

1 A bill to be entitled
 2 An act relating to the Florida Retirement System; creating
 3 s. 121.047, F.S.; consolidating the operation of the
 4 Institute of Food and Agricultural Sciences Supplemental
 5 Retirement Program under the Florida Retirement System;
 6 providing for assumption of program liabilities and
 7 obligations; abolishing the Institute of Food and
 8 Agricultural Sciences Supplemental Retirement Trust Fund;
 9 barring program participants from membership in the
 10 Florida Retirement System; amending s. 121.40, F.S.,
 11 relating to the establishment and administration of the
 12 Institute of Food and Agricultural Sciences Supplemental
 13 Retirement Program; conforming provisions; redefining the
 14 term "trust fund" for purposes of administering the
 15 program; providing a rate of monthly contributions;
 16 removing provisions relating to investments of the program
 17 trust fund; providing a declaration of important state
 18 interest; providing an effective date.

19
 20 Be It Enacted by the Legislature of the State of Florida:

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 22 Section 1. Section 121.047, Florida Statutes, is created
 23 to read:

24 121.047 Consolidation of liabilities and assets; Institute
 25 of Food and Agricultural Sciences Supplemental Retirement
 26 Program; restriction.--

27 (1) Effective July 1, 2007, the Institute of Food and
 28 Agricultural Sciences Supplemental Retirement Program, as

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29 established under s. 121.40, shall be consolidated under the
30 Florida Retirement System and the system shall assume:

31 (a) All liabilities related to the payment of supplemental
32 monthly benefits to retired employees of the institute and their
33 surviving beneficiaries; and

34 (b) All obligations in regard to funding and administering
35 benefits accrued for the benefit of retired employees of the
36 institute and their surviving beneficiaries.

37 (2) The administrator shall, as of July 1, 2007, cause to
38 be transferred to the trust fund of the Florida Retirement
39 System all assets of the Institute of Food and Agricultural
40 Sciences Supplemental Retirement Trust Fund, including moneys,
41 securities, and other property accumulated to date, as well as
42 all liabilities and obligations connected therewith. Upon such
43 transfer of assets, liabilities, and obligations, the Institute
44 of Food and Agricultural Sciences Supplemental Retirement Trust
45 Fund shall be abolished and the administrator shall become the
46 trustee of any funds transferred to the Florida Retirement
47 System.

48 (3) Participation in the Institute of Food and
49 Agricultural Sciences Supplemental Retirement Program does not
50 constitute membership in the Florida Retirement System.

51 Section 2. Section 121.40, Florida Statutes, is amended to
52 read:

53 121.40 Cooperative extension personnel at the Institute of
54 Food and Agricultural Sciences; supplemental retirement
55 benefits.--

56 (1) SHORT TITLE.--This section shall be known and may be

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57 | cited as the "Institute of Food and Agricultural Sciences
58 | Supplemental Retirement Act."

59 | (2) PURPOSE.--The purpose of this act is to provide a
60 | supplement to the monthly retirement benefits being paid under
61 | the federal Civil Service Retirement System to, or with respect
62 | to, certain retired employees of the Institute of Food and
63 | Agricultural Sciences at the University of Florida, whose
64 | positions were ineligible for coverage under a state-supported
65 | retirement system.

66 | (3) DEFINITIONS.--The definitions provided in s. 121.021
67 | shall not apply to this program ~~section~~ except when specifically
68 | cited. For the purposes of this section, the following words or
69 | phrases have the respective meanings set forth:

70 | (a) "Institute" means the Institute of Food and
71 | Agricultural Sciences of the University of Florida.

72 | (b) "Department" means the Department of Management
73 | Services.

74 | (c) "Participant" means any employee of the institute who
75 | is eligible to receive a supplemental benefit under this program
76 | as provided in subsection (4).

77 | (d) "Trust fund" means the Florida Retirement System
78 | ~~Institute of Food and Agricultural Sciences Supplemental~~
79 | ~~Retirement~~ Trust Fund.

80 | (e) "Creditable service" means any service subsequent to
81 | December 1, 1970, with the institute as a cooperative extension
82 | employee holding both state and federal appointments, that is
83 | credited for retirement purposes by the institute toward a
84 | federal Civil Service Retirement System annuity.

85 (4) ELIGIBILITY FOR SUPPLEMENT.--To be eligible for a
86 benefit under this program pursuant to the provisions of this
87 section, a person must meet all of the following eligibility
88 criteria:

89 (a) The person must have held both state and federal
90 appointments while employed at the institute, and have completed
91 10 years of creditable service with the institute, subsequent to
92 December 1, 1970.

93 (b) The person must be participating in the federal Civil
94 Service Retirement System based on service at the institute.

95 (c) The person must have retired from the institute on or
96 after January 1, 1985, and must have been eligible for benefits
97 under the federal Civil Service Retirement System commencing
98 immediately upon the termination of service with the institute.

99 (d) The person must have attained the age of 62.

100 (e) The person must not be entitled to any benefit from a
101 state-supported retirement system or from social security based
102 upon service as a cooperative extension employee of the
103 institute. Participation in the Institute of Food and
104 Agricultural Sciences Supplemental Retirement Program shall not
105 constitute membership in the Florida Retirement System.

106 (f) The person must have been employed with the institute
107 prior to, and on, July 1, 1983.

108 (5) SUPPLEMENT AMOUNT.--The supplemental payment shall
109 provide a benefit to the retiree equal to the amount by which
110 the retirement annuity, without a survivor benefit, earned by
111 the employee under the federal Civil Service Retirement System
112 with respect to service as a cooperative extension employee of

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113 the institute after December 1, 1970, is inferior to:

114 (a) An amount equal to the option one retirement benefit
115 that the employee would have been entitled to receive at his or
116 her normal retirement age under the Florida Retirement System,
117 attributable only to creditable service after December 1, 1970,
118 as a cooperative extension employee of the institute, excluding
119 any past or prior service credit, had such employee been a
120 member of the Florida Retirement System; plus

121 (b) An amount equal to the primary insurance amount that
122 the individual employee would have been entitled to receive
123 under social security at age 62 had he or she been covered for
124 such employment, such amount to be computed in accordance with
125 the Social Security Act only with respect to employment as a
126 cooperative extension employee of the institute after December
127 1, 1970.

128 (6) PAYMENT OF SUPPLEMENT.--Any participant who retires on
129 or after January 1, 1985, from the federal Civil Service
130 Retirement System as a cooperative extension employee of the
131 institute at the University of Florida and who satisfies all of
132 the eligibility criteria specified in subsection (4) shall be
133 entitled to receive a supplemental benefit under this program
134 computed in accordance with subsection (5), to begin July 1,
135 1985, or the month of retirement, or the month in which the
136 participant becomes age 62, whichever is later. Upon application
137 to the administrator, the participant shall receive a monthly
138 supplemental benefit which shall commence on the last day of the
139 month of retirement and shall be payable on the last day of the
140 month thereafter during his or her lifetime. A participant may

141 have federal income tax and health insurance premiums deducted
 142 from his or her monthly supplemental benefit in the same manner
 143 as provided in s. 121.091(14)(a) and (b) for monthly retirement
 144 benefits under the Florida Retirement System.

145 (7) OPTIONAL FORMS OF SUPPLEMENTAL RETIREMENT
 146 BENEFITS.--Prior to the receipt of the first monthly
 147 supplemental retirement payment under this program, a
 148 participant shall elect to receive the supplemental retirement
 149 benefits to which he or she is entitled under subsection (6) in
 150 accordance with s. 121.091(6).

151 (8) DEATH BENEFITS.--

152 (a) If the employment of a participant of this program is
 153 terminated by reason of his or her death subsequent to the
 154 completion of 10 years of creditable service with the institute
 155 but prior to his or her actual retirement, such 10-year period
 156 having commenced on or after December 1, 1970, it shall be
 157 assumed that the participant had met all of the eligibility
 158 requirements under this section and had retired from the federal
 159 Civil Service Retirement System and under this section as of the
 160 date of death, having elected, in accordance with subsection
 161 (7), the optional form of supplemental payment most favorable to
 162 his or her beneficiary, as determined by the administrator. The
 163 monthly supplemental benefit provided in this paragraph shall be
 164 paid to the participant's beneficiary (spouse or other financial
 165 dependent) upon such beneficiary's attaining the age of 62 and
 166 shall be paid thereafter for the beneficiary's lifetime.

167 (b) If a participant of this program dies subsequent to
 168 his or her actual retirement under the federal Civil Service

169 Retirement System but prior to attaining age 62, and such
 170 participant was otherwise eligible for supplemental benefits
 171 under this section, it shall be assumed that the participant had
 172 met all of the eligibility requirements under this section and
 173 had retired as of the date of death, having elected, in
 174 accordance with subsection (7), the optional form of
 175 supplemental payment most favorable to his or her beneficiary,
 176 as determined by the administrator. The monthly supplemental
 177 benefit provided in this paragraph shall be paid to the
 178 participant's beneficiary (spouse or other financial dependent)
 179 upon such beneficiary's attaining the age of 62 and shall be
 180 paid thereafter for the beneficiary's lifetime.

181 (9) DESIGNATION OF BENEFICIARIES.--Each participant of
 182 this program may designate beneficiaries in accordance with s.
 183 121.091(8).

184 (10) COST-OF-LIVING ADJUSTMENT OF SUPPLEMENTAL
 185 BENEFITS.--On each July 1, the supplemental benefit of each
 186 retired participant of this program and each annuitant thereof
 187 shall be adjusted as provided in s. 121.101.

188 (11) EMPLOYMENT AFTER RETIREMENT: LIMITATION.--Any person
 189 who is receiving a supplemental retirement benefit under this
 190 program ~~section~~ may be reemployed by any private or public
 191 employer after retirement and receive supplemental retirement
 192 benefits pursuant to this section and compensation from his or
 193 her employer, without any limitations. However, if a retired
 194 participant who is receiving a supplemental retirement benefit
 195 under this section is reemployed at the institute in a position
 196 as a cooperative extension employee of the institute, he or she

197 shall forfeit all rights to supplemental retirement benefits in
 198 accordance with the eligibility provisions of paragraph (4)(e).

199 (12) CONTRIBUTIONS.--

200 (a) For the purpose ~~purposes~~ of funding the supplemental
 201 benefits provided by this section, the institute is authorized
 202 and required to pay, commencing July 1, 1985, the necessary
 203 monthly contributions from its appropriated budget. These
 204 amounts shall be paid into the Florida Retirement System
 205 ~~Institute of Food and Agricultural Sciences Supplemental~~
 206 ~~Retirement Trust Fund, which is hereby created.~~

207 (b) The monthly contributions required to be paid pursuant
 208 to paragraph (a) on the gross monthly salaries, from all sources
 209 with respect to such employment, paid to those employees of the
 210 institute who hold both state and federal appointments and who
 211 participate in the federal Civil Service Retirement System shall
 212 be as follows:

213

Dates of Contribution Rate Changes	Percentage Due
214 July 1, 1985, through December 31, 1988	6.68%
215 January 1, 1989, through December 31, 1993	6.35%
216 January 1, 1994, through	6.69%

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217	December 31, 1994	
	January 1, 1995, through	6.82%
	June 30, 1996	
218	July 1, 1996, through	5.64%
	June 30, 1998	
219	July 1, 1998, through	7.17%
	June 30, 2001	
220	July 1, 2001, through	6.96%
	June 30, 2003	
221	July 1, 2003, through	13.83%
	June 30, 2005	
222	Effective July 1, 2005,	20.23%
	through June 30, 2007	
223	<u>Effective July 1, 2007</u>	<u>18.75%</u>

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225 ~~(13) INVESTMENT OF THE TRUST FUND.~~

226 ~~(a) The State Board of Administration shall invest and~~

227 ~~reinvest available funds of the trust fund in accordance with~~

228 ~~the provisions of ss. 215.44 215.53. The board shall consider~~

229 ~~investment techniques, such as contingent immunization or the~~

230 ~~development of a dedicated portfolio, which are directed toward~~

231 ~~developing minimum risk procedures for supporting a prescribed~~
 232 ~~liability schedule.~~

233 ~~(b) Costs incurred in carrying out the provisions of this~~
 234 ~~section shall be deducted from the interest earnings accruing to~~
 235 ~~the trust fund.~~

236 ~~(13)(14)~~ ADMINISTRATION OF PROGRAM SYSTEM. --

237 (a) The department shall make such rules as are necessary
 238 for the effective and efficient administration of this program
 239 system. The secretary of the department shall be the
 240 administrator of the program system. The funds to pay the
 241 expenses for such administration shall be appropriated from the
 242 interest earned on investments made for the Florida Retirement
 243 System Trust Fund.

244 (b) The department may ~~is authorized to~~ require oaths, by
 245 affidavit or otherwise, and acknowledgments from persons in
 246 connection with the administration of its duties and
 247 responsibilities under this section.

248 ~~(c) The administrator shall cause an actuarial study of~~
 249 ~~the system to be made at least once every 2 years and shall~~
 250 ~~report the results of such study to the next session of the~~
 251 ~~Legislature following completion of the study.~~

252 Section 3. The Legislature finds that a proper and
 253 legitimate state purpose is served when employees and retirees
 254 of the state and its political subdivisions and the dependents,
 255 survivors, and beneficiaries of such employees and retirees are
 256 extended the basic protections afforded by governmental
 257 retirement systems that provide fair and adequate benefits that
 258 are managed, administered, and funded in an actuarially sound

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259 manner, as required by s. 14, Art. X of the State Constitution
260 and part VII of chapter 112, Florida Statutes. Therefore, the
261 Legislature determines and declares that this act fulfills an
262 important state interest.

263 Section 4. This act shall take effect July 1, 2007.