 shall govern the election.

17 b. If the employee elects to participate in the  
 18 defined benefit program of the Florida Retirement System, the  
 19 employee shall, upon payment to the system trust fund of the  
 20 amount calculated under sub-sub-subparagraph (I), receive  
 21 service credit for prior service based upon the time during  
 22 which the employee had withdrawn from the system.

23 (I) The cost for such credit shall be an amount  
 24 representing the present value of that employee's accumulated  
 25 benefit obligation for the affected period of service. The  
 26 cost shall be calculated as if the benefit commences on the  
 27 first date the employee would become eligible for unreduced  
 28 benefits, using the discount rate and other relevant actuarial  
 29 assumptions that were used to value the Florida Retirement  
 30 System defined benefit plan liabilities in the most recent  
 31 actuarial valuation. The calculation shall include any service

Bill No. SB 688

Barcode 045734

1 already maintained under the defined benefit plan in addition  
 2 to the period of withdrawal. The present value of any service  
 3 already maintained under the defined benefit plan shall be  
 4 applied as a credit to the total cost resulting from the  
 5 calculation. The division shall ensure that the transfer sum  
 6 is prepared using a formula and methodology certified by an  
 7 enrolled actuary.

8 (II) The employee must transfer a sum representing the  
 9 present value of that employee's accumulated benefit  
 10 obligation immediately following the time of such movement,  
 11 determined assuming that attained service equals the sum of  
 12 service in the defined benefit program and the period of  
 13 withdrawal.

14 Section 2. This act shall take effect July 1, 2005.  
 15  
 16

17 ===== T I T L E A M E N D M E N T =====

18 And the title is amended as follows:

19 Delete everything before the enacting clause  
 20

21 and insert:

22 A bill to be entitled  
 23 An act relating to the Florida Retirement  
 24 System; amending s. 121.055, F.S.; during a  
 25 specified period of time, permitting community  
 26 college employees who are members of the Senior  
 27 Management Service Class and certain other  
 28 members of the class, who have withdrawn from  
 29 the Florida Retirement System, to elect  
 30 membership in the defined benefit plan or the  
 31 optional retirement program of the system;

Bill No. SB 688

Barcode 045734

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

prescribing requirements in making such  
election; providing for payment of the costs of  
such membership; providing an effective date.