

1 A bill to be entitled
 2 An act relating to the Distinguished Educator Retirement
 3 Option Program; providing a declaration of important state
 4 interest; creating s. 1012.721, F.S.; creating the
 5 Distinguished Educator Retirement Option Program;
 6 providing definitions; creating reporting requirements for
 7 the Department of Education; requiring each school
 8 district to establish a Distinguished Educator Retirement
 9 Option Program that funds a tax-sheltered annuity or
 10 custodial account for certain qualified participants;
 11 providing for funding from the Florida Education Finance
 12 Program; authorizing the State Board of Education to adopt
 13 rules; requiring a letter ruling from the Internal Revenue
 14 Service; 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. The Legislature finds that a proper and
 19 legitimate state purpose is served when employees and retirees
 20 of the state and its political subdivisions, and the dependents,
 21 survivors, and beneficiaries of such employees and retirees, are
 22 extended the basic protections afforded by governmental
 23 retirement systems. Therefore, the Legislature hereby determines
 24 and declares that this act fulfills an important state interest.

25 Section 2. Section 1012.721, Florida Statutes, is created
 26 to read:

27 1012.721 Distinguished Educator Retirement Option
 28 Program.--

29 (1) As used in this section, the term:

30 (a) "Distinguished Educator Retirement Option Program" or
 31 "program" means a tax-sheltered annuity or custodial account
 32 established pursuant to s. 403(b) of the United States Internal
 33 Revenue Code and administered by a local school district.

34 (b) "Learning gains" means student learning gains used for
 35 calculating school grades under s. 1008.34(3)(a)2.

36 (c) "Title I school" means a Title I school as defined by
 37 federal law.

38 (2) There is hereby created the Distinguished Educator
 39 Retirement Option Program which shall be funded by the Florida
 40 Education Finance Program.

41 (3)(a) For purposes of increased retirement contributions,
 42 the Department of Education shall annually identify the
 43 following:

44 1. Instructional personnel who are employed in Title I
 45 schools that have at least 75 percent of the students eligible
 46 for the statewide assessment in the school making learning gains
 47 in both reading and mathematics, based upon results on the
 48 statewide assessment provided in s. 1008.22.

49 2. Classroom teachers who are employed in Title I schools
 50 who teach reading or mathematics and who have at least 75
 51 percent of the students assigned to the teacher making learning
 52 gains in each subject taught by that classroom teacher, based
 53 upon results on the statewide assessment provided in s. 1008.22.

54 (b) For any person who qualifies as both instructional
 55 personnel and a classroom teacher, the department shall identify

56 that person for the category receiving the greater of the two
57 benefits.

58 (4) Beginning July 1, 2009, and each July 1 thereafter,
59 the department shall certify to each school district those
60 instructional personnel and classroom teachers who meet the
61 requirements of subsection (3) and who are therefore eligible to
62 participate in the Distinguished Educator Retirement Option
63 Program.

64 (5) (a) Each school district shall provide a tax-sheltered
65 annuity or custodial account for each certified instructional
66 personnel and classroom teacher, within its district, who is
67 eligible for the Distinguished Educator Retirement Option
68 Program.

69 (b) For each instructional personnel who is certified by
70 the department as eligible for participation in the program, the
71 school district shall pay an amount equal to 1.95 percent of
72 that person's annual salary to an insurance company licensed to
73 do business in Florida; to a credit union, bank, or savings and
74 loan association qualified to do business in Florida; or to a
75 custodial account to be invested in regulated investment company
76 stock to be held in such custodial account, as selected by the
77 person, notwithstanding any other provision of law, as premiums
78 on an annuity contract issued in the name of such person or as
79 payment into a qualified custodial account established pursuant
80 to s. 403(b) of the United States Internal Revenue Code.

81 (c) For each classroom teacher who is certified by the
82 department as eligible for participation in the program, the
83 school district shall pay an amount equal to 4.40 percent of

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84 that person's annual salary to an insurance company licensed to
85 do business in Florida; to a credit union, bank, or savings and
86 loan association qualified to do business in Florida; or to a
87 custodial account to be invested in regulated investment company
88 stock to be held in such custodial account, as selected by the
89 person, notwithstanding any other provision of law, as premiums
90 on an annuity contract issued in the name of such person or as
91 payment into a qualified custodial account established pursuant
92 to s. 403(b) of the United States Internal Revenue Code.

93 (d) Each instructional personnel and classroom teacher who
94 participates in the program may pay matching funds to the same
95 account established by the school district.

96 (e) The amount of such payments shall not exceed the
97 amount excludable from income under s. 403(b) of the United
98 States Internal Revenue Code and shall be considered a part of
99 the employee's salary for all purposes other than federal income
100 taxation.

101 (6) The purchase of such tax-sheltered annuity or other
102 investment qualified under the United States Internal Revenue
103 Code and not prohibited under the laws of this state for an
104 employee shall impose no liability or responsibility whatsoever
105 on the employing agency except to show that the payments have
106 been remitted for the purposes for which deducted.

107 (7) The State Board of Education may adopt rules pursuant
108 to ss. 120.536(1) and 120.54 as necessary to administer the
109 creation of a process for identifying instructional personnel
110 and classroom teachers eligible for the Distinguished Educator

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111 Retirement Option Program and for certifying to the appropriate
112 school districts those qualified participants.

113 Section 3. The Department of Education shall request from
114 the Internal Revenue Service, by October 1, 2008, a letter
115 ruling regarding the provisions of this act.

116 Section 4. This act shall take effect July 1, 2008.