

CHAMBER ACTION

1 The Governmental Operations Committee recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

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

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

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18 Section 1. Paragraph (d) of subsection (2) of section  
19 20.121, Florida Statutes, is amended to read:

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

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

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

28 Section 2. Subsection (2), paragraphs (a) and (d) of  
 29 subsection (4), and subsections (5), (6), and (12) of section  
 30 112.215, Florida Statutes, are amended to read:

31 112.215 Government employees; deferred compensation  
 32 program.--

33 (2) (a) For the purposes of this section, the term  
 34 "employee" means any person, whether appointed, elected, or  
 35 under contract, providing services for a governmental entity ~~the~~  
 36 ~~state; any state agency or county or other political subdivision~~  
 37 ~~of the state; any municipality; any state university board of~~  
 38 ~~trustees; or any constitutional county officer under s. 1(d),~~  
 39 ~~Art. VIII of the State Constitution~~ for which compensation or  
 40 statutory fees are paid.

41 (b) "Governmental entity" means the state; any state  
 42 agency or county or other political subdivision of the state;  
 43 any municipality; any state university board of trustees; or any  
 44 constitutional county officer under s. 1(d), Art. VIII of the  
 45 State Constitution.

46 (4) (a) The Chief Financial Officer, with the approval of  
 47 the State Board of Administration, shall establish such plan or  
 48 plans of deferred compensation for ~~state employees~~ of  
 49 governmental entities, including all such investment vehicles or  
 50 products incident thereto, as may be available through, or  
 51 offered by, qualified companies or persons, and may approve one

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52 or more such plans for implementation by and on behalf of  
53 governmental entities ~~the state and their its agencies and~~  
54 employees.

55 (d) In accordance with such approved plan, and upon  
56 contract or agreement with an eligible employee, deferrals of  
57 compensation may be accomplished by payroll deductions made by  
58 the appropriate officer or officers of the governmental entity  
59 ~~state~~, with such funds being thereafter held and administered in  
60 accordance with the plan.

61 (5) Any county, municipality, or other political  
62 subdivision of the state may by ordinance, and any  
63 constitutional county officer under s. 1(d), Art. VIII of the  
64 State Constitution of 1968 may by contract agreement or other  
65 documentation constituting approval, for itself and its  
66 employees:

67 (a) Adopt and establish ~~for itself and its employees~~ a  
68 deferred compensation program. The ordinance shall designate an  
69 appropriate official of the county, municipality, or political  
70 subdivision to approve and administer a deferred compensation  
71 plan or otherwise provide for such approval and administration.  
72 The ordinance shall also designate a public official or body to  
73 make the determinations provided for in paragraph (6)(b). If a  
74 constitutional county officer elects to adopt and establish for  
75 that office and its employees a deferred compensation program,  
76 the constitutional county officer shall be the appropriate  
77 official to make the determinations provided for in this  
78 subsection and in paragraph (6)(b); i:-

79           (b) Adopt the plan or plans of deferred compensation for  
 80 employees of governmental entities established pursuant to  
 81 subsection (4); or

82           (c) Both adopt and establish a deferred compensation  
 83 program and adopt the plan or plans of deferred compensation for  
 84 employees of governmental entities established pursuant to  
 85 subsection (4).

86           (6) (a) No deferred compensation plan of the state shall  
 87 become effective until approved by the State Board of  
 88 Administration and the Chief Financial Officer is satisfied by  
 89 opinion from such federal agency or agencies as may be deemed  
 90 necessary that the compensation deferred thereunder, and/or the  
 91 investment products purchased pursuant to the plan, or both will  
 92 not be included in the employee's taxable income under federal  
 93 or state law until it is actually received by such employee  
 94 under the terms of the plan, and that such compensation will  
 95 nonetheless be deemed compensation at the time of deferral for  
 96 the purposes of social security coverage, for the purposes of  
 97 the state retirement system, or ~~and~~ for any other retirement,  
 98 pension, or benefit program established by law.

99           (b) No deferred compensation plan adopted and established  
 100 by ~~of~~ a county, municipality, other political subdivision, or  
 101 constitutional county officer shall become effective until the  
 102 appropriate official or body designated under subsection (5) is  
 103 satisfied by opinion from such federal agency or agencies as may  
 104 be deemed necessary that the compensation deferred thereunder,  
 105 ~~and/or~~ the investment products purchased pursuant to the plan,  
 106 or both will not be included in the employee's taxable income

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107 | under federal or state law until it is actually received by such  
108 | employee under the terms of the plan, and that such compensation  
109 | will nonetheless be deemed compensation at the time of deferral  
110 | for the purposes of social security coverage, for the purposes  
111 | of the retirement system of the appropriate county,  
112 | municipality, political subdivision, or constitutional county  
113 | officer, and for any other retirement, pension, or benefit  
114 | program established by law.

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

119 |       Section 3. This act shall take effect upon becoming a law.