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CHAMBER ACTION

Senate

House

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Floor: 3/AD/2R
4/24/2008 11:44 AM

1 Senator Lawson moved the following **amendment**:

2
3 **Senate Amendment (with title amendment)**

4 Between line(s) 1255-1256,
5 insert:

6 Section 15. Paragraph (a) of subsection (4) of section
7 121.35, Florida Statutes, is amended, and paragraph (g) is added
8 to that subsection, to read:

9 121.35 Optional retirement program for the State University
10 System.--

11 (4) CONTRIBUTIONS.--

12 (a) Through June 30, 2001, each employer shall contribute
13 on behalf of each participant in the optional retirement program
14 an amount equal to the normal cost portion of the employer
15 retirement contribution which would be required if the
16 participant were a regular member of the Florida Retirement
17 System defined benefit program, plus the portion of the



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18 contribution rate required in s. 112.363(8) that would otherwise
19 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
20 Effective July 1, 2001, each employer shall contribute on behalf
21 of each participant in the optional program an amount equal to
22 10.43 percent of the participant's gross monthly compensation.
23 The department shall deduct an amount approved by the Legislature
24 to provide for the administration of this program. The payment of
25 the contributions to the optional program which is required by
26 this paragraph for each participant shall be made by the employer
27 to the department, which shall forward the contributions to the
28 designated company or companies contracting for payment of
29 benefits for the participant under the program. However, such
30 contributions paid on behalf of an employee described in
31 paragraph (3)(c) shall not be forwarded to a company and shall
32 not begin to accrue interest until the employee has executed a ~~an~~
33 ~~annuity~~ contract and notified the department.

34 (g) Effective July 1, 2008, for purposes of paragraph (a)
35 and notwithstanding s. 121.021(22)(b)1., the term "participant's
36 gross monthly compensation" includes salary payments made to
37 eligible clinical faculty from a state university using funds
38 provided by a faculty practice plan authorized by the Board of
39 Governors of the State University System if:

40 1. There is not any employer contribution from the state
41 university to any other retirement program with respect to such
42 salary payments; and

43 2. The employer contribution on behalf of the participant
44 in the optional retirement program with respect to such salary
45 payments is made using funds provided by the faculty practice
46 plan.



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47 Section 16. Section 121.355, Florida Statutes, is created
48 to read:

49 121.355 Community College Optional Retirement Program and
50 State University System Optional Retirement Program member
51 transfer.--Effective January 1, 2009, through December 31, 2009,
52 an employee who is a former participant in the Community College
53 Optional Retirement Program or the State University System
54 Optional Retirement Program and present mandatory participant in
55 the Florida Retirement System defined benefit plan may receive
56 service credit equal to his or her years of service under the
57 Community College Optional Retirement Program or the State
58 University System Optional Retirement Program under the following
59 conditions:

60 (1) The cost for such credit shall be an amount
61 representing the actuarial accrued liability for the affected
62 period of service. The cost shall be calculated using the
63 discount rate and other relevant actuarial assumptions that were
64 used to value the Florida Retirement System defined benefit plan
65 liabilities in the most recent actuarial valuation. The
66 calculation shall include any service already maintained under
67 the defined benefit plan in addition to the years under the
68 Community College Optional Retirement Program or the State
69 University System Optional Retirement Program. The actuarial
70 accrued liability of any service already maintained under the
71 defined benefit plan shall be applied as a credit to total cost
72 resulting from the calculation. The division shall ensure that
73 the transfer sum is prepared using a formula and methodology
74 certified by an enrolled actuary.

75 (2) The employee must transfer from his or her Community
76 College Optional Retirement Program account or State University



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77 System Optional Retirement Program account, subject to the terms
78 of the applicable optional retirement program contract, and from
79 other employee moneys as necessary, a sum representing the
80 actuarial accrued liability immediately following the time of
81 such movement, determined assuming that attained service equals
82 the sum of service in the defined benefit program and service in
83 the Community College Optional Retirement Program or State
84 University System Optional Retirement Program.

85 (3) The employee may not receive service credit for a
86 period of mandatory participation in the State University
87 Optional Retirement Program or for a period for which a
88 distribution was received from the Community College Optional
89 Retirement Program or State University System Optional Retirement
90 Program.

91
92 ===== T I T L E A M E N D M E N T =====

93 And the title is amended as follows:

94 On line(s) 59, after the semicolon,
95 insert:

96 amending s. 121.35, F.S.; requiring the participating
97 employee in the optional retirement program to execute a
98 contract, not just an annuity contract, with a designated
99 company in order for employee contributions to be
100 forwarded to the company and for interest to accrue;
101 defining the term "participant's gross monthly
102 compensation" for purposes of the optional retirement
103 program for the State University System; creating s.
104 121.355, F.S.; authorizing certain former participants in
105 the Community College Optional Retirement Program or the
106 State University System Optional Retirement Program and



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107 | present mandatory participants in the Florida Retirement
108 | System to receive a specified amount of service credit
109 | under certain conditions; providing a specified time
110 | period for the election of such transfer; limiting certain
111 | service credit;