

1 A bill to be entitled
2 An act relating to retirement; amending s. 121.021, F.S.;
3 clarifying that the term "compensation" for purposes of
4 the benefit retirement program or the Public Employee
5 Optional Retirement Program of the Florida Retirement
6 System does not include fees or salary payments made from
7 a faculty practice plan authorized by the Board of
8 Governors of the State University System for clinical
9 faculty at a state university having a faculty practice
10 plan; amending s. 121.051, F.S.; requiring that a person
11 appointed to a faculty position at a state university
12 having a faculty practice plan participate in the optional
13 retirement program of the State University System rather
14 than the Florida Retirement System; providing definitions;
15 amending s. 121.35, F.S.; requiring the participating
16 employee in the optional retirement program to execute a
17 contract, not just an annuity contract, with a designated
18 company in order for employee contributions to be
19 forwarded to the company and for interest to accrue;
20 defining the term "participant's gross monthly
21 compensation" for purposes of the optional retirement
22 program for the State University System; creating s.
23 121.355, F.S.; authorizing certain former participants in
24 the Community College Optional Retirement Program or the
25 State University System Optional Retirement Program and
26 present mandatory participants in the Florida Retirement
27 System to receive a specified amount of service credit
28 under certain conditions; providing a specified time

29 | period for the election of such transfer; limiting certain
 30 | service credit; providing an effective date.

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32 | Be It Enacted by the Legislature of the State of Florida:

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34 | Section 1. Paragraph (b) of subsection (22) of section
 35 | 121.021, Florida Statutes, is amended to read:

36 | 121.021 Definitions.--The following words and phrases as
 37 | used in this chapter have the respective meanings set forth
 38 | unless a different meaning is plainly required by the context:

39 | (22) "Compensation" means the monthly salary paid a member
 40 | by his or her employer for work performed arising from that
 41 | employment.

42 | (b) Under no circumstances shall compensation for a member
 43 | participating in the defined benefit retirement program or the
 44 | Public Employee Optional Retirement Program of the Florida
 45 | Retirement System include:

46 | 1. Fees paid professional persons for special or
 47 | particular services or include salary payments made from a
 48 | faculty practice plan authorized by the Board of Governors of
 49 | the State University System for eligible clinical faculty at a
 50 | college in a state university with a faculty practice plan; or

51 | 2. Any bonuses or other payments prohibited from inclusion
 52 | in the member's average final compensation and defined in
 53 | subsection (47).

54 | Section 2. Paragraph (a) of subsection (1) of section
 55 | 121.051, Florida Statutes, is amended to read:

56 | 121.051 Participation in the system.--

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2008

57 (1) COMPULSORY PARTICIPATION.--

58 (a) The provisions of this law shall be compulsory as to
59 all officers and employees, except elected officers who meet the
60 requirements of s. 121.052(3), who are employed on or after
61 December 1, 1970, of an employer other than those referred to in
62 paragraph (2)(b), and each officer or employee, as a condition
63 of employment, shall become a member of the system as of his or
64 her date of employment, except that a person who is retired from
65 any state retirement system and is reemployed on or after
66 December 1, 1970, may ~~shall not be permitted to~~ renew his or her
67 membership in any state retirement system except as provided in
68 s. 121.091(4)(h) for a person who recovers from disability, and
69 as provided in s. 121.091(9)(b)8. for a person who is elected to
70 public office, and, effective July 1, 1991, as provided in s.
71 121.122 for all other retirees. Officers and employees of the
72 University Athletic Association, Inc., a nonprofit association
73 connected with the University of Florida, employed on and after
74 July 1, 1979, shall not participate in any state-supported
75 retirement system.

76 1.a. Any person appointed on or after July 1, 1989, to a
77 faculty position in a college at the J. Hillis Miller Health
78 Center at the University of Florida or the Medical Center at the
79 University of South Florida which has a faculty practice plan
80 provided by rule adopted by the Board of Regents may ~~shall~~ not
81 participate in the Florida Retirement System. Effective July 1,
82 2008, any person appointed thereafter to a faculty position,
83 including clinical faculty, in a college at a state university
84 that has a faculty practice plan authorized by the Board of

85 Governors may not participate in the Florida Retirement System.
 86 A faculty member so appointed shall participate in the optional
 87 retirement program for the State University System ~~on the basis~~
 88 ~~of his or her state funded compensation,~~ notwithstanding the
 89 provisions of s. 121.35(2) (a).

90 b. For purposes of this subparagraph, the term "faculty
 91 position" is defined as a position assigned the principal
 92 responsibility of teaching, research, or public service
 93 activities or administrative responsibility directly related to
 94 the academic mission of the college. The term "clinical faculty"
 95 is defined as a faculty position appointment in conjunction with
 96 a professional position in a hospital or other clinical
 97 environment at a college. The term "faculty practice plan"
 98 includes professional services to patients, institutions, or
 99 other parties which are rendered by the clinical faculty
 100 employed by a college with a faculty practice plan at a state
 101 university authorized by the Board of Governors.

102 Section 3. Paragraph (a) of subsection (4) of section
 103 121.35, Florida Statutes, is amended, and paragraph (g) is added
 104 to that subsection, to read:

105 121.35 Optional retirement program for the State
 106 University System.--

107 (4) CONTRIBUTIONS.--

108 (a) Through June 30, 2001, each employer shall contribute
 109 on behalf of each participant in the optional retirement program
 110 an amount equal to the normal cost portion of the employer
 111 retirement contribution which would be required if the
 112 participant were a regular member of the Florida Retirement

113 System defined benefit program, plus the portion of the
114 contribution rate required in s. 112.363(8) that would otherwise
115 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
116 Effective July 1, 2001, each employer shall contribute on behalf
117 of each participant in the optional program an amount equal to
118 10.43 percent of the participant's gross monthly compensation.
119 The department shall deduct an amount approved by the
120 Legislature to provide for the administration of this program.
121 The payment of the contributions to the optional program which
122 is required by this paragraph for each participant shall be made
123 by the employer to the department, which shall forward the
124 contributions to the designated company or companies contracting
125 for payment of benefits for the participant under the program.
126 However, such contributions paid on behalf of an employee
127 described in paragraph (3)(c) shall not be forwarded to a
128 company and shall not begin to accrue interest until the
129 employee has executed a ~~an annuity~~ contract and notified the
130 department.

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

137 1. There is not any employer contribution from the state
138 university to any other retirement program with respect to such
139 salary payments; and

140 2. The employer contribution on behalf of the participant
141 in the optional retirement program with respect to such salary
142 payments is made using funds provided by the faculty practice
143 plan.

144 Section 4. Section 121.355, Florida Statutes, is created
145 to read:

146 121.355 Community College Optional Retirement Program and
147 State University System Optional Retirement Program member
148 transfer.--Effective January 1, 2009, through December 31, 2009,
149 an employee who is a former participant in the Community College
150 Optional Retirement Program or the State University System
151 Optional Retirement Program and present mandatory participant in
152 the Florida Retirement System defined benefit plan may receive
153 service credit equal to his or her years of service under the
154 Community College Optional Retirement Program or the State
155 University System Optional Retirement Program under the
156 following conditions:

157 (1) The cost for such credit shall be an amount
158 representing the actuarial accrued liability for the affected
159 period of service. The cost shall be calculated using the
160 discount rate and other relevant actuarial assumptions that were
161 used to value the Florida Retirement System defined benefit plan
162 liabilities in the most recent actuarial valuation. The
163 calculation shall include any service already maintained under
164 the defined benefit plan in addition to the years under the
165 Community College Optional Retirement Program or the State
166 University System Optional Retirement Program. The actuarial
167 accrued liability of any service already maintained under the

168 defined benefit plan shall be applied as a credit to total cost
169 resulting from the calculation. The division shall ensure that
170 the transfer sum is prepared using a formula and methodology
171 certified by an enrolled actuary.

172 (2) The employee must transfer from his or her Community
173 College Optional Retirement Program account or State University
174 System Optional Retirement Program account, subject to the terms
175 of the applicable optional retirement program contract, and from
176 other employee moneys as necessary, a sum representing the
177 actuarial accrued liability immediately following the time of
178 such movement, determined assuming that attained service equals
179 the sum of service in the defined benefit program and service in
180 the Community College Optional Retirement Program or State
181 University System Optional Retirement Program.

182 (3) The employee may not receive service credit for a
183 period of mandatory participation in the State University
184 Optional Retirement Program or for a period for which a
185 distribution was received from the Community College Optional
186 Retirement Program or State University System Optional
187 Retirement Program.

188 Section 5. This act shall take effect July 1, 2008.