

## ENROLLED

CS/CS/HB 479, Engrossed 3

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1                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.021, F.S.;  
3           redefining the terms "employer," "officer or employee,"  
4           "past service," "normal retirement date," "termination,"  
5           "regularly established position," and "temporary  
6           position"; defining the terms "state board" and  
7           "trustees"; amending s. 121.031, F.S.; requiring  
8           promotional materials that refer to the Florida Retirement  
9           System to include a disclaimer unless approval is obtained  
10          from the Department of Management Services or the State  
11          Board of Administration; amending s. 121.051, F.S.;  
12          conforming a cross-reference; clarifying when a State  
13          Community College System Optional Retirement Program  
14          participant is considered a retiree; revising provisions  
15          relating to participation in the Florida Retirement System  
16          by certain employers; excluding the participation of  
17          certain entities under a lease agreement; amending s.  
18          121.052, F.S.; revising membership criteria for the  
19          Elected Officers' Class; revising when a governing body of  
20          a municipality or special district may elect to designate  
21          its elected positions for inclusion in the Elected  
22          Officers' Class; amending s. 121.053, F.S.; revising  
23          provisions relating to a retiree's participation in the  
24          Elected Officers' Class; providing that a retiree who is  
25          elected after a certain date may not reenroll in the  
26          Florida Retirement System and may not continue to earn  
27          interest on his or her DROP account after the end of the  
28          60-month DROP period; amending s. 121.055, F.S.; providing

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29 | that a retiree of that class who is reemployed as an  
30 | elected official may not renew membership in the Senior  
31 | Management Class or the Senior Management Annuity Program;  
32 | revising provisions relating to de minimis accounts;  
33 | amending s. 121.071, F.S.; providing an additional  
34 | mechanism for the payment of employee contributions to the  
35 | system; amending s. 121.081, F.S.; providing for receipt  
36 | of credit for past or prior service by charter school and  
37 | charter technical career center employees; prohibiting a  
38 | member from receiving credit for service covered and  
39 | reported by both a public employer and a private employer;  
40 | amending s. 121.091, F.S.; revising and clarifying  
41 | provisions relating to employment after retirement;  
42 | authorizing developmental research schools and charter  
43 | schools to reemploy certain retired members under  
44 | specified conditions; providing that retirees of a state-  
45 | administered retirement system who retire after a certain  
46 | date may not be reemployed by an employer participating in  
47 | the Florida Retirement System for 6 months after  
48 | terminating employment and may not renew membership in the  
49 | Florida Retirement System; revising provisions relating to  
50 | reemployment of participants in the Deferred Retirement  
51 | Option Program; providing that certain members who delay  
52 | DROP participation lose a month of DROP participation for  
53 | each month delayed; increasing the maximum period of  
54 | participation for instructional personnel in a  
55 | developmental research school; deleting obsolete  
56 | provisions; clarifying that DROP participation may not be

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57 | canceled; providing for the suspension of DROP  
58 | participation of an elected officer who is reemployed;  
59 | providing that the retirement benefits of a participant  
60 | who is reemployed within a certain time after retirement  
61 | are suspended and must be paid back; authorizing the  
62 | Division of Retirement to issue benefits pursuant to a  
63 | qualified domestic relations order directly to the  
64 | alternate payee; amending s. 121.1115, F.S.; revising  
65 | provisions relating to receiving retirement credit for  
66 | out-of-state service; providing that a member is not  
67 | eligible for and may not receive a benefit based on such  
68 | service; amending s. 121.1122, F.S.; revising provisions  
69 | relating to receiving retirement credit for in-state  
70 | service; providing that certain members are not eligible  
71 | to purchase service credit; amending s. 121.122, F.S.;  
72 | revising provisions relating to renewed membership in  
73 | retirement system; providing that retirees initially  
74 | reemployed on or after a specified date are ineligible for  
75 | renewed membership in the system; amending s. 121.136,  
76 | F.S.; revising provisions relating to the annual statement  
77 | of benefits provided to certain active members of the  
78 | system; amending s. 121.1905, F.S.; deleting a provision  
79 | describing the mission of the Division of Retirement;  
80 | amending s. 121.23, F.S.; clarifying the criteria for  
81 | medical evidence that a member must submit to the  
82 | Retirement Commission for before awarding disability  
83 | retirement benefits; amending s. 121.24, F.S.; requiring a  
84 | quorum of three members for all appeal hearings held by

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85 the retirement commission; amending s. 121.35, F.S.;

86 revising provisions relating to membership in the State

87 University Optional Retirement Program; defining the term

88 "retiree" for purposes of the program; amending s.

89 121.4501, F.S.; revising the definition of "eligible

90 employee" for purposes of the Public Employee Optional

91 Retirement Program; amending ss. 121.591 and 238.183,

92 F.S.; providing and conforming cross-references; amending

93 s. 1012.33, F.S.; deleting a provision preventing persons

94 who have retired from the public school system from

95 renewing membership in the Florida Retirement System or

96 Teachers' Retirement System upon reemployment by the

97 school system; repealing s. 121.093, F.S., relating to

98 instructional personnel reemployment after retirement from

99 a developmental research school or the Florida School for

100 the Deaf and the Blind; repealing s. 121.094, F.S.,

101 relating to instructional personnel reemployment after

102 retirement from a charter school; repealing s. 121.45,

103 F.S., relating to interstate compacts relating to pension

104 portability; providing a declaration of important state

105 interest; providing an effective date.

106

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

108

109 Section 1. Subsections (10), (11), (18), (29), (39), (52),

110 and (53) of section 121.021, Florida Statutes, are amended, and

111 subsections (63) and (64) are added to that section, to read:

112 121.021 Definitions.--The following words and phrases as

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113 used in this chapter have the respective meanings set forth  
 114 unless a different meaning is plainly required by the context:

115 (10) "Employer" means any agency, branch, department,  
 116 institution, university, institution of higher education, or  
 117 board of the state, or any county agency, branch, department,  
 118 board, district school board, municipality, metropolitan  
 119 planning organization, or special district of the state, ~~or any~~  
 120 ~~city of the state~~ which participates in the system for the  
 121 benefit of certain of its employees, or a charter school or  
 122 charter technical career center that participates as provided in  
 123 s. 121.051(2)(d). Employers are not agents of the department,  
 124 the state board, or the Division of Retirement, and the  
 125 department, the state board, and the division are not  
 126 responsible for erroneous information provided by  
 127 representatives of employers.

128 (11) "Officer or employee" means any person receiving  
 129 salary payments for work performed in a regularly established  
 130 position and, if employed by a municipality ~~city,~~ a metropolitan  
 131 planning organization, or a special district, employed in a  
 132 covered group. The term does not apply to state employees  
 133 covered by a leasing agreement under s. 110.191, other public  
 134 employees covered by a leasing agreement, or a co-employer  
 135 relationship.

136 (18) "Past service" of any member, as provided in s.  
 137 121.081(1), means the number of years and complete months and  
 138 any fractional part of a month, recognized and credited by an  
 139 employer and approved by the administrator, during which the  
 140 member was in the active employ of a governmental ~~an~~ employer

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141 and for which the employee is not entitled to a benefit before  
 142 ~~prior to~~ his or her date of participation.

143 (29) "Normal retirement date" means the ~~first day of any~~  
 144 ~~month following the~~ date a member attains normal retirement age  
 145 and is vested, which is determined as follows ~~one of the~~  
 146 ~~following statuses:~~

147 (a) If a Regular Class member, a Senior Management Service  
 148 Class member, or an Elected Officers' Class ~~the~~ member:

149 1. The first day of the month the member completes 6 or  
 150 more years of creditable service and attains age 62; or

151 2. The first day of the month following the date the  
 152 member completes 30 years of creditable service, regardless of  
 153 age, ~~which may include a maximum of 4 years of military service~~  
 154 ~~credit as long as such credit is not claimed under any other~~  
 155 ~~system.~~

156 (b) If a Special Risk Class member, ~~the member:~~

157 1. The first day of the month the member completes 6 or  
 158 more years of creditable service in the Special Risk Class and  
 159 attains age 55;

160 2. The first day of the month following the date the  
 161 member completes 25 years of creditable service in the Special  
 162 Risk Class, regardless of age; or

163 3. The first day of the month following the date the  
 164 member completes 25 years of creditable service and attains age  
 165 52, which service may include a maximum of 4 years of military  
 166 service credit as long as such credit is not claimed under any  
 167 other system and the remaining years are in the Special Risk  
 168 Class.

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169 ~~(c) If a Senior Management Service Class member, the~~  
 170 ~~member:~~

171 ~~1. Completes 6 years of creditable service in the Senior~~  
 172 ~~Management Service Class and attains age 62; or~~

173 ~~2. Completes 30 years of any creditable service,~~  
 174 ~~regardless of age, which may include a maximum of 4 years of~~  
 175 ~~military service credit as long as such credit is not claimed~~  
 176 ~~under any other system.~~

177 ~~(d) If an Elected Officers' Class member, the member:~~

178 ~~1. Completes 6 years of creditable service in the Elected~~  
 179 ~~Officers' Class and attains age 62; or~~

180 ~~2. Completes 30 years of any creditable service,~~  
 181 ~~regardless of age, which may include a maximum of 4 years of~~  
 182 ~~military service credit as long as such credit is not claimed~~  
 183 ~~under any other system.~~

184  
 185 "Normal retirement age" is attained on the "normal retirement  
 186 date."

187 (39) (a) "Termination" occurs, except as provided in  
 188 paragraph (b), when a member ceases all employment relationships  
 189 with an employer, however: ~~employers under this system, as~~  
 190 ~~defined in subsection (10), but in the event~~

191 1. For retirements effective before July 1, 2010, if a  
 192 member is ~~should be~~ employed by any such employer within the  
 193 next calendar month, termination shall be deemed not to have  
 194 occurred. A leave of absence constitutes ~~shall constitute~~ a  
 195 continuation of the employment relationship, except that a leave  
 196 of absence without pay due to disability may constitute

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197 termination ~~for a member,~~ if such member makes application for  
 198 and is approved for disability retirement in accordance with s.  
 199 121.091(4). The department or state board may require other  
 200 evidence of termination as it deems necessary.

201 2. For retirements effective on or after July 1, 2010, if  
 202 a member is employed by any such employer within the next 6  
 203 calendar months, termination shall be deemed not to have  
 204 occurred. A leave of absence constitutes a continuation of the  
 205 employment relationship, except that a leave of absence without  
 206 pay due to disability may constitute termination if such member  
 207 makes application for and is approved for disability retirement  
 208 in accordance with s. 121.091(4). The department or state board  
 209 may require other evidence of termination as it deems necessary.

210 (b) "Termination" for a member electing to participate in  
 211 ~~under~~ the Deferred Retirement Option Program occurs when the  
 212 ~~Deferred Retirement Option~~ program participant ceases all  
 213 employment relationships with an employer ~~employers under this~~  
 214 ~~system~~ in accordance with s. 121.091(13), however: but

215 1. For termination dates occurring before July 1, 2010, if  
 216 ~~in the event the Deferred Retirement Option Program~~ participant  
 217 ~~is should be~~ employed by any such employer within the next  
 218 calendar month, termination will be deemed not to have occurred,  
 219 except as provided in s. 121.091(13)(b)4.c. A leave of absence  
 220 shall constitute a continuation of the employment relationship.

221 2. For termination dates occurring on or after July 1,  
 222 2010, if the participant becomes employed by any such employer  
 223 within the next 6 calendar months, termination will be deemed  
 224 not to have occurred, except as provided in s.



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225 121.091(13)(b)4.c. A leave of absence constitutes a continuation  
 226 of the employment relationship.

227 (52) "Regularly established position" means ~~is defined as~~  
 228 ~~follows:~~

229 (a) With respect to ~~In~~ a state employer agency, ~~the term~~  
 230 ~~means~~ a position that ~~which~~ is authorized and established  
 231 pursuant to law and is compensated from a salaries and benefits  
 232 appropriation pursuant to s. 216.011(1) (mm) ~~(dd)~~, or an  
 233 established position that ~~which~~ is authorized pursuant to s.  
 234 216.262(1)(a) and (b) and is compensated from a salaries account  
 235 as provided in s. 216.011(1)(nn) ~~by rule.~~

236 (b) With respect to ~~In~~ a local agency employer agency  
 237 (district school board, county agency, community college,  
 238 municipality city, metropolitan planning organization, charter  
 239 school, charter technical career center, or special district),  
 240 ~~the term means~~ a regularly established position that ~~which~~ will  
 241 be in existence for a period beyond 6 consecutive months, except  
 242 as provided by rule.

243 (53) "Temporary position" means ~~is defined as follows:~~

244 (a) With respect to ~~In~~ a state employer agency, a ~~the term~~  
 245 ~~means an employment~~ position that ~~which~~ is compensated from an  
 246 other personal services (OPS) account, ~~as provided for~~ in s.  
 247 216.011(1)(dd).

248 (b) With respect to ~~In~~ a local agency employer agency, a  
 249 ~~the term means an employment~~ position that ~~which~~ will exist for  
 250 less than 6 consecutive months, or other ~~employment~~ position as  
 251 determined by rule of the division, regardless of whether it  
 252 will exist for 6 consecutive months or longer.

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253           (63) "State board" means the State Board of  
 254 Administration.

255           (64) "Trustees" means the Board of Trustees of the State  
 256 Board of Administration.

257           Section 2. Subsection (6) is added to section 121.031,  
 258 Florida Statutes, to read:

259           121.031 Administration of system; appropriation; oaths;  
 260 actuarial studies; public records.--

261           (6) Unless prior written approval is obtained from the  
 262 department or state board, any promotional materials or  
 263 advertisements that, directly or indirectly, refer to the  
 264 "Florida Retirement System" or the "FRS" must contain a  
 265 disclaimer that the information is not approved or endorsed by  
 266 the Florida Retirement System.

267           Section 3. Paragraph (a) of subsection (1) and paragraphs  
 268 (c) and (f) of subsection (2) of section 121.051, Florida  
 269 Statutes, are amended to read:

270           121.051 Participation in the system.--

271           (1) COMPULSORY PARTICIPATION.--

272           (a) Participation in the Florida Retirement System is ~~The~~  
 273 ~~provisions of this law shall be~~ compulsory for ~~as to~~ all  
 274 officers and employees, except elected officers who meet the  
 275 requirements of s. 121.052(3), who are employed on or after  
 276 December 1, 1970, by ~~of~~ an employer other than those referred to  
 277 in paragraph (2) (b) ., ~~and~~ Each officer or employee, as a  
 278 condition of employment, becomes ~~shall become~~ a member of the  
 279 system on the ~~as of his or her~~ date of employment, except that a  
 280 person who is retired from any state retirement system and is

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281 reemployed on or after December 1, 1970, may not renew his or  
 282 her membership in any state retirement system except as provided  
 283 in s. 121.091(4)(h) for a person who recovers from disability,  
 284 ~~and as provided in s. 121.053 s. 121.091(9)(b)8.~~ for a person  
 285 who is elected to public office, and, effective July 1, 1991, as  
 286 provided in s. 121.122 for all other retirees.

287 1. Officers and employees of the University Athletic  
 288 Association, Inc., a nonprofit association connected with the  
 289 University of Florida, employed on and after July 1, 1979, may  
 290 ~~shall~~ not participate in any state-supported retirement system.

291 ~~2.1.~~ Any person appointed on or after July 1, 1989, to a  
 292 faculty position in a college at the J. Hillis Miller Health  
 293 Center at the University of Florida or the Medical Center at the  
 294 University of South Florida which has a faculty practice plan  
 295 adopted ~~provided~~ by rule ~~adopted~~ by the Board of Regents may not  
 296 participate in the Florida Retirement System. Effective July 1,  
 297 2008, any person appointed ~~thereafter~~ to a faculty position,  
 298 including clinical faculty, in a college at a state university  
 299 that has a faculty practice plan authorized by the Board of  
 300 Governors may not participate in the Florida Retirement System.  
 301 A faculty member so appointed shall participate in the optional  
 302 retirement program for the State University System  
 303 notwithstanding ~~the provisions of~~ s. 121.35(2)(a).

304 ~~2.~~ For purposes of this subparagraph ~~paragraph~~, the term:

305 a. "Faculty position" means ~~is defined as~~ a position  
 306 assigned the principal responsibility of teaching, research, or  
 307 public service activities or administrative responsibility  
 308 directly related to the academic mission of the college. ~~The~~

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309 ~~term~~  
 310 b. "Clinical faculty" means ~~is defined as~~ a faculty  
 311 position appointment in conjunction with a professional position  
 312 in a hospital or other clinical environment at a college. ~~The~~  
 313 ~~term~~

314 c. "Faculty practice plan" includes professional services  
 315 to patients, institutions, or other parties which are rendered  
 316 by the clinical faculty employed by a college that has a faculty  
 317 practice plan at a state university authorized by the Board of  
 318 Governors.

319 (2) OPTIONAL PARTICIPATION.--

320 (c) Employees of public community colleges or charter  
 321 technical career centers sponsored by public community colleges,  
 322 ~~as~~ designated in s. 1000.21(3), who are members of the Regular  
 323 Class of the Florida Retirement System and who comply with the  
 324 criteria set forth in this paragraph and ~~in~~ s. 1012.875 may  
 325 ~~elect~~, in lieu of participating in the Florida Retirement  
 326 System, elect to withdraw from the ~~Florida Retirement~~ system  
 327 altogether and participate in the State Community College System  
 328 ~~an~~ Optional Retirement Program provided by the employing agency  
 329 under s. 1012.875, ~~to be known as the State Community College~~  
 330 ~~System Optional Retirement Program. Pursuant thereto:~~

331 1. Through June 30, 2001, the cost to the employer for  
 332 such annuity equals ~~shall equal~~ the normal cost portion of the  
 333 employer retirement contribution which would be required if the  
 334 employee were a member of the Regular Class defined benefit  
 335 program, plus the portion of the contribution rate required by  
 336 s. 112.363(8) which ~~that~~ would otherwise be assigned to the

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337 Retiree Health Insurance Subsidy Trust Fund. Effective July 1,  
 338 2001, each employer shall contribute on behalf of each  
 339 participant in the optional program an amount equal to 10.43  
 340 percent of the participant's gross monthly compensation. The  
 341 employer shall deduct an amount ~~to provide~~ for the  
 342 administration of the ~~optional retirement~~ program. The employer  
 343 ~~providing the optional program~~ shall contribute an additional  
 344 amount to the Florida Retirement System Trust Fund equal to the  
 345 unfunded actuarial accrued liability portion of the Regular  
 346 Class contribution rate.

347 2. The decision to participate in ~~such~~ an optional  
 348 retirement program is ~~shall be~~ irrevocable ~~for~~ as long as the  
 349 employee holds a position eligible for participation, except as  
 350 provided in subparagraph 3. Any service creditable under the  
 351 Florida Retirement System is ~~shall be~~ retained after the member  
 352 withdraws from the ~~Florida Retirement~~ system; however,  
 353 additional service credit in the ~~Florida Retirement~~ system may  
 354 ~~shall~~ not be earned while a member of the optional retirement  
 355 program.

356 3. An employee who has elected to participate in the  
 357 optional retirement program shall have one opportunity, at the  
 358 employee's discretion, ~~to choose~~ to transfer from the optional  
 359 retirement program to the defined benefit program of the Florida  
 360 Retirement System or to the Public Employee Optional Retirement  
 361 Program, subject to the terms of the applicable optional  
 362 retirement program contracts.

363 a. If the employee chooses to move to the Public Employee  
 364 Optional Retirement Program, any contributions, interest, and

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365 earnings creditable to the employee under the State Community  
 366 College System Optional Retirement Program is ~~shall be~~ retained  
 367 by the employee in the State Community College System Optional  
 368 Retirement Program, and the applicable provisions of s.  
 369 121.4501(4) ~~shall~~ govern the election.

370 b. If the employee chooses to move to the defined benefit  
 371 program of the Florida Retirement System, the employee shall  
 372 receive service credit equal to his or her years of service  
 373 under the State Community College System Optional Retirement  
 374 Program.

375 (I) The cost for such credit is the ~~shall be an~~ amount  
 376 representing the present value of the ~~that~~ employee's  
 377 accumulated benefit obligation for the affected period of  
 378 service. The cost shall be calculated as if the benefit  
 379 commencement occurs on the first date the employee becomes ~~would~~  
 380 ~~become~~ eligible for unreduced benefits, using the discount rate  
 381 and other relevant actuarial assumptions that were used to value  
 382 the Florida Retirement System defined benefit plan liabilities  
 383 in the most recent actuarial valuation. The calculation must  
 384 ~~shall~~ include any service already maintained under the defined  
 385 benefit plan in addition to the years under the State Community  
 386 College System Optional Retirement Program. The present value of  
 387 any service already maintained must ~~under the defined benefit~~  
 388 ~~plan shall~~ be applied as a credit to total cost resulting from  
 389 the calculation. The division shall ensure that the transfer sum  
 390 is prepared using a formula and methodology certified by an  
 391 enrolled actuary.

392 (II) The employee must transfer from his or her State

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393 Community College System Optional Retirement Program account and  
 394 from other employee moneys as necessary, a sum representing the  
 395 present value of the ~~that~~ employee's accumulated benefit  
 396 obligation immediately following the time of such movement,  
 397 determined assuming that attained service equals the sum of  
 398 service in the defined benefit program and service in the State  
 399 Community College System Optional Retirement Program.

400 4. Participation in the optional retirement program is  
 401 ~~shall be~~ limited to ~~those~~ employees who satisfy the following  
 402 eligibility criteria:

403 a. The employee must be otherwise eligible for membership  
 404 or renewed membership in the Regular Class of the Florida  
 405 Retirement System, as provided in s. 121.021(11) and (12) or s.  
 406 121.122.

407 b. The employee must be employed in a full-time position  
 408 classified in the Accounting Manual for Florida's Public  
 409 Community Colleges as:

410 (I) Instructional; or

411 (II) Executive Management, Instructional Management, or  
 412 Institutional Management, if a community college determines that  
 413 recruiting to fill a vacancy in the position is to be conducted  
 414 in the national or regional market, and~~+~~

415 ~~(A)~~ the duties and responsibilities of the position  
 416 include ~~either~~ the formulation, interpretation, or  
 417 implementation of policies, + or

418 ~~(B)~~ ~~The duties and responsibilities of the position~~  
 419 ~~include~~ the performance of functions that are unique or  
 420 specialized within higher education and that frequently ~~involve~~

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421 ~~the~~ support of the mission of the community college.

422 c. The employee must be employed in a position not  
 423 included in the Senior Management Service Class of the Florida  
 424 Retirement System, as described in s. 121.055.

425 5. Participants in the program are subject to the same  
 426 reemployment limitations, renewed membership provisions, and  
 427 forfeiture provisions as are applicable to regular members of  
 428 the Florida Retirement System under ss. 121.091(9), 121.122, and  
 429 121.091(5), respectively. A participant who receives a program  
 430 distribution funded by employer contributions shall be deemed to  
 431 be retired from a state-administered retirement system if the  
 432 participant is subsequently employed with an employer that  
 433 participates in the Florida Retirement System.

434 6. Eligible community college employees are ~~shall be~~  
 435 compulsory members of the Florida Retirement System until,  
 436 pursuant to ~~the procedures set forth in~~ s. 1012.875, a written  
 437 election to withdraw from the ~~Florida Retirement~~ system and ~~to~~  
 438 participate in the State Community College System Optional  
 439 Retirement Program is filed with the program administrator and  
 440 received by the division.

441 a. A ~~Any~~ community college employee whose program  
 442 eligibility results from initial employment must ~~shall~~ be  
 443 enrolled in the State Community College System Optional  
 444 Retirement Program retroactive to the first day of eligible  
 445 employment. The employer retirement contributions paid through  
 446 the month of the employee plan change shall be transferred to  
 447 the community college to ~~for~~ the employee's optional program  
 448 account, and, effective the first day of the next month, the



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449 employer shall pay the applicable contributions based upon  
 450 subparagraph 1.

451 b. A ~~Any~~ community college employee whose program  
 452 eligibility is ~~results from a change in status~~ due to the  
 453 subsequent designation of the employee's position as one of  
 454 those specified in subparagraph 4., or due to the employee's  
 455 appointment, promotion, transfer, or reclassification to a  
 456 position specified in subparagraph 4., must ~~shall~~ be enrolled in  
 457 the program on ~~upon~~ the first day of the first full calendar  
 458 month that such change in status becomes effective. The employer  
 459 retirement contributions paid from the effective date through  
 460 the month of the employee plan change must ~~shall~~ be transferred  
 461 to the community college to ~~for~~ the employee's optional program  
 462 account, and, effective the first day of the next month, the  
 463 employer shall pay the applicable contributions based upon  
 464 subparagraph 1.

465 7. Effective July 1, 2003, through December 31, 2008, any  
 466 participant of the State Community College System Optional  
 467 Retirement Program who has service credit in the defined benefit  
 468 plan of the Florida Retirement System for the period between his  
 469 or her first eligibility to transfer from the defined benefit  
 470 plan to the optional retirement program and the actual date of  
 471 transfer may, during ~~his or her~~ employment, ~~elect to~~ transfer to  
 472 the optional retirement program a sum representing the present  
 473 value of the accumulated benefit obligation under the defined  
 474 benefit retirement program for the ~~such~~ period of service  
 475 credit. Upon ~~such~~ transfer, all ~~such~~ service credit previously  
 476 earned under the defined benefit program of the Florida

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477 Retirement System during this period is ~~shall be~~ nullified for  
 478 purposes of entitlement to a future benefit under the defined  
 479 benefit program of the Florida Retirement System.

480 (f)1. If ~~Whenever~~ an employer that participates in the  
 481 Florida Retirement System undertakes the transfer, merger, or  
 482 consolidation of governmental services or assumes the functions  
 483 and activities of an employing governmental entity that was not  
 484 an employer under the system, the employer must notify the  
 485 department at least 60 days before ~~prior to~~ such action and  
 486 ~~shall~~ provide documentation as required by the department. The  
 487 transfer, merger, or consolidation of governmental services or  
 488 assumption of governmental functions and activities must occur  
 489 between public employers. The current or former employer may pay  
 490 the employees' past service cost, unless prohibited under this  
 491 chapter. This subparagraph does not apply to the transfer,  
 492 merger, or consolidation of governmental services or assumption  
 493 of functions and activities of a public entity under a leasing  
 494 agreement having a co-employer relationship. Employers and  
 495 employees of a public governmental employer whose service is  
 496 covered by a leasing agreement under s. 110.191, any other  
 497 leasing agreement, or a co-employer relationship are not  
 498 eligible to participate in the Florida Retirement System.

499 2. If ~~When~~ the agency to which a member's employing unit  
 500 is transferred, merged, or consolidated does not participate in  
 501 the Florida Retirement System, a member may ~~shall~~ elect in  
 502 writing to remain in the Florida Retirement System or to  
 503 transfer to the local retirement system operated by the ~~such~~  
 504 agency. If the ~~such~~ agency does not participate in a local

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505 retirement system, the member shall continue membership in the  
 506 Florida Retirement System. In either case, ~~the~~ membership  
 507 continues ~~shall continue~~ for as long as the member is employed  
 508 by the agency to which his or her unit was transferred, merged,  
 509 or consolidated.

510 Section 4. Paragraph (f) of subsection (2) and paragraph  
 511 (e) of subsection (3) of section 121.052, Florida Statutes, are  
 512 amended to read:

513 121.052 Membership class of elected officers.--

514 (2) MEMBERSHIP.--The following holders of elective office,  
 515 hereinafter referred to as "elected officers," whether assuming  
 516 elective office by election, reelection, or appointment, are  
 517 members of the Elected Officers' Class, except as provided in  
 518 subsection (3):

519 (f) Any elected officer of a municipality or special  
 520 district assuming office on or after July 1, 1997, through June  
 521 30, 2009, as provided in paragraph (3)(e). On or after January  
 522 1, 2010, an elected officer shall become a member only if the  
 523 governing body of the municipality or special district, at the  
 524 time it joins the Florida Retirement System for its elected  
 525 officers, elects, by majority vote, to include all its elected  
 526 positions in the Elected Officers' Class.

527 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.--Effective  
 528 July 1, 1990, participation in the Elected Officers' Class shall  
 529 be compulsory for elected officers listed in paragraphs (2)(a)-  
 530 (d) and (f) assuming office on or after said date, unless the  
 531 elected officer elects membership in another class or withdraws  
 532 from the Florida Retirement System as provided in paragraphs

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533 (3) (a) - (d) :

534 (e) ~~Effective July 1, 2001,~~ The governing body of a  
 535 municipality or special district may, by majority vote, elect to  
 536 designate all its elected positions for inclusion in the Elected  
 537 Officers' Class as follows.

538 1. Effective July 1, 1997, such election must be made  
 539 between July 1, 1997, and December 31, 1997, and is irrevocable.  
 540 The designation of such positions is effective the first day of  
 541 the month following receipt by the department of the ordinance  
 542 or resolution passed by the governing body.

543 2. Effective July 1, 2001, such election must ~~shall~~ be  
 544 made between July 1, 2001, and December 31, 2001, and is ~~shall~~  
 545 be irrevocable. The designation of such positions is ~~shall be~~  
 546 effective the first day of the month following receipt by the  
 547 department of the ordinance or resolution passed by the  
 548 governing body.

549 3. Effective July 1, 2009, such election must be made  
 550 between July 1, 2009, and December 31, 2009, and is irrevocable.  
 551 The designation of such positions is effective the first day of  
 552 the month following receipt by the department of the ordinance  
 553 or resolution passed by the governing body.

554 Section 5. Section 121.053, Florida Statutes, is amended  
 555 to read:

556 121.053 Participation in the Elected Officers' Class for  
 557 retired members.--

558 (1) ~~(a)~~ A ~~Any~~ member who retired under an ~~any~~ existing  
 559 system as defined in s. 121.021~~(2)~~, and receives a retirement  
 560 benefit ~~thereof~~, and who subsequently serves in an office

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561 covered by the Elected Officers' Class for a period of at least  
 562 6 years, is ~~shall be~~ entitled to receive an additional  
 563 retirement benefit for ~~such~~ elected officer service completed  
 564 before ~~prior to~~ July 1, 1990, under the Elected Officers' Class  
 565 of the Florida Retirement System, as follows:

566 (a)1. Upon completion of 6 or more years of creditable  
 567 service in an office covered by the Elected Officers' Class, ~~s.~~  
 568 ~~121.052,~~ such member shall notify the administrator of his or  
 569 her intent to purchase elected officer service completed before  
 570 ~~prior to~~ July 1, 1990, and shall pay the member contribution  
 571 applicable for the period being claimed, plus 4 percent interest  
 572 compounded annually from the first year of service claimed until  
 573 July 1, 1975, and 6.5 percent interest compounded annually  
 574 thereafter, until full payment is made to the Florida Retirement  
 575 System Trust Fund; however, such member may purchase retirement  
 576 credit under the Elected Officers' Class only for ~~such~~ service  
 577 as an elected officer.

578 (b)2. Upon payment of the amount specified in paragraph  
 579 (a) subparagraph 1., the employer shall pay into the Florida  
 580 Retirement System Trust Fund the applicable employer  
 581 contribution for the period of elected officer service completed  
 582 before ~~prior to~~ July 1, 1990, ~~being claimed by the member,~~ plus  
 583 4 percent interest compounded annually from the first year of  
 584 service claimed until July 1, 1975, and 6.5 percent interest  
 585 compounded annually thereafter, until full payment is made to  
 586 the Florida Retirement System Trust Fund.

587 (2)(b) ~~A~~ Any retired member of the Florida Retirement  
 588 System, or an ~~any~~ existing system as defined in s. 121.021~~(2)~~,

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589 | who, beginning ~~on or after~~ July 1, 1990, through June 30, 2010,  
 590 | serves in ~~is serving in, or is elected or appointed to,~~ an  
 591 | elective office covered by the Elected Officers' Class shall be  
 592 | enrolled in the appropriate subclass of the Elected Officers'  
 593 | Class of the Florida Retirement System, and applicable  
 594 | contributions shall be paid into the Florida Retirement System  
 595 | Trust Fund as provided in s. 121.052(7). ~~Pursuant thereto:~~

596 |       (a)1. ~~The~~ Any such ~~retired~~ member may ~~shall be eligible to~~  
 597 | continue to receive retirement benefits as well as compensation  
 598 | for the elected officer service if ~~for as long as~~ he or she  
 599 | remains in an elective office covered by the Elected Officers'  
 600 | Class.

601 |       (b)2. If ~~the any such~~ member serves in an elective office  
 602 | covered by the Elected Officers' Class and becomes vested under  
 603 | that class, he or she is ~~shall be~~ entitled to receive an  
 604 | additional retirement benefit for the ~~such~~ elected officer  
 605 | service.

606 |       (c)3. ~~The~~ Such member is ~~shall be~~ entitled to purchase  
 607 | additional retirement credit in the Elected Officers' Class for  
 608 | any postretirement service performed in an elected position  
 609 | eligible for the Elected Officers' Class before ~~prior to~~ July 1,  
 610 | 1990, or in the Regular Class for any postretirement service  
 611 | performed in any other regularly established position before  
 612 | ~~prior to~~ July 1, 1991, by paying the applicable Elected  
 613 | Officers' Class or Regular Class employee and employer  
 614 | contributions for the period being claimed, plus 4 percent  
 615 | interest compounded annually from the first year of service  
 616 | claimed until July 1, 1975, and 6.5 percent interest compounded

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617 thereafter, until full payment is made to the Florida Retirement  
 618 System Trust Fund. The contribution for postretirement Regular  
 619 Class service between July 1, 1985, and July 1, 1991, for which  
 620 the reemployed retiree contribution was paid, ~~is shall be~~ the  
 621 difference between the ~~such~~ contribution and the total  
 622 applicable contribution for the period being claimed, plus  
 623 interest. The employer ~~of such member~~ may pay the applicable  
 624 employer contribution in lieu of the member. If a member does  
 625 not wish to claim credit for all of the postretirement service  
 626 for which he or she is eligible, the service the member claims  
 627 must be the most recent service. Any retiree who served in an  
 628 elective office before July 1, 1990, suspended his or her  
 629 retirement benefits, and had his or her Florida Retirement  
 630 System membership reinstated shall, upon retirement from such  
 631 office, have his or her retirement benefit recalculated to  
 632 include the additional service and compensation earned.

633 ~~(d) 4.~~ Creditable service for which credit was received, or  
 634 which remained unclaimed, at retirement may not be claimed or  
 635 applied toward service credit earned following renewed  
 636 membership. However, service earned in accordance with the  
 637 renewed membership provisions ~~of in~~ s. 121.122 may be used in  
 638 conjunction with creditable service earned under this subsection  
 639 ~~paragraph, if provided~~ applicable vesting requirements and other  
 640 existing statutory conditions required by this chapter are met.

641 ~~5. An elected officer who is elected or appointed to an~~  
 642 ~~elective office and is participating in the Deferred Retirement~~  
 643 ~~Option Program is not subject to termination as provided in s.~~  
 644 ~~121.021(39)(b), or reemployment limitations as provided in s.~~

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645 ~~121.091(9), until the end of his or her current term of office~~  
646 ~~or, if the officer is consecutively elected or reelected to an~~  
647 ~~elective office eligible for coverage under the Florida~~  
648 ~~Retirement System, until he or she no longer holds such an~~  
649 ~~elective office, as follows:~~

650 ~~a. At the end of the 60 month DROP period:~~

651 ~~(I) The officer's DROP account shall accrue no additional~~  
652 ~~monthly benefits, but shall continue to earn interest as~~  
653 ~~provided in s. 121.091(13).~~

654 ~~(II) No Retirement contributions shall be required of the~~  
655 ~~employer of the elected officer and no additional retirement~~  
656 ~~credit shall be earned under the Florida Retirement System.~~

657 ~~b. Nothing herein shall prevent An elected officer from~~  
658 ~~voluntarily terminating his or her elective office at any time~~  
659 ~~and electing to receive his or her DROP proceeds. However, until~~  
660 ~~termination requirements are fulfilled as provided in s.~~

661 ~~121.021(39), any elected officer whose termination limitations~~  
662 ~~are extended by this section shall be ineligible for renewed~~  
663 ~~membership in the system and shall receive no pension payments,~~  
664 ~~DROP lump sum payments, or any other state payment other than~~  
665 ~~the statutorily determined salary, travel, and per diem for the~~  
666 ~~elective office.~~

667 ~~e. Upon termination, the officer shall receive his or her~~  
668 ~~accumulated DROP account, plus interest, and shall accrue and~~  
669 ~~commence receiving monthly retirement benefits, which shall be~~  
670 ~~paid on a prospective basis only.~~

671

672 However, an officer electing to participate in the Deferred



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673 Retirement Option Program on or before June 30, 2002, is ~~shall~~  
 674 not ~~be~~ required to terminate and remains ~~shall remain~~ subject to  
 675 the provisions of this paragraph ~~subparagraph~~ as adopted in  
 676 section 1 of chapter 2001-235, Laws of Florida.

677 (3) On or after July 1, 2010:

678 (a) A retiree of a state-administered retirement system  
 679 who is elected or appointed for the first time to an elective  
 680 office in a regularly established position with a covered  
 681 employer may not reenroll in the Florida Retirement System.

682 (b) An elected officer who is elected or appointed to an  
 683 elective office and is participating in the Deferred Retirement  
 684 Option Program is subject to termination as defined in s.  
 685 121.021 upon completion of his or her DROP participation period.  
 686 An elected official may defer termination as provided in  
 687 paragraph (2) (e).

688 (4)-(2) Upon attaining his or her normal retirement date  
 689 and ~~payment of the amount specified in paragraphs (1)(a) and~~  
 690 ~~(b)~~, and upon application to the administrator of the intent to  
 691 retire, a the member qualifying under subsection (1) or  
 692 subsection (2) shall receive a monthly benefit under this  
 693 section, in addition to any benefits already being received,  
 694 which shall commence on the last day of the month of retirement  
 695 and be payable on the last day of the month thereafter during  
 696 his or her lifetime. The amount of the ~~such~~ monthly benefit is  
 697 ~~shall be~~ the total percentage of retirement credit purchased  
 698 under this section multiplied by the member's average monthly  
 699 compensation as an elected officer, adjusted according to the  
 700 option selected at retirement under s. 121.091(6).

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701        (5)~~(3)~~ Any renewed member, as described in subsection (1)  
 702 or subsection (2), who is not receiving the maximum health  
 703 insurance subsidy provided in s. 112.363 is ~~shall be~~ entitled to  
 704 earn additional credit toward the maximum health insurance  
 705 subsidy. Any additional subsidy due because of such additional  
 706 credit may ~~shall~~ be received only at the time of payment of the  
 707 second career retirement benefit. ~~In no case shall~~ The total  
 708 health insurance subsidy received ~~by a retiree receiving~~  
 709 ~~benefits~~ from initial and renewed membership may not exceed the  
 710 maximum allowed in s. 112.363.

711        (6)~~(4)~~ A ~~No~~ retired judge consenting to temporary duty in  
 712 any court, as assigned by the Chief Justice of the Supreme Court  
 713 in accordance with s. 2, Art. V of the State Constitution, is  
 714 not ~~shall be~~ subject to the renewed membership provisions of  
 715 this section.

716        (7) A member who is elected or appointed to an elective  
 717 office and who is participating in the Deferred Retirement  
 718 Option Program is not subject to termination as defined in s.  
 719 121.021, or reemployment limitations as provided in s.  
 720 121.091(9), until the end of his or her current term of office  
 721 or, if the officer is consecutively elected or reelected to an  
 722 elective office eligible for coverage under the Florida  
 723 Retirement System, until he or she no longer holds an elective  
 724 office, as follows:

- 725        (a) At the end of the 60-month DROP period:  
 726            1. The officer's DROP account may not accrue additional  
 727 monthly benefits, but does continue to earn interest as provided  
 728 in s. 121.091(13). However, an officer whose DROP participation

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729 begins on or after July 1, 2010, may not continue to earn such  
 730 interest.

731 2. Retirement contributions are not required of the  
 732 employer of the elected officer and additional retirement credit  
 733 may not be earned under the Florida Retirement System.

734 (b) An elected officer may voluntarily terminate his or  
 735 her elective office at any time and receive his or her DROP  
 736 proceeds. However, until termination occurs, an elected officer  
 737 whose termination limitations are extended by this section is  
 738 ineligible for renewed membership in the system and may not  
 739 receive pension payments, DROP lump sum payments, or any other  
 740 state payment other than the statutorily determined salary,  
 741 travel, and per diem for the elective office.

742 (c) Upon termination, the officer shall receive his or her  
 743 accumulated DROP account, plus interest, and shall accrue and  
 744 commence receiving monthly retirement benefits, which must be  
 745 paid on a prospective basis only.

746 Section 6. Paragraph (f) of subsection (1) and paragraphs  
 747 (c) and (e) of subsection (6) of section 121.055, Florida  
 748 Statutes, are amended to read:

749 121.055 Senior Management Service Class.--There is hereby  
 750 established a separate class of membership within the Florida  
 751 Retirement System to be known as the "Senior Management Service  
 752 Class," which shall become effective February 1, 1987.

753 (1)

754 (f) Effective July 1, 1997:

755 1. Except as provided in subparagraph 3., an any elected  
 756 state officer eligible for membership in the Elected Officers'

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757 Class under s. 121.052(2)(a), (b), or (c) who elects membership  
 758 in the Senior Management Service Class under s. 121.052(3)(c)  
 759 may, within 6 months after assuming office or within 6 months  
 760 after this act becomes a law for serving elected state officers,  
 761 elect to participate in the Senior Management Service Optional  
 762 Annuity Program, as provided in subsection (6), in lieu of  
 763 membership in the Senior Management Service Class.

764 2. Except as provided in subparagraph 3., an any elected  
 765 ~~county~~ officer of a local agency employer eligible for  
 766 membership in the Elected Officers' Class under s. 121.052(2)(d)  
 767 who elects membership in the Senior Management Service Class  
 768 under s. 121.052(3)(c) may, within 6 months after assuming  
 769 office, or within 6 months after this act becomes a law for  
 770 serving elected ~~county~~ officers of a local agency employer,  
 771 elect to withdraw from the Florida Retirement System ~~participate~~  
 772 ~~in a lifetime monthly annuity program,~~ as provided in  
 773 subparagraph (b)2., in lieu of membership in the Senior  
 774 Management Service Class.

775 3. A retiree of a state-administered retirement system who  
 776 is initially reemployed on or after July 1, 2010, as an elected  
 777 official eligible for the Elected Officers' Class may not renew  
 778 membership in the Senior Management Service Class or in the  
 779 Senior Management Service Optional Annuity Program as provided  
 780 in subsection (6), and may not withdraw from the Florida  
 781 Retirement System as a renewed member as provided in  
 782 subparagraph (b)2., as applicable, in lieu of membership in the  
 783 Senior Management Service Class.

784 (6)

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785 (c) Participation.--

786 1. An ~~any~~ eligible employee who is employed on or before  
 787 February 1, 1987, may elect to participate in the optional  
 788 annuity program in lieu of participation in the Senior  
 789 Management Service Class. Such election must ~~shall~~ be made in  
 790 writing and filed with the department and the personnel officer  
 791 of the employer on or before May 1, 1987. An ~~Any~~ eligible  
 792 employee who is employed on or before February 1, 1987, and who  
 793 fails to make an election to participate in the optional annuity  
 794 program by May 1, 1987, shall be deemed to have elected  
 795 membership in the Senior Management Service Class.

796 2. Except as provided in subparagraph 6., an ~~Any~~ employee  
 797 who becomes eligible to participate in the optional annuity  
 798 program by reason of initial employment commencing after  
 799 February 1, 1987, may, within 90 days after the date of  
 800 commencing ~~commencement of~~ employment, elect to participate in  
 801 the optional annuity program. Such election must ~~shall~~ be made  
 802 in writing and filed with the personnel officer of the employer.  
 803 An ~~Any~~ eligible employee who does not within 90 days after  
 804 commencing ~~commencement of such~~ employment elect to participate  
 805 in the optional annuity program shall be deemed to have elected  
 806 membership in the Senior Management Service Class.

807 3. A person who is appointed to a position in the Senior  
 808 Management Service Class and who is a member of an existing  
 809 retirement system or the Special Risk or Special Risk  
 810 Administrative Support Classes of the Florida Retirement System  
 811 may elect to remain in such system or class in lieu of  
 812 participation in the Senior Management Service Class or optional

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813 annuity program. Such election must ~~shall~~ be made in writing and  
 814 filed with the department and the personnel officer of the  
 815 employer within 90 days of such appointment. Any eligible  
 816 employee who fails to make an election to participate in the  
 817 existing system, the Special Risk Class of the Florida  
 818 Retirement System, the Special Risk Administrative Support Class  
 819 of the Florida Retirement System, or the optional annuity  
 820 program shall be deemed to have elected membership in the Senior  
 821 Management Service Class.

822 4. Except as provided in subparagraph 5., an employee's  
 823 election to participate in the optional annuity program is  
 824 irrevocable if the ~~as long as such~~ employee continues to be  
 825 employed in an eligible position and continues to meet the  
 826 eligibility requirements set forth in this paragraph.

827 5. Effective from July 1, 2002, through September 30,  
 828 2002, any active employee in a regularly established position  
 829 who has elected to participate in the Senior Management Service  
 830 Optional Annuity Program has one opportunity to choose to move  
 831 from the Senior Management Service Optional Annuity Program to  
 832 the Florida Retirement System defined benefit program.

833 a. The election must be made in writing and must be filed  
 834 with the department and the personnel officer of the employer  
 835 before October 1, 2002, or, in the case of an active employee  
 836 who is on a leave of absence on July 1, 2002, within 90 days  
 837 after the conclusion of the leave of absence. This election is  
 838 irrevocable.

839 b. The employee shall ~~will~~ receive service credit under  
 840 the defined benefit program of the Florida Retirement System

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841 equal to his or her years of service under the Senior Management  
 842 Service Optional Annuity Program. The cost for such credit is  
 843 the ~~shall be an~~ amount representing the present value of that  
 844 employee's accumulated benefit obligation for the affected  
 845 period of service.

846 c. The employee must transfer the total accumulated  
 847 employer contributions and earnings on deposit in his or her  
 848 Senior Management Service Optional Annuity Program account. If  
 849 the transferred amount is not sufficient to pay the amount due,  
 850 the employee must pay a sum representing the remainder of the  
 851 amount due. ~~In no case may~~ The employee may not retain any  
 852 employer contributions or earnings thereon from the Senior  
 853 Management Service Optional Annuity Program account.

854 6. A retiree of a state-administered retirement system who  
 855 is initially reemployed on or after July 1, 2010, may not renew  
 856 membership in the Senior Management Service Optional Annuity  
 857 Program.

858 (e) Benefits.--

859 1. Benefits ~~shall be payable~~ under the Senior Management  
 860 Service Optional Annuity Program are payable only to  
 861 participants in the program, or their beneficiaries as  
 862 designated by the participant in the contract with the a  
 863 provider company, and must ~~such benefits shall~~ be paid by the  
 864 designated company in accordance with the terms of the annuity  
 865 contract ~~or contracts~~ applicable to the participant. A  
 866 participant must be terminated from all employment relationships  
 867 with ~~all~~ Florida Retirement System employers as provided in s.  
 868 121.021(39) to begin receiving the employer-funded benefit.

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869 Benefits funded by employer contributions are ~~shall be~~ payable  
 870 under the terms of the contract ~~only as a lifetime annuity~~ to  
 871 the participant, his or her beneficiary, or his or her estate,  
 872 in addition to ~~except for~~:

873 a. A lump-sum payment to the beneficiary upon the death of  
 874 the participant;

875 b. A cash-out of a de minimis account upon the request of  
 876 a former participant who has been terminated for a minimum of 6  
 877 calendar months from the employment that entitled him or her to  
 878 optional annuity program participation. ~~A de minimis account is~~  
 879 ~~an account with a provider company containing employer~~  
 880 ~~contributions and accumulated earnings of not more than \$5,000~~  
 881 ~~made under the provisions of this chapter.~~ Such cash-out must be  
 882 a complete liquidation of the account balance with that company  
 883 and is subject to ~~the provisions of~~ the Internal Revenue Code;  
 884 ~~or~~

885 c. A mandatory distribution of a de minimis account of a  
 886 former participant who has been terminated for a minimum of 6  
 887 calendar months from the employment that entitled him or her to  
 888 optional annuity program participation as authorized by the  
 889 department; or

890 ~~d.e.~~ A lump-sum direct rollover distribution whereby all  
 891 accrued benefits, plus interest and investment earnings, are  
 892 paid from the participant's account directly to the custodian of  
 893 an eligible retirement plan, as defined in s. 402(c)(8)(B) of  
 894 the Internal Revenue Code, on behalf of the participant.

895 2. The benefits payable to any person under the Senior  
 896 Management Service Optional Annuity Program, and any



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897 contribution accumulated under such program, are ~~shall~~ not be  
 898 subject to assignment, execution, or attachment or to any legal  
 899 process whatsoever.

900 3. Except as provided in subparagraph 4., a participant  
 901 who terminates employment and receives a distribution, including  
 902 a rollover or trustee-to-trustee transfer, ~~optional annuity~~  
 903 ~~program benefits~~ funded by employer contributions shall be  
 904 deemed to be retired from a state-administered retirement system  
 905 if the participant is subsequently employed with an ~~in the event~~  
 906 ~~of subsequent employment with any~~ employer that participates in  
 907 the Florida Retirement System.

908 4. A participant who receives optional annuity program  
 909 benefits funded by employer contributions as a mandatory  
 910 distribution of a de minimis account authorized by the  
 911 department is not considered a retiree.

912  
 913 As used in this paragraph, a "de minimis account" means an  
 914 account with a provider company containing employer  
 915 contributions and accumulated earnings of not more than \$5,000  
 916 made under this chapter.

917 Section 7. Paragraph (a) of subsection (6) of section  
 918 121.071, Florida Statutes, is amended to read:

919 121.071 Contributions.--Contributions to the system shall  
 920 be made as follows:

921 (6) (a) Required employee contributions for all service  
 922 other than current service, including, but not limited to, prior  
 923 service, past service, military service, leave-of-absence  
 924 service, out-of-state service, and certain non-Florida

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925 Retirement System in-state service, shall be paid by cash,  
 926 personal check, cashier's check, ~~or~~ money order, or a direct  
 927 rollover or transfer from a qualified plan as provided under the  
 928 Internal Revenue Code. The payment must ~~only; shall~~ be  
 929 accompanied by a statement identifying the service for which  
 930 payment is made, and shall be made in a lump sum for the total  
 931 amount due or in annual payments of not less than \$100, except  
 932 for the final payment if less than \$100, unless another method  
 933 of payment is authorized by law or rule.

934 Section 8. Paragraphs (a), (b), (e), (f), and (h) of  
 935 subsection (1) of section 121.081, Florida Statutes, are amended  
 936 to read:

937 121.081 Past service; prior service; contributions.--  
 938 Conditions under which past service or prior service may be  
 939 claimed and credited are:

940 (1) (a) Past service, as defined in s. 121.021(~~18~~), may be  
 941 claimed as creditable service by officers or employees of a  
 942 municipality ~~city~~, metropolitan planning organization, charter  
 943 school, charter technical career center, or special district ~~who~~  
 944 ~~that~~ become a covered group under this system. The governing  
 945 body of a covered group in compliance with s. 121.051(2)(b) may  
 946 elect to provide benefits for ~~with respect to~~ past service  
 947 earned before ~~prior to~~ January 1, 1975, in accordance with this  
 948 chapter, and the cost for such past service is ~~shall be~~  
 949 established by applying the following formula: The member  
 950 contribution for both regular and special risk members is ~~shall~~  
 951 ~~be~~ 4 percent of the gross annual salary for each year of past  
 952 service claimed, plus 4-percent employer matching contribution,

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953 plus 4-percent interest thereon compounded annually, figured on  
 954 each year of past service, with interest compounded from date of  
 955 annual salary earned until July 1, 1975, and 6.5-percent  
 956 interest compounded annually thereafter until date of payment.  
 957 Once the total cost for a member has been figured to date, then  
 958 after July 1, 1975, 6.5-percent compounded interest shall be  
 959 added each June 30 thereafter on any unpaid balance until the  
 960 cost of such past service liability is paid in full. The  
 961 following formula shall be used in calculating past service  
 962 earned before ~~prior to~~ January 1, 1975: (Annual gross salary  
 963 multiplied by 8 percent) multiplied by the 4-percent or 6.5-  
 964 percent compound interest table factor, as may be applicable.  
 965 The resulting product equals cost to date for each particular  
 966 year of past service.

967 (b) Past service earned after January 1, 1975, may be  
 968 claimed by officers or employees of a municipality ~~city~~,  
 969 metropolitan planning organization, charter school, charter  
 970 technical career center, or special district who become ~~that~~  
 971 ~~becomes~~ a covered group under this system. The governing body of  
 972 a covered group may elect to provide benefits for ~~with respect~~  
 973 to past service earned after January 1, 1975, in accordance with  
 974 this chapter, and the cost for such past service is ~~shall be~~  
 975 established by applying the following formula: The employer  
 976 shall contribute an amount equal to the contribution rate in  
 977 effect at the time the service was earned, multiplied by the  
 978 employee's gross salary for each year of past service claimed,  
 979 plus 6.5-percent interest thereon, compounded annually, figured  
 980 on each year of past service, with interest compounded from date

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981 of annual salary earned until date of payment.

982 (e) Past service, as defined in s. 121.021(18), may be  
 983 claimed as creditable service by a member of the Florida  
 984 Retirement System who formerly was an officer or employee of a  
 985 municipality ~~city~~, metropolitan planning organization, charter  
 986 school, charter technical career center, or special district,  
 987 notwithstanding the status or form of the retirement system, if  
 988 any, of that municipality ~~city~~, metropolitan planning  
 989 organization, charter school, charter technical career center,  
 990 or special district and irrespective of whether such officers or  
 991 employees ~~of that city, metropolitan planning organization, or~~  
 992 ~~special district~~ now or hereafter become a covered group under  
 993 the Florida Retirement System. Such member may claim creditable  
 994 service and be entitled to the benefits accruing to the regular  
 995 class of members as provided for the past service claimed under  
 996 this paragraph by paying into the retirement trust fund an  
 997 amount equal to the total actuarial cost of providing the  
 998 additional benefit resulting from such past-service credit,  
 999 discounted by the applicable actuarial factors to date of  
 1000 retirement.

1001 (f) If ~~When~~ any person, ~~either prior to this act or~~  
 1002 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~  
 1003 in one of the retirement systems under ~~consolidated within or~~  
 1004 ~~created by~~ this chapter through the consolidation or merger of  
 1005 governments or the transfer of functions between units of  
 1006 government, ~~either~~ at the state or local level or between state  
 1007 and local units, or through the assumption of functions or  
 1008 activities by a state or local unit from an employing

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1009 governmental entity that ~~which~~ was not an employer under the  
 1010 system, and such person becomes a member of the Florida  
 1011 Retirement System, such person is ~~shall be~~ entitled to receive  
 1012 past-service credit ~~as defined in s. 121.021(18)~~ for the time  
 1013 the ~~such~~ person performed services for, and was an employee of,  
 1014 such state or local unit or other governmental employing entity  
 1015 before ~~prior to~~ the transfer, merger, consolidation, or  
 1016 assumption of functions and activities. Past-service credit  
 1017 allowed by this paragraph is ~~shall~~ also ~~be~~ available to any  
 1018 person who becomes a member of an existing system before, ~~as~~  
 1019 ~~defined in s. 121.021(2)~~, ~~prior to~~ December 1, 1970, through the  
 1020 transfer, merger, consolidation, or assumption of functions and  
 1021 activities set forth in this paragraph and who subsequently  
 1022 becomes a member of the Florida Retirement System. However,  
 1023 credit for the past service may not be granted until  
 1024 contributions are made in the manner provided in this  
 1025 subsection. If a person rejected Florida Retirement System  
 1026 membership at the time of the transfer, merger, ~~or~~  
 1027 consolidation, or assumption of governmental functions and  
 1028 activities, the required contributions shall be at total  
 1029 actuarial cost as specified in paragraph (e). Such contributions  
 1030 or accrued interest may not be paid from any public ~~state~~ funds.

1031 (h) The following provisions apply to the purchase of past  
 1032 service:

1033 1. Notwithstanding any of the provisions of this  
 1034 subsection, past-service credit may not be purchased under this  
 1035 chapter for any service that is used to obtain a pension or  
 1036 benefit from a ~~any~~ local retirement system. Eligibility to

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1037 receive or the receipt of contributions to a retirement plan  
 1038 made by the employer on behalf of the employee is considered a  
 1039 benefit.

1040 2. A member may not receive past service credit under  
 1041 paragraphs (a), (b), (e), or (f) for any leaves of absence  
 1042 without pay, except that credit for active military service  
 1043 leaves of absence may be claimed under paragraphs (a), (b), and  
 1044 (f), in accordance with s. 121.111(1).

1045 3. A member may not receive past service credit for co-  
 1046 employer service. Co-employer service or a co-employer  
 1047 relationship is employment in a single position simultaneously  
 1048 covered and reported by both a public employer and a private  
 1049 employer.

1050 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit  
 1051 for all of his or her past service, the period the member claims  
 1052 must be the most recent past service prior to his or her  
 1053 participation in the Florida Retirement System.

1054 ~~5.4.~~ The cost of past service purchased by an employing  
 1055 agency for its employees may be amortized over the ~~such~~ period  
 1056 of time ~~as is~~ provided in the agreement, but not to exceed 15  
 1057 years, calculated in accordance with rule 60S-1.007(5)(f),  
 1058 Florida Administrative Code.

1059 ~~6.5.~~ The retirement account of each member for whom past  
 1060 service is being provided by his or her employer shall be  
 1061 credited with all past service the employer agrees to purchase  
 1062 as soon as the agreement between the employer and the department  
 1063 is executed. ~~Pursuant thereto:~~

1064 a. Each ~~such~~ member's account shall also be posted with

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1065 the total contribution his or her employer agrees to make on ~~in~~  
 1066 the member's behalf for past service earned before ~~prior to~~  
 1067 October 1, 1975, excluding those contributions representing the  
 1068 employer's matching share and the compound interest calculation  
 1069 on the total contribution. However, a portion of any  
 1070 contributions paid by an employer for past service credit earned  
 1071 on and after October 1, 1975, may not be posted to the ~~a~~  
 1072 member's account.

1073 b. A refund of contributions payable after an employer has  
 1074 made a written agreement to purchase past service for employees  
 1075 of the covered group includes ~~shall include~~ contributions for  
 1076 past service which are posted to the ~~a~~ member's account.  
 1077 However, contributions for past service earned on and after  
 1078 October 1, 1975, are not refundable.

1079 Section 9. Subsections (9), (13), and (14) of section  
 1080 121.091, Florida Statutes, are amended to read:

1081 121.091 Benefits payable under the system.--Benefits may  
 1082 not be paid under this section unless the member has terminated  
 1083 employment as provided in s. 121.021(39)(a) or begun  
 1084 participation in the Deferred Retirement Option Program as  
 1085 provided in subsection (13), and a proper application has been  
 1086 filed in the manner prescribed by the department. The department  
 1087 may cancel an application for retirement benefits when the  
 1088 member or beneficiary fails to timely provide the information  
 1089 and documents required by this chapter and the department's  
 1090 rules. The department shall adopt rules establishing procedures  
 1091 for application for retirement benefits and for the cancellation  
 1092 of such application when the required information or documents

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1093 are not received.

1094 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

1095 (a) Any person who is retired under this chapter, except  
 1096 under the disability retirement provisions of subsection (4),  
 1097 may be employed by an employer that does not participate in a  
 1098 state-administered retirement system and ~~may~~ receive  
 1099 compensation from that employment without limiting or  
 1100 restricting in any way the retirement benefits payable to that  
 1101 person.

1102 (b)~~1~~. Any person whose retirement is effective before July  
 1103 1, 2010, or whose participation in the Deferred Retirement  
 1104 Option Program terminates before July 1, 2010, ~~who is retired~~  
 1105 ~~under this chapter,~~ except under the disability retirement  
 1106 provisions of subsection (4) or as provided in s. 121.053, may  
 1107 be reemployed by an ~~any private or public~~ employer that  
 1108 participates in a state-administered retirement system after  
 1109 ~~retirement~~ and receive retirement benefits and compensation from  
 1110 that ~~his or her~~ employer ~~without any limitations,~~ except that  
 1111 the a person may not be reemployed by an employer ~~receive both a~~  
 1112 ~~salary from reemployment with any agency participating in the~~  
 1113 Florida Retirement System before meeting the definition of  
 1114 termination in s. 121.021 and may not receive both a salary from  
 1115 the employer and retirement benefits ~~under this chapter~~ for a  
 1116 ~~period of~~ 12 calendar months immediately subsequent to the date  
 1117 of retirement. However, a DROP participant shall continue  
 1118 employment and receive a salary during the period of  
 1119 participation in the Deferred Retirement Option Program, as  
 1120 provided in subsection (13).



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1121            1.2. A retiree ~~Any person to whom the limitation in~~  
 1122 ~~subparagraph 1. applies~~ who violates such reemployment  
 1123 ~~limitation and who is reemployed with any agency participating~~  
 1124 ~~in the Florida Retirement System~~ before completion of the 12-  
 1125 month limitation period must ~~shall~~ give timely notice of this  
 1126 fact in writing to the employer and to the Division of  
 1127 Retirement or the state board and shall have his or her  
 1128 retirement benefits suspended for the months employed or the  
 1129 balance of the 12-month limitation period as required in sub-  
 1130 subparagraphs b. and c. A retiree ~~Any person~~ employed in  
 1131 violation of this paragraph and an employer who ~~any employing~~  
 1132 ~~agency which knowingly~~ employs or appoints such person are  
 1133 ~~without notifying the Division of Retirement to suspend~~  
 1134 ~~retirement benefits shall be~~ jointly and severally liable for  
 1135 reimbursement to the retirement trust fund, including the  
 1136 Florida Retirement System Trust Fund and the Public employee  
 1137 Optional Retirement Program Trust Fund, from which the benefits  
 1138 were paid ~~of any benefits paid during the reemployment~~  
 1139 ~~limitation period.~~ The employer must ~~To avoid liability, such~~  
 1140 ~~employing agency shall~~ have a written statement from the retiree  
 1141 that he or she is not retired from a state-administered  
 1142 retirement system. ~~Any retirement benefits received while~~  
 1143 ~~reemployed during this reemployment limitation period shall be~~  
 1144 ~~repaid to the retirement trust fund, and~~ Retirement benefits  
 1145 shall remain suspended until ~~such~~ repayment has been made.  
 1146 Benefits suspended beyond the reemployment limitation shall  
 1147 apply toward repayment of benefits received in violation of the  
 1148 reemployment limitation.

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1149        ~~a.3.~~ A district school board may reemploy a retiree  
 1150 ~~retired member~~ as a substitute or hourly teacher, education  
 1151 paraprofessional, transportation assistant, bus driver, or food  
 1152 service worker on a noncontractual basis after he or she has  
 1153 been retired for 1 calendar month, ~~in accordance with s.~~  
 1154 ~~121.021(39).~~ A district school board may reemploy a retiree  
 1155 ~~retired member~~ as instructional personnel, as defined in s.  
 1156 1012.01(2)(a), on an annual contractual basis after he or she  
 1157 has been retired for 1 calendar month, ~~in accordance with s.~~  
 1158 ~~121.021(39).~~ Any ~~other retired~~ member who is reemployed within 1  
 1159 calendar month after retirement shall void his or her  
 1160 application for retirement benefits. District school boards  
 1161 reemploying such teachers, education paraprofessionals,  
 1162 transportation assistants, bus drivers, or food service workers  
 1163 are subject to the retirement contribution required by  
 1164 subparagraph 2. 7.

1165        ~~b.4.~~ A community college board of trustees may reemploy a  
 1166 retiree ~~retired member~~ as an adjunct instructor, ~~that is, an~~  
 1167 ~~instructor who is noncontractual and part-time,~~ or as a  
 1168 participant in a phased retirement program within the Florida  
 1169 Community College System, after he or she has been retired for 1  
 1170 calendar month, ~~in accordance with s. 121.021(39).~~ A Any retired  
 1171 member who is reemployed within 1 calendar month after  
 1172 retirement shall void his or her application for retirement  
 1173 benefits. Boards of trustees reemploying such instructors are  
 1174 subject to the retirement contribution required in subparagraph  
 1175 2. 7. A retiree ~~retired member~~ may be reemployed as an adjunct  
 1176 instructor for no more than 780 hours during the first 12 months

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1177 of retirement. A retiree ~~Any retired member~~ reemployed for more  
 1178 than 780 hours during the first 12 months of retirement must  
 1179 ~~shall~~ give timely notice in writing to the employer and to the  
 1180 Division of Retirement or the state board of the date he or she  
 1181 will exceed the limitation. The division shall suspend his or  
 1182 her retirement benefits for the remainder of the ~~first~~ 12 months  
 1183 of retirement. Any retiree ~~person~~ employed in violation of this  
 1184 sub-subparagraph ~~subparagraph~~ and any employer who ~~employing~~  
 1185 ~~agency which knowingly~~ employs or appoints such person without  
 1186 notifying the division ~~of Retirement~~ to suspend retirement  
 1187 benefits are ~~shall be~~ jointly and severally liable for  
 1188 ~~reimbursement to the retirement trust fund of any benefits paid~~  
 1189 ~~during the reemployment limitation period.~~ The employer must ~~To~~  
 1190 ~~avoid liability, such employing agency shall~~ have a written  
 1191 statement from the retiree that he or she is not retired from a  
 1192 state-administered retirement system. Any retirement benefits  
 1193 received by the retiree ~~a retired member~~ while reemployed in  
 1194 excess of 780 hours during the first 12 months of retirement  
 1195 must ~~shall~~ be repaid to the Florida Retirement System Trust  
 1196 Fund, and retirement benefits shall remain suspended until  
 1197 repayment is made. Benefits suspended beyond the end of the  
 1198 retiree's ~~retired member's~~ first 12 months of retirement shall  
 1199 apply toward repayment of benefits received in violation of the  
 1200 780-hour reemployment limitation.

1201 ~~c.5.~~ The State University System may reemploy a retiree  
 1202 ~~retired member~~ as an adjunct faculty member or as a participant  
 1203 in a phased retirement program within the State University  
 1204 System after the retiree ~~retired member~~ has been retired for 1

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1205 calendar month, ~~in accordance with s. 121.021(39)~~. A ~~Any retired~~  
 1206 member who is reemployed within 1 calendar month after  
 1207 retirement shall void his or her application for retirement  
 1208 benefits. The State University System is subject to the retired  
 1209 contribution required in subparagraph 2. 7., as appropriate. A  
 1210 retiree ~~retired member~~ may be reemployed as an adjunct faculty  
 1211 member or a participant in a phased retirement program for no  
 1212 more than 780 hours during the first 12 months of his or her  
 1213 retirement. A retiree ~~Any retired member~~ reemployed for more  
 1214 than 780 hours during the first 12 months of retirement must  
 1215 ~~shall~~ give timely notice in writing to the employer and to the  
 1216 Division of Retirement or the state board of the date he or she  
 1217 will exceed the limitation. The division shall suspend his or  
 1218 her retirement benefits for the remainder of the ~~first~~ 12 months  
 1219 ~~of retirement~~. Any retiree ~~person~~ employed in violation of this  
 1220 sub-subparagraph ~~subparagraph~~ and any employer who ~~employing~~  
 1221 ~~agency which knowingly~~ employs or appoints such person without  
 1222 notifying the division ~~of Retirement~~ to suspend retirement  
 1223 benefits are ~~shall be~~ jointly and severally liable for  
 1224 ~~reimbursement to the retirement trust fund of~~ any benefits paid  
 1225 during the reemployment limitation period. The employer must ~~To~~  
 1226 ~~avoid liability, such employing agency shall~~ have a written  
 1227 statement from the retiree that he or she is not retired from a  
 1228 state-administered retirement system. Any retirement benefits  
 1229 received by the retiree ~~a retired member~~ while reemployed in  
 1230 excess of 780 hours during the first 12 months of retirement  
 1231 must ~~shall~~ be repaid to the Florida Retirement System Trust  
 1232 Fund, and retirement benefits shall remain suspended until

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1233 repayment is made. Benefits suspended beyond the end of the  
 1234 retiree's ~~retired member's~~ first 12 months of retirement shall  
 1235 apply toward repayment of benefits received in violation of the  
 1236 780-hour reemployment limitation.

1237 ~~d.6.~~ The Board of Trustees of the Florida School for the  
 1238 Deaf and the Blind may reemploy a retiree ~~retired member~~ as a  
 1239 substitute teacher, substitute residential instructor, or  
 1240 substitute nurse on a noncontractual basis after he or she has  
 1241 been retired for 1 calendar month, ~~in accordance with s.~~  
 1242 ~~121.021(39).~~ Any ~~retired~~ member who is reemployed within 1  
 1243 calendar month after retirement shall void his or her  
 1244 application for retirement benefits. The Board of Trustees of  
 1245 the Florida School for the Deaf and the Blind reemploying such  
 1246 teachers, residential instructors, or nurses is subject to the  
 1247 retirement contribution required by subparagraph 2. 7.  
 1248 ~~Reemployment of a retired member as a substitute teacher,~~  
 1249 ~~substitute residential instructor, or substitute nurse is~~  
 1250 ~~limited to 780 hours during the first 12 months of his or her~~  
 1251 ~~retirement. Any retired member reemployed for more than 780~~  
 1252 ~~hours during the first 12 months of retirement shall give timely~~  
 1253 ~~notice in writing to the employer and to the division of the~~  
 1254 ~~date he or she will exceed the limitation. The division shall~~  
 1255 ~~suspend his or her retirement benefits for the remainder of the~~  
 1256 ~~first 12 months of retirement. Any person employed in violation~~  
 1257 ~~of this subparagraph and any employing agency which knowingly~~  
 1258 ~~employs or appoints such person without notifying the division~~  
 1259 ~~of Retirement to suspend retirement benefits shall be jointly~~  
 1260 ~~and severally liable for reimbursement to the retirement trust~~

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1261 ~~fund of any benefits paid during the reemployment limitation~~  
 1262 ~~period. To avoid liability, such employing agency shall have a~~  
 1263 ~~written statement from the retiree that he or she is not retired~~  
 1264 ~~from a state-administered retirement system. Any retirement~~  
 1265 ~~benefits received by a retired member while reemployed in excess~~  
 1266 ~~of 780 hours during the first 12 months of retirement shall be~~  
 1267 ~~repaid to the Retirement System Trust Fund, and his or her~~  
 1268 ~~retirement benefits shall remain suspended until payment is~~  
 1269 ~~made. Benefits suspended beyond the end of the retired member's~~  
 1270 ~~first 12 months of retirement shall apply toward repayment of~~  
 1271 ~~benefits received in violation of the 780-hour reemployment~~  
 1272 ~~limitation.~~

1273 e. A developmental research school may reemploy a retiree  
 1274 as a substitute or hourly teacher or an education  
 1275 paraprofessional as defined in s. 1012.01(2) on a noncontractual  
 1276 basis after he or she has been retired for 1 calendar month. A  
 1277 developmental research school may reemploy a retiree as  
 1278 instructional personnel, as defined in s. 1012.01(2)(a), on an  
 1279 annual contractual basis after he or she has been retired for 1  
 1280 calendar month after retirement. Any member who is reemployed  
 1281 within 1 calendar month voids his or her application for  
 1282 retirement benefits. A developmental research school that  
 1283 reemploys retired teachers and education paraprofessionals is  
 1284 subject to the retirement contribution required by subparagraph  
 1285 2.

1286 f. A charter school may reemploy a retiree as a substitute  
 1287 or hourly teacher on a noncontractual basis after he or she has  
 1288 been retired for 1 calendar month. A charter school may reemploy

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1289 a retired member as instructional personnel, as defined in s.  
 1290 1012.01(2)(a), on an annual contractual basis after he or she  
 1291 has been retired for 1 calendar month after retirement. Any  
 1292 member who is reemployed within 1 calendar month voids his or  
 1293 her application for retirement benefits. A charter school that  
 1294 reemploys such teachers is subject to the retirement  
 1295 contribution required by subparagraph 2.

1296 ~~2.7.~~ The employment ~~by an employer~~ of a any retiree or  
 1297 DROP participant of a any state-administered retirement system  
 1298 does not affect ~~shall have no effect on~~ the average final  
 1299 compensation or years of creditable service of the retiree or  
 1300 DROP participant. Before ~~Prior to~~ July 1, 1991, upon employment  
 1301 of any person, other than an elected officer as provided in s.  
 1302 121.053, who is ~~has been~~ retired under a any state-administered  
 1303 retirement program, the employer shall pay retirement  
 1304 contributions in an amount equal to the unfunded actuarial  
 1305 liability portion of the employer contribution which would be  
 1306 required for regular members of the Florida Retirement System.  
 1307 Effective July 1, 1991, contributions shall be made as provided  
 1308 in s. 121.122 for retirees who have ~~with~~ renewed membership or,  
 1309 as provided in subsection (13), ~~for with respect to~~ DROP  
 1310 participants.

1311 ~~8.~~ ~~Any person who has previously retired and who is~~  
 1312 ~~holding an elective public office or an appointment to an~~  
 1313 ~~elective public office eligible for the Elected Officers' Class~~  
 1314 ~~on or after July 1, 1990, shall be enrolled in the Florida~~  
 1315 ~~Retirement System as provided in s. 121.053(1)(b) or, if holding~~  
 1316 ~~an elective public office that does not qualify for the Elected~~

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1317 ~~Officers' Class on or after July 1, 1991, shall be enrolled in~~  
 1318 ~~the Florida Retirement System as provided in s. 121.122, and~~  
 1319 ~~shall continue to receive retirement benefits as well as~~  
 1320 ~~compensation for the elected officer's service for as long as he~~  
 1321 ~~or she remains in elective office. However, any retired member~~  
 1322 ~~who served in an elective office prior to July 1, 1990,~~  
 1323 ~~suspended his or her retirement benefit, and had his or her~~  
 1324 ~~Florida Retirement System membership reinstated shall, upon~~  
 1325 ~~retirement from such office, have his or her retirement benefit~~  
 1326 ~~recalculated to include the additional service and compensation~~  
 1327 ~~earned.~~

1328 3.9. Any person who is holding an elective public office  
 1329 which is covered by the Florida Retirement System and who is  
 1330 concurrently employed in nonelected covered employment may elect  
 1331 to retire while continuing employment in the elective public  
 1332 office if, ~~provided that~~ he or she terminates ~~shall be required~~  
 1333 ~~to terminate~~ his or her nonelected covered employment. Such Any  
 1334 ~~person who exercises this election~~ shall receive his or her  
 1335 retirement benefits in addition to the compensation of the  
 1336 elective office without regard to the time limitations otherwise  
 1337 provided in this subsection. A ~~No~~ person who seeks to exercise  
 1338 the provisions of this subparagraph, as they ~~the same~~ existed  
 1339 before ~~prior to~~ May 3, 1984, may not be ~~shall be~~ deemed to be  
 1340 retired under those provisions, unless such person is eligible  
 1341 to retire under ~~the provisions of~~ this subparagraph, as amended  
 1342 by chapter 84-11, Laws of Florida.

1343 ~~10.~~ ~~The limitations of this paragraph apply to~~  
 1344 ~~reemployment in any capacity with an "employer" as defined in s.~~



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1345 ~~121.021(10), irrespective of the category of funds from which~~  
 1346 ~~the person is compensated.~~

1347 ~~11. An employing agency may reemploy a retired member as a~~  
 1348 ~~firefighter or paramedic after the retired member has been~~  
 1349 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~  
 1350 ~~Any retired member who is reemployed within 1 calendar month~~  
 1351 ~~after retirement shall void his or her application for~~  
 1352 ~~retirement benefits. The employing agency reemploying such~~  
 1353 ~~firefighter or paramedic is subject to the retired contribution~~  
 1354 ~~required in subparagraph 8. Reemployment of a retired~~  
 1355 ~~firefighter or paramedic is limited to no more than 780 hours~~  
 1356 ~~during the first 12 months of his or her retirement. Any retired~~  
 1357 ~~member reemployed for more than 780 hours during the first 12~~  
 1358 ~~months of retirement shall give timely notice in writing to the~~  
 1359 ~~employer and to the division of the date he or she will exceed~~  
 1360 ~~the limitation. The division shall suspend his or her retirement~~  
 1361 ~~benefits for the remainder of the first 12 months of retirement.~~  
 1362 ~~Any person employed in violation of this subparagraph and any~~  
 1363 ~~employing agency which knowingly employs or appoints such person~~  
 1364 ~~without notifying the Division of Retirement to suspend~~  
 1365 ~~retirement benefits shall be jointly and severally liable for~~  
 1366 ~~reimbursement to the Retirement System Trust Fund of any~~  
 1367 ~~benefits paid during the reemployment limitation period. To~~  
 1368 ~~avoid liability, such employing agency shall have a written~~  
 1369 ~~statement from the retiree that he or she is not retired from a~~  
 1370 ~~state-administered retirement system. Any retirement benefits~~  
 1371 ~~received by a retired member while reemployed in excess of 780~~  
 1372 ~~hours during the first 12 months of retirement shall be repaid~~

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1373 ~~to the Retirement System Trust Fund, and retirement benefits~~  
1374 ~~shall remain suspended until repayment is made. Benefits~~  
1375 ~~suspended beyond the end of the retired member's first 12 months~~  
1376 ~~of retirement shall apply toward repayment of benefits received~~  
1377 ~~in violation of the 780-hour reemployment limitation.~~

1378 (c) Any person whose retirement is effective on or after  
1379 July 1, 2010, or whose participation in the Deferred Retirement  
1380 Option Program terminates on or after July 1, 2010, who is  
1381 retired under this chapter, except under the disability  
1382 retirement provisions of subsection (4) or as provided in s.  
1383 121.053, may be reemployed by an employer that participates in a  
1384 state-administered retirement system and receive retirement  
1385 benefits and compensation from that employer. However, the a  
1386 person may not be reemployed by an employer participating in the  
1387 Florida Retirement System before meeting the definition of  
1388 termination in s. 121.021 and may not receive both a salary from  
1389 the employer and retirement benefits for 6 calendar months after  
1390 meeting the definition of termination. However, a DROP  
1391 participant shall continue employment and receive a salary  
1392 during the period of participation in the Deferred Retirement  
1393 Option Program, as provided in subsection (13).

1394 1. The reemployed retiree may not renew membership in the  
1395 Florida Retirement System.

1396 2. The employer shall pay retirement contributions in an  
1397 amount equal to the unfunded actuarial liability portion of the  
1398 employer contribution that would be required for active members  
1399 of the Florida Retirement System in addition to the  
1400 contributions required by s. 121.76.

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1401           3. A retiree initially reemployed in violation of this  
 1402 paragraph and an employer that employs or appoints such person  
 1403 are jointly and severally liable for reimbursement of any  
 1404 retirement benefits paid to the retirement trust fund from which  
 1405 the benefits were paid, including the Florida Retirement System  
 1406 Trust Fund and the Public Employee Optional Retirement Program  
 1407 Trust Fund, as appropriate. The employer must have a written  
 1408 statement from the employee that he or she is not retired from a  
 1409 state-administered retirement system. Retirement benefits shall  
 1410 remain suspended until repayment is made. Benefits suspended  
 1411 beyond the end of the retiree's 6-month reemployment limitation  
 1412 period shall apply toward the repayment of benefits received in  
 1413 violation of this paragraph.

1414           (d) ~~(e)~~ The provisions of this subsection apply to  
 1415 retirees, as defined in s. 121.4501(2) ~~(j)~~, of the Public  
 1416 Employee Optional Retirement Program ~~created in part II~~, subject  
 1417 to the following conditions:

1418           1. The ~~Such~~ retirees may not be reemployed with an  
 1419 employer participating in the Florida Retirement System ~~as~~  
 1420 ~~provided in paragraph (b)~~ until such person has been retired for  
 1421 6 ~~3~~ calendar months, ~~unless the participant has reached the~~  
 1422 ~~normal retirement requirements of the defined benefit plan as~~  
 1423 ~~provided in s. 121.021(29).~~

1424           2. A ~~Such~~ retiree employed in violation of this subsection  
 1425 and an employer ~~any employing agency~~ that knowingly employs or  
 1426 appoints such person are ~~shall be~~ jointly and severally liable  
 1427 for reimbursement of any benefits paid to the retirement trust  
 1428 fund from which the benefits were paid, including the Retirement

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1429 System Trust Fund and the Public Employee Optional Retirement  
 1430 Program Trust Fund, as appropriate. The employer ~~To avoid~~  
 1431 ~~liability, such employing agency~~ must have a written statement  
 1432 from the retiree that he or she is not retired from a state-  
 1433 administered retirement system.

1434 (e) The limitations of this subsection apply to reemployment in  
 1435 any capacity irrespective of the category of funds from which  
 1436 the person is compensated.

1437 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
 1438 subject to ~~the provisions of~~ this section, the Deferred  
 1439 Retirement Option Program, hereinafter referred to as ~~the~~ DROP,  
 1440 is a program under which an eligible member of the Florida  
 1441 Retirement System may elect to participate, deferring receipt of  
 1442 retirement benefits while continuing employment with his or her  
 1443 Florida Retirement System employer. The deferred monthly  
 1444 benefits shall accrue in the Florida Retirement System Trust  
 1445 Fund on behalf of the participant, plus interest compounded  
 1446 monthly, for the specified period of the DROP participation, as  
 1447 provided in paragraph (c). Upon termination of employment, the  
 1448 participant shall receive the total DROP benefits and begin to  
 1449 receive the previously determined normal retirement benefits.  
 1450 Participation in the DROP does not guarantee employment for the  
 1451 specified period of DROP. Participation in ~~the~~ DROP by an  
 1452 eligible member beyond the initial 60-month period as authorized  
 1453 in this subsection shall be on an annual contractual basis for  
 1454 all participants.

1455 (a) Eligibility of member to participate in ~~the~~ DROP.--All  
 1456 active Florida Retirement System members in a regularly

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1457 established position, and all active members of ~~either~~ the  
1458 Teachers' Retirement System established in chapter 238 or the  
1459 State and County Officers' and Employees' Retirement System  
1460 established in chapter 122, which ~~systems~~ are consolidated  
1461 within the Florida Retirement System under s. 121.011, are  
1462 eligible to elect participation in the DROP if provided that:

1463 1. The member is not a renewed member ~~of the Florida~~  
1464 ~~Retirement System~~ under s. 121.122, or a member of the State  
1465 Community College System Optional Retirement Program under s.  
1466 121.051, the Senior Management Service Optional Annuity Program  
1467 under s. 121.055, or the optional retirement program for the  
1468 State University System under s. 121.35.

1469 2. Except as provided in subparagraph 6., election to  
1470 participate is made within 12 months immediately following the  
1471 date on which the member first reaches normal retirement date,  
1472 or, for a member who reaches normal retirement date based on  
1473 service before he or she reaches age 62, or age 55 for Special  
1474 Risk Class members, election to participate may be deferred to  
1475 the 12 months immediately following the date the member attains  
1476 57, or age 52 for Special Risk Class members. A member who  
1477 delays DROP participation during the 12-month period immediately  
1478 following his or her maximum DROP deferral date, except as  
1479 provided in subparagraph 6., loses a month of DROP participation  
1480 for each month delayed. ~~For a member who first reached normal~~  
1481 ~~retirement date or the deferred eligibility date described above~~  
1482 ~~prior to the effective date of this section, election to~~  
1483 ~~participate shall be made within 12 months after the effective~~  
1484 ~~date of this section.~~ A member who fails to make an election

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1485 within the ~~such~~ 12-month limitation period forfeits ~~shall~~  
 1486 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member shall  
 1487 advise his or her employer and the division in writing of the  
 1488 date ~~on which the~~ DROP begins ~~shall begin~~. The ~~Such~~ beginning  
 1489 date may be subsequent to the 12-month election period, but must  
 1490 be within the original 60-month participation ~~or, with respect~~  
 1491 ~~to members who are instructional personnel employed by the~~  
 1492 ~~Florida School for the Deaf and the Blind and who have received~~  
 1493 ~~authorization by the Board of Trustees of the Florida School for~~  
 1494 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
 1495 ~~months, or who are instructional personnel as defined in s.~~  
 1496 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~  
 1497 ~~authorization by the district school superintendent to~~  
 1498 ~~participate in the DROP beyond 60 months, the 96-month~~  
 1499 ~~limitation period as provided in subparagraph (b)1. When~~  
 1500 ~~establishing eligibility of the member to participate in the~~  
 1501 ~~DROP for the 60-month or, with respect to members who are~~  
 1502 ~~instructional personnel employed by the Florida School for the~~  
 1503 ~~Deaf and the Blind and who have received authorization by the~~  
 1504 ~~Board of Trustees of the Florida School for the Deaf and the~~  
 1505 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
 1506 ~~instructional personnel as defined in s. 1012.01(2) (a) - (d) in~~  
 1507 ~~grades K-12 and who have received authorization by the district~~  
 1508 ~~school superintendent to participate in the DROP beyond 60~~  
 1509 ~~months, the 96-month maximum participation period, the member~~  
 1510 may elect to include or exclude any optional service credit  
 1511 purchased by the member from the total service used to establish  
 1512 the normal retirement date. A member who has ~~with~~ dual normal

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1513 retirement dates is ~~shall be~~ eligible to elect to participate in  
 1514 DROP ~~within 12 months~~ after attaining normal retirement date in  
 1515 either class.

1516 3. The employer of a member electing to participate in ~~the~~  
 1517 DROP, or employers if dually employed, shall acknowledge in  
 1518 writing to the division the date the member's participation in  
 1519 ~~the~~ DROP begins and the date the member's employment and DROP  
 1520 participation will terminate.

1521 4. Simultaneous employment of a participant by additional  
 1522 Florida Retirement System employers subsequent to the  
 1523 commencement of participation in ~~the~~ DROP is ~~shall be~~  
 1524 permissible if provided such employers acknowledge in writing a  
 1525 DROP termination date no later than the participant's existing  
 1526 termination date or the maximum participation ~~60-month~~  
 1527 ~~limitation~~ period as provided in subparagraph (b)1.

1528 5. A DROP participant may change employers while  
 1529 participating in ~~the~~ DROP, subject to the following:

1530 a. A change of employment must take place without a break  
 1531 in service so that the member receives salary for each month of  
 1532 continuous DROP participation. If a member receives no salary  
 1533 during a month, DROP participation shall cease unless the  
 1534 employer verifies a continuation of the employment relationship  
 1535 for such participant pursuant to s. 121.021(39)(b).

1536 b. Such participant and new employer shall notify the  
 1537 division of the identity of the new employer on forms required  
 1538 by the division ~~as to the identity of the new employer~~.

1539 c. The new employer shall acknowledge, in writing, the  
 1540 participant's DROP termination date, which may be extended but

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1541 not beyond the maximum participation ~~original 60-month or, with~~  
1542 ~~respect to members who are instructional personnel employed by~~  
1543 ~~the Florida School for the Deaf and the Blind and who have~~  
1544 ~~received authorization by the Board of Trustees of the Florida~~  
1545 ~~School for the Deaf and the Blind to participate in the DROP~~  
1546 ~~beyond 60 months, or who are instructional personnel as defined~~  
1547 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~  
1548 ~~authorization by the district school superintendent to~~  
1549 ~~participate in the DROP beyond 60 months, the 96-month period~~  
1550 ~~provided in subparagraph (b)1., shall acknowledge liability for~~  
1551 ~~any additional retirement contributions and interest required if~~  
1552 ~~the participant fails to timely terminate employment, and is~~  
1553 ~~shall be~~ subject to the adjustment required in sub-subparagraph  
1554 (c)5.d.

1555 6. Effective July 1, 2001, for instructional personnel as  
1556 defined in s. 1012.01(2), election to participate in ~~the~~ DROP  
1557 may ~~shall~~ be made at any time following the date on which the  
1558 member first reaches normal retirement date. The member shall  
1559 advise his or her employer and the division in writing of the  
1560 date on which DROP begins ~~the Deferred Retirement Option Program~~  
1561 ~~shall begin~~. When establishing eligibility of the member to  
1562 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~  
1563 ~~members who are instructional personnel employed by the Florida~~  
1564 ~~School for the Deaf and the Blind and who have received~~  
1565 ~~authorization by the Board of Trustees of the Florida School for~~  
1566 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
1567 ~~months, or who are instructional personnel as defined in s.~~  
1568 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~



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1569 ~~authorization by the district school superintendent to~~  
 1570 ~~participate in the DROP beyond 60 months, the 96-month maximum~~  
 1571 ~~participation period,~~ as provided in subparagraph (b)1., the  
 1572 member may elect to include or exclude any optional service  
 1573 credit purchased by the member from the total service used to  
 1574 establish the normal retirement date. A member who has ~~with~~ dual  
 1575 normal retirement dates is ~~shall be~~ eligible to elect to  
 1576 participate in either class.

1577 (b) Participation in ~~the~~ DROP.--

1578 1. An eligible member may elect to participate in ~~the~~ DROP  
 1579 for a period not to exceed a maximum of 60 calendar months.  
 1580 However, ~~or,~~ with respect to members who are instructional  
 1581 personnel employed by the Florida School for the Deaf and the  
 1582 Blind and authorized ~~who have received authorization~~ by the  
 1583 Board of Trustees of the Florida School for the Deaf and the  
 1584 Blind ~~to participate in the DROP beyond 60 months, or~~ who are  
 1585 instructional personnel as defined in s. 1012.01(2)(a)-(d) in  
 1586 grades K-12 and authorized ~~who have received authorization~~ by  
 1587 the district school superintendent ~~to participate in the DROP~~  
 1588 ~~beyond 60 calendar months,~~ or who are instructional personnel as  
 1589 defined in s. 1012.01(2)(a) employed by a developmental research  
 1590 school and authorized by the school's director, or if the school  
 1591 has no director, by the school's principal, may participate in  
 1592 DROP for up to 36 calendar months beyond the 60-month period. ~~96~~  
 1593 ~~calendar months immediately following the date on which the~~  
 1594 ~~member first reaches his or her normal retirement date or the~~  
 1595 ~~date to which he or she is eligible to defer his or her election~~  
 1596 ~~to participate as provided in subparagraph (a)2. However, a~~

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1597 ~~member who has reached normal retirement date prior to the~~  
 1598 ~~effective date of the DROP shall be eligible to participate in~~  
 1599 ~~the DROP for a period of time not to exceed 60 calendar months~~  
 1600 ~~or, with respect to members who are instructional personnel~~  
 1601 ~~employed by the Florida School for the Deaf and the Blind and~~  
 1602 ~~who have received authorization by the Board of Trustees of the~~  
 1603 ~~Florida School for the Deaf and the Blind to participate in the~~  
 1604 ~~DROP beyond 60 months, or who are instructional personnel as~~  
 1605 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~  
 1606 ~~received authorization by the district school superintendent to~~  
 1607 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~  
 1608 ~~months immediately following the effective date of the DROP,~~  
 1609 ~~except a member of the Special Risk Class who has reached normal~~  
 1610 ~~retirement date prior to the effective date of the DROP and~~  
 1611 ~~whose total accrued value exceeds 75 percent of average final~~  
 1612 ~~compensation as of his or her effective date of retirement shall~~  
 1613 ~~be eligible to participate in the DROP for no more than 36~~  
 1614 ~~calendar months immediately following the effective date of the~~  
 1615 ~~DROP.~~

1616       2. Upon deciding to participate in ~~the~~ DROP, the member  
 1617 shall submit, on forms required by the division:  
 1618       a. A written election to participate in ~~the~~ DROP;  
 1619       b. Selection of ~~the~~ DROP participation and termination  
 1620 dates that, ~~which~~ satisfy the limitations stated in paragraph  
 1621 (a) and subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be  
 1622 in a binding letter of resignation to ~~with~~ the employer,  
 1623 establishing a deferred termination date. The member may change  
 1624 the termination date within the limitations of subparagraph 1.,

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1625 but only with the written approval of the ~~his or her~~ employer;

1626 c. A properly completed DROP application for service

1627 retirement as provided in this section; and

1628 d. Any other information required by the division.

1629 3. The DROP participant is ~~shall be~~ a retiree under the

1630 Florida Retirement System for all purposes, except for paragraph

1631 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,

1632 and 121.122. DROP participation is final and may not be canceled

1633 by the participant after the first payment is credited during

1634 the DROP participation period. However, participation in ~~the~~

1635 DROP does not alter the participant's employment status, and the

1636 member is ~~such employee shall not be~~ deemed retired from

1637 employment until his or her deferred resignation is effective

1638 and termination occurs as defined ~~provided~~ in s. 121.021~~(39)~~.

1639 4. Elected officers are ~~shall be~~ eligible to participate

1640 in ~~the~~ DROP subject to the following:

1641 a. An elected officer who reaches normal retirement date

1642 during a term of office may defer the election to participate ~~in~~

1643 ~~the DROP~~ until the next succeeding term in that office. An ~~Such~~

1644 elected officer who exercises this option may participate in ~~the~~

1645 DROP for up to 60 calendar months or ~~a period of~~ no longer than

1646 the ~~such~~ succeeding term of office, whichever is less.

1647 b. An elected or a nonelected participant may run for a

1648 term of office while participating in DROP and, if elected,

1649 extend the DROP termination date accordingly; ~~except,~~ however,

1650 if such additional term of office exceeds the 60-month

1651 limitation established in subparagraph 1., and the officer does

1652 not resign from office within such 60-month limitation, the

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1653 retirement and the participant's DROP is ~~shall be~~ null and void  
 1654 as provided in sub-subparagraph (c)5.d.

1655 c. An elected officer who is dually employed and elects to  
 1656 participate in DROP must terminate all employment relationships  
 1657 as provided in s. 121.021(39) for the nonelected position ~~shall~~  
 1658 ~~be required to satisfy the definition of termination within the~~  
 1659 original 60-month period or maximum participation ~~or, with~~  
 1660 ~~respect to members who are instructional personnel employed by~~  
 1661 ~~the Florida School for the Deaf and the Blind and who have~~  
 1662 ~~received authorization by the Board of Trustees of the Florida~~  
 1663 ~~School for the Deaf and the Blind to participate in the DROP~~  
 1664 ~~beyond 60 months, or who are instructional personnel as defined~~  
 1665 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~  
 1666 ~~authorization by the district school superintendent to~~  
 1667 ~~participate in the DROP beyond 60 months, the 96-month~~  
 1668 ~~limitation period as provided in subparagraph 1. For DROP~~  
 1669 participation ending: for the nonelected position and

1670 (I) Before July 1, 2010, the officer may continue  
 1671 employment as an elected officer as provided in s. 121.053. The  
 1672 elected officer shall ~~will~~ be enrolled as a renewed member in  
 1673 the Elected Officers' Class or the Regular Class, as provided in  
 1674 ss. 121.053 and 121.122, on the first day of the month after  
 1675 termination of employment in the nonelected position and  
 1676 termination of DROP. Distribution of the DROP benefits shall be  
 1677 made as provided in paragraph (c).

1678 (II) On or after July 1, 2010, the officer may continue  
 1679 employment as an elected officer but must defer termination as  
 1680 provided in s. 121.053.

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1681 (c) Benefits payable under ~~the~~ DROP.--

1682 1. Effective on ~~with~~ the date of DROP participation, the

1683 member's initial normal monthly benefit, including creditable

1684 service, optional form of payment, and average final

1685 compensation, and the effective date of retirement are ~~shall be~~

1686 fixed. The beneficiary established under the Florida Retirement

1687 System is ~~shall be~~ the beneficiary eligible to receive any DROP

1688 benefits payable if the DROP participant dies before completing

1689 ~~prior to the completion of~~ the period of DROP participation. If

1690 ~~In the event~~ a joint annuitant predeceases the member, the

1691 member may name a beneficiary to receive accumulated DROP

1692 benefits payable. The ~~Such~~ retirement benefit, the annual cost

1693 of living adjustments provided in s. 121.101, and interest ~~shall~~

1694 accrue monthly in the Florida Retirement System Trust Fund. The

1695 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate

1696 of 6.5 percent compounded monthly, on the prior month's

1697 accumulated ending balance, up to the month of termination or

1698 death, except as provided in s. 121.053(7).

1699 2. Each employee who elects to participate in ~~the~~ DROP may

1700 ~~shall be allowed to~~ elect to receive a lump-sum payment for

1701 accrued annual leave earned in accordance with agency policy

1702 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated

1703 leave payment certified to the division upon commencement of

1704 DROP shall be included in the calculation of the member's

1705 average final compensation. The employee electing the ~~such~~ lump-

1706 sum payment is ~~upon beginning participation in DROP will not be~~

1707 eligible to receive a second lump-sum payment upon termination,

1708 except to the extent the employee has earned additional annual

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1709 leave which, combined with the original payment, does not exceed  
 1710 the maximum lump-sum payment allowed by the employing agency's  
 1711 policy or rules. An ~~Such~~ early lump-sum payment shall be based  
 1712 on the hourly wage of the employee at the time he or she begins  
 1713 participation in ~~the~~ DROP. If the member elects to wait and  
 1714 receive a ~~such~~ lump-sum payment upon termination of DROP and  
 1715 termination of employment with the employer, any accumulated  
 1716 leave payment made at that time may not ~~cannot~~ be included in  
 1717 the member's retirement benefit, which was determined and fixed  
 1718 by law when the employee elected to participate in ~~the~~ DROP.

1719 3. The effective date of DROP participation and the  
 1720 effective date of retirement of a DROP participant shall be the  
 1721 first day of the month selected by the member to begin  
 1722 participation in ~~the~~ DROP, provided such date is properly  
 1723 established, with the written confirmation of the employer, and  
 1724 the approval of the division, on forms required by the division.

1725 4. Normal retirement benefits and any interest ~~thereon~~  
 1726 shall continue to accrue in ~~the~~ DROP until the established  
 1727 termination date of ~~the~~ DROP, or until the participant  
 1728 terminates employment or dies prior to such date, except as  
 1729 provided in s. 121.053(7). Although individual DROP accounts  
 1730 shall not be established, a separate accounting of each  
 1731 participant's accrued benefits under ~~the~~ DROP shall be  
 1732 calculated and provided to participants.

1733 5. At the conclusion of the participant's DROP, the  
 1734 division shall distribute the participant's total accumulated  
 1735 DROP benefits, subject to the following provisions:

1736 a. The division shall receive verification by the

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1737 participant's employer or employers that the ~~such~~ participant  
 1738 has terminated all employment relationships as provided in s.  
 1739 121.021(39) ~~(b)~~.

1740 b. The terminated DROP participant or, if deceased, the  
 1741 ~~such~~ participant's named beneficiary, shall elect on forms  
 1742 provided by the division to receive payment of the DROP benefits  
 1743 in accordance with one of the options listed below. If ~~For~~ a  
 1744 participant or beneficiary ~~who~~ fails to elect a method of  
 1745 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the  
 1746 division shall ~~will~~ pay a lump sum as provided in sub-sub-  
 1747 subparagraph (I).

1748 (I) Lump sum.--All accrued DROP benefits, plus interest,  
 1749 less withholding taxes remitted to the Internal Revenue Service,  
 1750 shall be paid to the DROP participant or surviving beneficiary.

1751 (II) Direct rollover.--All accrued DROP benefits, plus  
 1752 interest, shall be paid from ~~the~~ DROP directly to the custodian  
 1753 of an eligible retirement plan as defined in s. 402(c)(8)(B) of  
 1754 the Internal Revenue Code. However, in the case of an eligible  
 1755 rollover distribution to the surviving spouse of a deceased  
 1756 participant, an eligible retirement plan is an individual  
 1757 retirement account or an individual retirement annuity as  
 1758 described in s. 402(c)(9) of the Internal Revenue Code.

1759 (III) Partial lump sum.--A portion of the accrued DROP  
 1760 benefits shall be paid to ~~the~~ DROP participant or surviving  
 1761 spouse, less withholding taxes remitted to the Internal Revenue  
 1762 Service, and the remaining DROP benefits must ~~shall~~ be  
 1763 transferred directly to the custodian of an eligible retirement  
 1764 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.

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1765 However, in the case of an eligible rollover distribution to the  
 1766 surviving spouse of a deceased participant, an eligible  
 1767 retirement plan is an individual retirement account or an  
 1768 individual retirement annuity as described in s. 402(c)(9) of  
 1769 the Internal Revenue Code. The proportions must ~~shall~~ be  
 1770 specified by the DROP participant or surviving beneficiary.

1771 c. The form of payment selected by the DROP participant or  
 1772 surviving beneficiary must comply ~~complies~~ with the minimum  
 1773 distribution requirements of the Internal Revenue Code.

1774 d. A DROP participant who fails to terminate all  
 1775 employment relationships as provided ~~defined~~ in s.  
 1776 121.021(39) ~~(b)~~ shall be deemed as not ~~to be~~ retired, and the  
 1777 DROP election is ~~shall be~~ null and void. Florida Retirement  
 1778 System membership shall be reestablished retroactively to the  
 1779 date of the commencement of ~~the~~ DROP, and each employer with  
 1780 whom the participant continues employment must ~~shall be required~~  
 1781 ~~to~~ pay to the Florida Retirement System Trust Fund the  
 1782 difference between the DROP contributions paid in paragraph (i)  
 1783 and the contributions required for the applicable Florida  
 1784 Retirement System class of membership during the period the  
 1785 member participated in ~~the~~ DROP, plus 6.5 percent interest  
 1786 compounded annually.

1787 6. The retirement benefits of any DROP participant who  
 1788 terminates all employment relationships as provided in s.  
 1789 121.021(39) but is reemployed in violation of the reemployment  
 1790 provisions of subsection (9) shall be suspended during those  
 1791 months in which the retiree is in violation. Any retiree in  
 1792 violation of this subparagraph and any employer that employs or



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1793 appoints such person without notifying the Division of  
 1794 Retirement to suspend retirement benefits are jointly and  
 1795 severally liable for any benefits paid during the reemployment  
 1796 limitation period. The employer must have a written statement  
 1797 from the retiree that he or she is not retired from a state-  
 1798 administered retirement system. Any retirement benefits received  
 1799 by a retiree while employed in violation of the reemployment  
 1800 limitations must be repaid to the Florida Retirement System  
 1801 Trust Fund, and his or her retirement benefits shall remain  
 1802 suspended until payment is made. Benefits suspended beyond the  
 1803 end of the reemployment limitation period apply toward repayment  
 1804 of benefits received in violation of the reemployment  
 1805 limitation.

1806 7.6. The accrued benefits of any DROP participant, and any  
 1807 contributions accumulated under the ~~such~~ program, are ~~shall~~ not  
 1808 ~~be~~ subject to assignment, execution, attachment, or ~~to~~ any legal  
 1809 process whatsoever, except for qualified domestic relations  
 1810 orders by a court of competent jurisdiction, income deduction  
 1811 orders as provided in s. 61.1301, and federal income tax levies.

1812 8.7. DROP participants are ~~shall~~ not ~~be~~ eligible for  
 1813 disability retirement benefits as provided in subsection (4).

1814 (d) Death benefits under ~~the~~ DROP.--

1815 1. Upon the death of a DROP participant, the named  
 1816 beneficiary is ~~shall be~~ entitled to apply for and receive the  
 1817 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph  
 1818 (c)5.b.

1819 2. The normal retirement benefit accrued to ~~the~~ DROP  
 1820 during the month of a participant's death is ~~shall be~~ the final

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1821 monthly benefit credited for such DROP participant.

1822 3. Eligibility to participate in ~~the~~ DROP terminates upon  
 1823 death of the participant. If the participant dies on or after  
 1824 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~  
 1825 ~~to~~ the first monthly benefit is being credited to ~~the~~ DROP,  
 1826 Florida Retirement System benefits are ~~shall be~~ paid in  
 1827 accordance with subparagraph (7) (c)1. or subparagraph 2.

1828 4. A DROP participant's ~~participants'~~ survivors are ~~shall~~  
 1829 not ~~be~~ eligible to receive Florida Retirement System death  
 1830 benefits as provided in paragraph (7) (d).

1831 (e) Cost-of-living adjustment.--On each July 1, the  
 1832 participant's ~~participants'~~ normal retirement benefit shall be  
 1833 increased as provided in s. 121.101.

1834 (f) Retiree health insurance subsidy.--DROP participants  
 1835 are not eligible to apply for the retiree health insurance  
 1836 subsidy payments as provided in s. 112.363 until such  
 1837 participants have terminated employment and participation in ~~the~~  
 1838 DROP.

1839 (g) Renewed membership.--DROP participants are ~~shall~~ not  
 1840 ~~be~~ eligible for renewed membership in the Florida Retirement  
 1841 System under ss. 121.053 and 121.122 until all employment  
 1842 relationships are terminated ~~termination of employment is~~  
 1843 ~~effectuated~~ as provided in s. 121.021(39) ~~(b)~~.

1844 (h) Employment limitation after DROP participation.-- Upon  
 1845 ~~satisfying the definition of termination of employment as~~  
 1846 defined provided in s. 121.021 ~~(39) (b)~~, DROP participants are  
 1847 ~~shall be~~ subject to the same ~~such~~ reemployment limitations as  
 1848 other retirees. Reemployment restrictions applicable to retirees

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1849 as provided in subsection (9) do ~~shall~~ not apply to DROP  
 1850 participants until their employment and participation in ~~the~~  
 1851 DROP are terminated.

1852 (i) Contributions.--

1853 1. All employers paying the salary of a DROP participant  
 1854 filling a regularly established position shall contribute 8.0  
 1855 percent of such participant's gross compensation for the period  
 1856 of July 1, 2002, through June 30, 2003, and the percentage 11.56  
 1857 ~~percent~~ of such compensation required by s. 121.71 thereafter,  
 1858 which shall constitute the entire employer DROP contribution  
 1859 with respect to such participant. Such contributions, payable to  
 1860 the Florida Retirement System Trust Fund in the same manner as  
 1861 required in s. 121.071, must ~~shall~~ be made as appropriate for  
 1862 each pay period and are in addition to contributions required  
 1863 for social security and the Retiree Health Insurance Subsidy  
 1864 Trust Fund. Such employer, social security, and health insurance  
 1865 subsidy contributions are not included in ~~the~~ DROP.

1866 2. The employer shall, in addition to subparagraph 1.,  
 1867 also withhold one-half of the entire social security  
 1868 contribution required for the participant. Contributions for  
 1869 social security by each participant and each employer, in the  
 1870 amount required for social security coverage as ~~now or hereafter~~  
 1871 provided by the federal Social Security Act, are ~~shall be~~ in  
 1872 addition to contributions specified in subparagraph 1.

1873 3. All employers paying the salary of a DROP participant  
 1874 filling a regularly established position shall contribute the  
 1875 percent of such participant's gross compensation required in s.  
 1876 121.071(4), which ~~shall~~ constitute the employer's health

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1877 insurance subsidy contribution with respect to such participant.  
 1878 Such contributions must ~~shall~~ be deposited by the administrator  
 1879 in the Retiree Health Insurance Subsidy Trust Fund.

1880 (j) Forfeiture of retirement benefits.--~~Nothing in This~~  
 1881 section does not ~~shall be construed to~~ remove DROP participants  
 1882 from the scope of s. 8(d), Art. II of the State Constitution, s.  
 1883 112.3173, and paragraph (5)(f). DROP participants who commit a  
 1884 specified felony offense while employed are ~~will be~~ subject to  
 1885 forfeiture of all retirement benefits, including DROP benefits,  
 1886 pursuant to those provisions of law.

1887 (k) Administration of program.--The division shall adopt  
 1888 ~~make such~~ rules as ~~are~~ necessary for the effective and efficient  
 1889 administration of this subsection. The division is ~~shall~~ not be  
 1890 required to advise members of the federal tax consequences of an  
 1891 election related to the DROP but may advise members to seek  
 1892 independent advice.

1893 (14) PAYMENT OF BENEFITS.--This subsection applies to the  
 1894 payment of benefits to a payee (retiree or beneficiary) under  
 1895 the Florida Retirement System:

1896 (a) Federal income tax shall be withheld in accordance  
 1897 with federal law, unless the payee elects otherwise on Form W-  
 1898 4P. The division shall prepare and distribute to each recipient  
 1899 of monthly retirement benefits an appropriate income tax form  
 1900 that reflects the recipient's income and federal income tax  
 1901 withheld for the calendar year just ended.

1902 (b) Subject to approval by the division in accordance with  
 1903 rule 60S-4.015, Florida Administrative Code, a payee receiving  
 1904 retirement benefits under the ~~Florida Retirement~~ system may also

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1905 have the following payments deducted from his or her monthly  
 1906 benefit:

1907 1. Premiums for life and health-related insurance policies  
 1908 from approved companies.

1909 2. Life insurance premiums for the State Group Life  
 1910 Insurance Plan, if authorized in writing by the payee and by the  
 1911 department ~~of Management Services~~.

1912 3. Repayment of overpayments from the Florida Retirement  
 1913 System Trust Fund, the State Employees' Health Insurance Trust  
 1914 Fund, or the State Employees' Life Insurance Trust Fund, upon  
 1915 notification of the payee.

1916 4. Payments to an alternate payee for alimony or, child  
 1917 support pursuant to an income deduction order under s. 61.1301,  
 1918 or division of marital assets pursuant to a qualified domestic  
 1919 relations order under s. 222.21 ~~or an income deduction order~~  
 1920 ~~under s. 61.1301.~~

1921 5. Payments to the Internal Revenue Service for federal  
 1922 income tax levies, upon notification of the division by the  
 1923 Internal Revenue Service.

1924 (c) A payee must ~~shall~~ notify the division of any change  
 1925 in his or her address. The division may suspend benefit payments  
 1926 to a payee if correspondence sent to the payee's mailing address  
 1927 is returned due to an incorrect address. Benefit payments shall  
 1928 be resumed upon notification to the division of the payee's new  
 1929 address.

1930 (d) A payee whose retirement benefits are reduced by the  
 1931 application of maximum benefit limits under s. 415(b) of the  
 1932 Internal Revenue Code, as specified in s. 121.30(5), shall have

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1933 the portion of his or her calculated benefit in the Florida  
 1934 Retirement System defined benefit plan which exceeds such  
 1935 federal limitation paid through the Florida Retirement System  
 1936 Preservation of Benefits Plan, as provided in s. 121.1001.

1937 (e) The Division of Retirement may issue retirement  
 1938 benefits payable for division of marital assets pursuant to a  
 1939 qualified domestic relations order directly to the alternate  
 1940 payee, any court order to the contrary notwithstanding, in order  
 1941 to meet Internal Revenue Code requirements.

1942 (f)(e) A ~~Ne~~ benefit may not be reduced for the purpose of  
 1943 preserving the member's eligibility for a federal program.

1944 (g)(f) The division shall adopt rules establishing  
 1945 procedures for determining that ~~the~~ persons to whom benefits are  
 1946 being paid are still living. The division shall suspend the  
 1947 benefits being paid to any payee if ~~when~~ it is unable to contact  
 1948 such payee and to confirm that he or she is still living.

1949 Section 10. Section 121.1115, Florida Statutes, is amended  
 1950 to read:

1951 121.1115 Purchase of retirement credit for out-of-state or  
 1952 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~  
 1953 ~~Florida Retirement System~~ may purchase creditable service for  
 1954 periods of public employment in another state and receive  
 1955 creditable service for such periods of employment. Service with  
 1956 the Federal Government, including any active military service,  
 1957 may be claimed. Upon completion of each year of service earned  
 1958 under the Florida Retirement System, a member may purchase up to  
 1959 1 year of retirement credit for his or her out-of-state service,  
 1960 subject to the following provisions:

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1961 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the  
 1962 out-of-state service:

1963 (a) The out-of-state service ~~being claimed~~ must have been:

1964 1. Performed in a position of employment with the state or  
 1965 a political subdivision thereof or with the Federal Government;

1966 2. Covered by a retirement or pension plan provided by the  
 1967 state or political subdivision, or by the Federal Government, as  
 1968 appropriate; and

1969 3. Performed prior to a period of membership in the  
 1970 Florida Retirement System.

1971 (b) The member must have completed a minimum of 6 years of  
 1972 creditable service under the Florida Retirement System,  
 1973 excluding out-of-state service and in-state service claimed and  
 1974 purchased under s. 121.1122.

1975 (c) Not more than 5 years of creditable service may be  
 1976 claimed for creditable service aggregated under ~~the provisions~~  
 1977 ~~of~~ this section and s. 121.1122.

1978 (d) The out-of-state service credit ~~claimed under this~~  
 1979 ~~section~~ shall be credited only as service in the Regular Class  
 1980 ~~of membership~~, and any benefit or pension based thereon is shall  
 1981 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1982 (e) The member is not eligible for and may not receive a  
 1983 pension or benefit from a retirement or pension plan based on or  
 1984 including the out-of-state service. Eligibility for or the  
 1985 receipt of contributions to a retirement plan made by the  
 1986 employer on behalf of the employee is considered a benefit.

1987 ~~(f)(e)~~ A member shall be eligible To receive service  
 1988 credit for out-of-state service performed after leaving the

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1989 Florida Retirement System, the member must complete ~~only upon~~  
 1990 ~~return to membership and completion of~~ at least 1 year of  
 1991 creditable service in the Florida Retirement System following  
 1992 the out-of-state service.

1993 (2) COST.--For each year claimed, the member must pay into  
 1994 the Florida Retirement System Trust Fund an amount equal to 20  
 1995 percent of the member's annual compensation for the first full  
 1996 work year of creditable service earned under the Florida  
 1997 Retirement System, but not less than \$12,000, plus interest at  
 1998 6.5 percent compounded annually from the date of first annual  
 1999 salary earned until full payment is made. The employer may pay  
 2000 all or a portion of the cost of this service credit.

2001 Section 11. Subsection (2) of section 121.1122, Florida  
 2002 Statutes, is amended to read:

2003 121.1122 Purchase of retirement credit for in-state public  
 2004 service and in-state service in accredited nonpublic schools and  
 2005 colleges, including charter schools and charter technical career  
 2006 centers.--Effective January 1, 1998, a member of the Florida  
 2007 Retirement System may purchase creditable service for periods of  
 2008 certain public or nonpublic employment performed in this state,  
 2009 as provided in this section.

2010 (2) LIMITATIONS AND CONDITIONS.--

2011 (a) A member is not eligible to receive credit for in-  
 2012 state service under this section until he or she has completed 6  
 2013 years of creditable service under the Florida Retirement System,  
 2014 excluding service purchased under this section and out-of-state  
 2015 service claimed and purchased under s. 121.1115.

2016 (b) A member may not purchase and receive credit for more



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2017 | than 5 years of creditable service aggregated under ~~the~~  
 2018 | ~~provisions of~~ this section and s. 121.1115.

2019 | (c) Service credit claimed under this section shall be  
 2020 | credited only as service in the Regular Class ~~of membership~~ and  
 2021 | is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

2022 | (d) Service credit may not be purchased under this section  
 2023 | if the member is eligible to receive or is receiving a pension  
 2024 | or benefit from a retirement or pension plan based on or  
 2025 | including the service. Eligibility for or the receipt of  
 2026 | contributions to a retirement plan made by the employer on  
 2027 | behalf of the employee is considered a benefit.

2028 | ~~(e)-(d)~~ A member is ~~shall be~~ eligible to receive service  
 2029 | credit for in-state service performed after leaving the Florida  
 2030 | Retirement System only after ~~upon returning to membership and~~  
 2031 | completing at least 1 year of creditable service in the Florida  
 2032 | Retirement System following the in-state service.

2033 | ~~(f)-(e)~~ The service claimed must have been service covered  
 2034 | by a retirement or pension plan provided by the employer.

2035 | Section 12. Section 121.122, Florida Statutes, is amended  
 2036 | to read:

2037 | 121.122 Renewed membership in system.--

2038 | (1) Except as provided in s. 121.053, effective July 1,  
 2039 | 1991, through June 30, 2010 any retiree of a state-administered  
 2040 | retirement system who is initially reemployed ~~employed~~ in a  
 2041 | regularly established position with a covered employer,  
 2042 | including an elective public office that does not qualify for  
 2043 | the Elected Officer's Class, shall be enrolled as a compulsory  
 2044 | member of the Regular Class of the Florida Retirement System.

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2045 ~~or~~, Effective July 1, 1997, through June 30, 2010, any retiree  
 2046 of a state-administered retirement system who is initially  
 2047 reemployed ~~employed~~ in a position included in the Senior  
 2048 Management Service Class shall be enrolled as a compulsory  
 2049 member of the Senior Management Service Class of the Florida  
 2050 Retirement System as provided in s. 121.055. A retiree is, ~~and~~  
 2051 ~~shall be~~ entitled to receive an additional retirement benefit,  
 2052 subject to the following conditions:

2053 ~~(1)~~(a) Such member must ~~shall~~ resatisfy the age and  
 2054 service requirements as provided in this chapter for initial  
 2055 membership under the system, unless such member elects to  
 2056 participate in the Senior Management Service Optional Annuity  
 2057 Program in lieu of the Senior Management Service Class, as  
 2058 provided in s. 121.055(6).

2059 (b) Such member is ~~shall~~ not be entitled to disability  
 2060 benefits as provided in s. 121.091(4).

2061 (c) Such member must meet the reemployment after  
 2062 retirement limitations as provided in s. 121.091(9), as  
 2063 applicable.

2064 ~~(d)~~~~(2)~~ Upon renewed membership or reemployment of a  
 2065 retiree, the employer of such member shall pay the applicable  
 2066 employer contributions as required by ss. 121.71, 121.74,  
 2067 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4)~~.

2068 ~~(e)~~~~(3)~~ Such member is ~~shall be~~ entitled to purchase  
 2069 additional retirement credit in the Regular Class or the Senior  
 2070 Management Service Class, as applicable, for any postretirement  
 2071 service performed in a regularly established position as  
 2072 follows:

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2073            1.~~(a)~~ For regular class service prior to July 1, 1991, by  
 2074 paying the Regular Class applicable employee and employer  
 2075 contributions for the period being claimed, plus 4 percent  
 2076 interest compounded annually from first year of service claimed  
 2077 until July 1, 1975, and 6.5 percent interest compounded  
 2078 thereafter, until full payment is made to the Florida Retirement  
 2079 System Trust Fund; or

2080            2.~~(b)~~ For Senior Management Service Class prior to June 1,  
 2081 1997, as provided in s. 121.055(1)(j).  
 2082

2083 The contribution for postretirement service between July 1,  
 2084 1985, and July 1, 1991, for which the reemployed retiree  
 2085 contribution was paid, shall be the difference between such  
 2086 contribution and the total applicable contribution for the  
 2087 period being claimed, plus interest. The employer of such member  
 2088 may pay the applicable employer contribution in lieu of the  
 2089 member. If a member does not wish to claim credit for all of the  
 2090 postretirement service for which he or she is eligible, the  
 2091 service the member claims must be the most recent service.

2092            (f)~~(4)~~ No creditable service for which credit was  
 2093 received, or which remained unclaimed, at retirement may be  
 2094 claimed or applied toward service credit earned following  
 2095 renewed membership. However, service earned as an elected  
 2096 officer with renewed membership in the Elected Officers' Class  
 2097 may be used in conjunction with creditable service earned under  
 2098 this section, provided the applicable vesting requirements and  
 2099 other existing statutory conditions required by this chapter are  
 2100 met.

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2101            (g) ~~(5)~~ Notwithstanding any other limitations provided in  
 2102 this section, a participant of the State University System  
 2103 Optional Retirement Program, the State Community College  
 2104 Optional Retirement Program, or the Senior Management Service  
 2105 Optional Annuity Program who terminated employment and commenced  
 2106 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~  
 2107 optional program, who initially renews membership ~~in the Regular~~  
 2108 ~~Class~~ as required by this section upon reemployment after  
 2109 retirement, and who had previously earned creditable Florida  
 2110 Retirement System service that was not included in any  
 2111 retirement benefit may include such previous service toward  
 2112 vesting and service credit in the second career benefit provided  
 2113 under renewed membership.

2114            (h) ~~(6)~~ A ~~Any~~ renewed member who is not receiving the  
 2115 maximum health insurance subsidy provided in s. 112.363 is ~~shall~~  
 2116 ~~be~~ entitled to earn additional credit toward the maximum health  
 2117 insurance subsidy. Any additional subsidy due because of such  
 2118 additional credit may ~~shall~~ be received only at the time of  
 2119 payment of the second career retirement benefit. ~~In no case~~  
 2120 ~~shall~~ The total health insurance subsidy received by a retiree  
 2121 receiving benefits from initial and renewed membership may not  
 2122 exceed the maximum allowed in s. 112.363.

2123            (2) A retiree of a state-administered retirement system  
 2124 who is initially reemployed on or after July 1, 2010, is not  
 2125 eligible for renewed membership.

2126            Section 13. Section 121.136, Florida Statutes, is amended  
 2127 to read:

2128            121.136 Annual benefit statement to members.--Each year

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2129 ~~Beginning January 1, 1993, and each January thereafter,~~ the  
 2130 department shall provide each active member of the Florida  
 2131 Retirement System with 5 or more years of creditable service an  
 2132 annual statement of benefits that provides. ~~Such statement~~  
 2133 ~~should provide~~ the member with basic data about the member's  
 2134 retirement account. At a minimum ~~Minimally,~~ it must ~~shall~~  
 2135 include the member's retirement plan, accrued service credit ~~the~~  
 2136 ~~amount of funds on deposit in the retirement account,~~ and an  
 2137 estimate of retirement benefits.

2138 Section 14. Section 121.1905, Florida Statutes, is amended  
 2139 to read:

2140 121.1905 Division of Retirement; creation.--

2141 ~~(1)~~ There is created the Division of Retirement within the  
 2142 Department of Management Services.

2143 ~~(2) The mission of the Division of Retirement is to~~  
 2144 ~~provide quality and cost-effective retirement services as~~  
 2145 ~~measured by member satisfaction and by comparison with~~  
 2146 ~~administrative costs of comparable retirement systems.~~

2147 Section 15. Paragraph (a) of subsection (2) of section  
 2148 121.23, Florida Statutes, is amended to read:

2149 121.23 Disability retirement and special risk membership  
 2150 applications; Retirement Commission; powers and duties; judicial  
 2151 review.--The provisions of this section apply to all proceedings  
 2152 in which the administrator has made a written final decision on  
 2153 the merits respecting applications for disability retirement,  
 2154 reexamination of retired members receiving disability benefits,  
 2155 applications for special risk membership, and reexamination of  
 2156 special risk members in the Florida Retirement System. The

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2157 jurisdiction of the State Retirement Commission under this  
 2158 section shall be limited to written final decisions of the  
 2159 administrator on the merits.

2160 (2) A member shall be entitled to a hearing before the  
 2161 State Retirement Commission pursuant to ss. 120.569 and  
 2162 120.57(1) on the merits of any written adverse decision of the  
 2163 administrator, if he or she files with the commission a written  
 2164 request for such hearing within 21 days after receipt of such  
 2165 written decision from the administrator. For the purpose of such  
 2166 hearings, the commission shall be an "agency head" as defined by  
 2167 s. 120.52.

2168 (a) The commission may ~~shall have the authority to~~ issue  
 2169 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on  
 2170 all parties to the dispute and. ~~The commission~~ may order any  
 2171 action that it deems appropriate. Any disability retirement  
 2172 order of the commission that ~~issued pursuant to this subsection~~  
 2173 ~~which~~ sustains the application of the member may include an  
 2174 amount, to be determined by the commission, for reasonable  
 2175 attorney's fees and taxable costs, which shall be calculated in  
 2176 accordance with the statewide uniform guidelines for taxation of  
 2177 costs in civil actions. The amount of the attorney's fees ~~fee~~  
 2178 may not exceed 50 percent of the initial yearly benefit awarded  
 2179 under s. 121.091(4). In cases involving disability retirement,  
 2180 the ~~State Retirement~~ commission shall require the member to  
 2181 present substantial competent medical evidence that meets the  
 2182 requirements of s. 121.091(4)(c)2. and 3., and may require  
 2183 vocational evidence, before awarding disability retirement  
 2184 benefits.

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2185 Section 16. Paragraph (a) of subsection (1) of section  
2186 121.24, Florida Statutes, is amended to read:

2187 121.24 Conduct of commission business; legal and other  
2188 assistance; compensation.--

2189 (1) The commission shall conduct its business within the  
2190 following guidelines:

2191 (a) For purposes of hearing appeals under s. 121.23, the  
2192 commission may meet in panels ~~consisting of no not~~ no fewer than  
2193 three members. ~~For the purpose of meeting in these panels, a~~  
2194 ~~quorum shall be not fewer than two members. For all other~~  
2195 ~~purposes,~~ A quorum shall consist of three members. The  
2196 concurring vote of a majority of the members present is ~~shall be~~  
2197 required to reach a decision, issue orders, and conduct the  
2198 business of the commission.

2199 Section 17. Paragraph (h) of subsection (3) and paragraphs  
2200 (a) and (e) of subsection (5) of section 121.35, Florida  
2201 Statutes, are amended, and paragraph (g) is added to subsection  
2202 (5) of that section, to read:

2203 121.35 Optional retirement program for the State  
2204 University System.--

2205 (3) ELECTION OF OPTIONAL PROGRAM.--

2206 (h) A participant in the optional retirement program may  
2207 not participate in more than one state-administered retirement  
2208 system, plan, or class simultaneously. Except as provided in s.  
2209 121.052(6)(d), a participant who is or becomes dually employed  
2210 in two or more positions covered by the Florida Retirement  
2211 System, one of which is eligible for the optional program and  
2212 one of which is not, may remain a member of the optional program

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2213 and contributions shall be paid as required only on the salary  
 2214 earned in the position eligible for the optional program during  
 2215 the ~~such~~ period of dual employment; or, within 90 days after  
 2216 becoming dually employed, he or she may elect membership in the  
 2217 Regular Class of the Florida Retirement System in lieu of the  
 2218 optional program and contributions shall be paid as required on  
 2219 the total salary received for all employment. At retirement, the  
 2220 average final compensation used to calculate any benefits for  
 2221 which the member becomes eligible under the Florida Retirement  
 2222 System must ~~shall~~ be based on all salary reported for both  
 2223 positions during such period of dual employment. If the ~~When~~  
 2224 ~~such~~ member ceases to be dually employed, he or she may, within  
 2225 90 days, elect to remain in the Florida Retirement System class  
 2226 for which he or she is eligible or to again become a participant  
 2227 in the optional retirement program. Failure to elect membership  
 2228 in the optional program within 90 days shall result in  
 2229 compulsory membership in the Florida Retirement System, except  
 2230 that a member filling a faculty position at ~~under~~ a college that  
 2231 has a faculty practice plan at the University of Florida, at ~~or~~  
 2232 the Medical Center at the University of South Florida, or other  
 2233 state university shall again participate in the optional  
 2234 retirement program as required in s. 121.051(1)(a).

2235 (5) BENEFITS.--

2236 (a) Benefits are ~~shall be~~ payable under the optional  
 2237 retirement program only to vested participants in the program,  
 2238 or their beneficiaries as designated by the participant in the  
 2239 contract with a provider company, and such benefits shall be  
 2240 paid only by the designated company in accordance with s. 403(b)



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2241 of the Internal Revenue Code and ~~in accordance with~~ the terms of  
 2242 the annuity contract or contracts applicable to the participant.  
 2243 Benefits ~~shall~~ accrue in individual accounts that are  
 2244 participant-directed, portable, and funded by employer  
 2245 contributions and the earnings thereon. The participant must be  
 2246 terminated from all employment relationships with all Florida  
 2247 Retirement System employers, as provided in s. 121.021(39), to  
 2248 begin receiving the employer-funded benefit. Benefits funded by  
 2249 employer contributions are ~~shall be~~ payable in accordance with  
 2250 the following terms and conditions:

2251 1. Benefits shall be paid ~~payable~~ only to a participant,  
 2252 to his or her beneficiaries, or to his or her estate, as  
 2253 designated by the participant.

2254 2. Benefits shall be paid by the provider company or  
 2255 companies in accordance with the law, the provisions of the  
 2256 contract, and any applicable department ~~board~~ rule or policy.

2257 3. In the event of a participant's death, moneys  
 2258 accumulated by, or on behalf of, the participant, less  
 2259 withholding taxes remitted to the Internal Revenue Service, if  
 2260 any, shall be distributed to the participant's designated  
 2261 beneficiary or beneficiaries, or to the participant's estate, as  
 2262 if the participant retired on the date of death, as provided in  
 2263 paragraph (c). No other death benefits are ~~shall be~~ available to  
 2264 ~~for~~ survivors of participants under the optional retirement  
 2265 program except for such benefits, or coverage for such benefits,  
 2266 as are separately afforded by the employer, at the employer's  
 2267 discretion.

2268 (e) A participant who chooses to receive his or her

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2269 benefits upon termination as defined in s. 121.021 must ~~of~~  
 2270 ~~employment shall have responsibility to~~ notify the provider  
 2271 company of the date ~~on which~~ he or she wishes benefits funded by  
 2272 employer contributions to begin. Benefits may be deferred until  
 2273 ~~such time as~~ the participant chooses to make such application.

2274 (g) For purposes of this section, "retiree" means a former  
 2275 participant of the optional retirement program who has  
 2276 terminated employment and has taken a distribution as provided  
 2277 in this subsection, except for a mandatory distribution of a de  
 2278 minimis account authorized by the department.

2279 Section 18. Paragraph (f) of subsection (2) of section  
 2280 121.4501, Florida Statutes, is amended to read:

2281 121.4501 Public Employee Optional Retirement Program.--

2282 (2) DEFINITIONS.--As used in this part, the term:

2283 (f) "Eligible employee" means an officer or employee, as  
 2284 defined in s. 121.021~~(11)~~, who:

2285 1. Is a member of, or is eligible for membership in, the  
 2286 Florida Retirement System, including any renewed member of the  
 2287 Florida Retirement System initially enrolled before July 1,  
 2288 2010; or

2289 2. Participates in, or is eligible to participate in, the  
 2290 Senior Management Service Optional Annuity Program as  
 2291 established under s. 121.055(6), the State Community College  
 2292 System Optional Retirement Program as established under s.  
 2293 121.051(2)(c), or the State University System Optional  
 2294 Retirement Program established under s. 121.35.

2295

2296 The term does not include any member participating in the

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2297 | Deferred Retirement Option Program established under s.  
 2298 | 121.091(13), a retiree of a state-administered retirement system  
 2299 | initially reemployed on or after July 1, 2010, or a mandatory  
 2300 | participant of the State University System Optional Retirement  
 2301 | Program established under s. 121.35.

2302 | Section 19. Paragraphs (a) and (b) of subsection (1) of  
 2303 | section 121.591, Florida Statutes, is amended to read:

2304 | 121.591 Benefits payable under the Public Employee  
 2305 | Optional Retirement Program of the Florida Retirement  
 2306 | System.--Benefits may not be paid under this section unless the  
 2307 | member has terminated employment as provided in s.  
 2308 | 121.021(39) (a) or is deceased and a proper application has been  
 2309 | filed in the manner prescribed by the state board or the  
 2310 | department. The state board or department, as appropriate, may  
 2311 | cancel an application for retirement benefits when the member or  
 2312 | beneficiary fails to timely provide the information and  
 2313 | documents required by this chapter and the rules of the state  
 2314 | board and department. In accordance with their respective  
 2315 | responsibilities as provided herein, the State Board of  
 2316 | Administration and the Department of Management Services shall  
 2317 | adopt rules establishing procedures for application for  
 2318 | retirement benefits and for the cancellation of such application  
 2319 | when the required information or documents are not received. The  
 2320 | State Board of Administration and the Department of Management  
 2321 | Services, as appropriate, are authorized to cash out a de  
 2322 | minimis account of a participant who has been terminated from  
 2323 | Florida Retirement System covered employment for a minimum of 6  
 2324 | calendar months. A de minimis account is an account containing

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2325 employer contributions and accumulated earnings of not more than  
 2326 \$5,000 made under the provisions of this chapter. Such cash-out  
 2327 must either be a complete lump-sum liquidation of the account  
 2328 balance, subject to the provisions of the Internal Revenue Code,  
 2329 or a lump-sum direct rollover distribution paid directly to the  
 2330 custodian of an eligible retirement plan, as defined by the  
 2331 Internal Revenue Code, on behalf of the participant. If any  
 2332 financial instrument issued for the payment of retirement  
 2333 benefits under this section is not presented for payment within  
 2334 180 days after the last day of the month in which it was  
 2335 originally issued, the third-party administrator or other duly  
 2336 authorized agent of the State Board of Administration shall  
 2337 cancel the instrument and credit the amount of the instrument to  
 2338 the suspense account of the Public Employee Optional Retirement  
 2339 Program Trust Fund authorized under s. 121.4501(6). Any such  
 2340 amounts transferred to the suspense account are payable upon a  
 2341 proper application, not to include earnings thereon, as provided  
 2342 in this section, within 10 years after the last day of the month  
 2343 in which the instrument was originally issued, after which time  
 2344 such amounts and any earnings thereon shall be forfeited. Any  
 2345 such forfeited amounts are assets of the Public Employee  
 2346 Optional Retirement Program Trust Fund and are not subject to  
 2347 the provisions of chapter 717.

2348 (1) NORMAL BENEFITS.--Under the Public Employee Optional  
 2349 Retirement Program:

2350 (a) Benefits in the form of vested accumulations as  
 2351 described in s. 121.4501(6) shall be payable under this  
 2352 subsection in accordance with the following terms and

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2353 conditions:

2354 1. To the extent vested, benefits shall be payable only to

2355 a participant.

2356 2. Benefits shall be paid by the third-party administrator

2357 or designated approved providers in accordance with the law, the

2358 contracts, and any applicable board rule or policy.

2359 3. To receive benefits under this subsection, the

2360 participant must be terminated from all employment with all

2361 Florida Retirement System employers, as provided in s.

2362 121.021(39).

2363 4. Benefit payments may not be made until the participant

2364 has been terminated for 3 calendar months, except that the board

2365 may authorize by rule for the distribution of up to 10 percent

2366 of the participant's account after being terminated for 1

2367 calendar month if a participant has reached the normal

2368 retirement date as defined in s. 121.021 ~~requirements~~ of the

2369 defined benefit plan, ~~as provided in s. 121.021(29)~~.

2370 5. If a member or former member of the Florida Retirement

2371 System receives an invalid distribution from the Public Employee

2372 Optional Retirement Program Trust Fund, such person shall repay

2373 the full invalid distribution to the trust fund within 90 days

2374 after receipt of final notification by the State Board of

2375 Administration or the third-party administrator that the

2376 distribution was invalid. If such person fails to repay the full

2377 invalid distribution within 90 days after receipt of final

2378 notification, the person may be deemed retired from the Public

2379 Employee Optional Retirement Program by the state board, as

2380 provided pursuant to s. 121.4501(2)(j), and shall be subject to

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2381 the provisions of s. 121.122. If such person is deemed retired  
 2382 by the state board, any joint and several liability set out in  
 2383 s. 121.091(9)(d)2. ~~s. 121.091(9)(e)2.~~ becomes null and void, and  
 2384 the state board, the Department of Management Services, or the  
 2385 employing agency is not liable for gains on payroll  
 2386 contributions that have not been deposited to the person's  
 2387 account in the Public Employee Optional Retirement Program,  
 2388 pending resolution of the invalid distribution. The member or  
 2389 former member who has been deemed retired or who has been  
 2390 determined by the board to have taken an invalid distribution  
 2391 may appeal the agency decision through the complaint process as  
 2392 provided under s. 121.4501(9)(f)3. As used in this subparagraph,  
 2393 the term "invalid distribution" means any distribution from an  
 2394 account in the Public Employee Optional Retirement Program which  
 2395 is taken in violation of the provisions of this section, s.  
 2396 121.091(9), or s. 121.4501.

2397 (b) If a participant elects to receive his or her benefits  
 2398 upon termination of employment as defined in s. 121.021, the  
 2399 participant must submit a written application or an equivalent  
 2400 form to the third-party administrator indicating his or her  
 2401 preferred distribution date and selecting an authorized method  
 2402 of distribution as provided in paragraph (c). The participant  
 2403 may defer receipt of benefits until he or she chooses to make  
 2404 such application, subject to federal requirements.

2405 Section 20. Subsection (1) of section 238.183, Florida  
 2406 Statutes, is amended to read:

2407 238.183 Developmental research school and Florida School  
 2408 for the Deaf and the Blind instructional personnel; reemployment

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2409 after retirement.--

2410 (1) Notwithstanding any other law, instructional  
 2411 personnel, as defined in s. 1012.01(2), employed by a  
 2412 developmental research school or the Florida School for the Deaf  
 2413 and the Blind are eligible for reemployment after retirement in  
 2414 the same manner as classroom teachers who are employed by the  
 2415 district school boards, as described in ss. 121.091(9)(b)~~3~~ and  
 2416 238.181(2)(c).

2417 Section 21. Paragraph (g) of subsection (3) and subsection  
 2418 (8) of section 1012.33, Florida Statutes, are amended to read:  
 2419 1012.33 Contracts with instructional staff, supervisors,  
 2420 and school principals.--

2421 (3)

2422 (g) Beginning July 1, 2001, for each employee who enters  
 2423 into a written contract, pursuant to this section, in a school  
 2424 district in which the employee was not employed as of June 30,  
 2425 2001, or was employed as of June 30, 2001, but has since broken  
 2426 employment with that district for 1 school year or more, for  
 2427 purposes of pay, a district school board must recognize and  
 2428 accept each year of full-time public school teaching service  
 2429 earned in the State of Florida or outside the state and for  
 2430 which the employee received a satisfactory performance  
 2431 evaluation. Instructional personnel employed pursuant to s.  
 2432 121.091(9)(b)~~3~~ are exempt from the provisions of this  
 2433 paragraph.

2434 (8) Notwithstanding any other provision of law, a retired  
 2435 ~~any member who has retired~~ may interrupt retirement and be  
 2436 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by

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2437 the same district from which he or she retired may be employed  
 2438 on a probationary contractual basis as provided in subsection  
 2439 (1); ~~however, no regular retirement employee shall be eligible~~  
 2440 ~~to renew membership under a retirement system created by chapter~~  
 2441 ~~121 or chapter 238.~~

2442 Section 22. Sections 121.093, 121.094, and 121.45, Florida  
 2443 Statutes, are repealed.

2444 Section 23. The Legislature finds that a proper and  
 2445 legitimate state purpose is served when employees and retirees  
 2446 of the state and its political subdivisions, as well as the  
 2447 dependents, survivors, and beneficiaries of such employees and  
 2448 retirees, are extended the basic protections afforded by  
 2449 governmental retirement systems that provide fair and adequate  
 2450 benefits and that are managed, administered, and funded in an  
 2451 actuarially sound manner as required by s. 14, Art. X of the  
 2452 State Constitution and part VII of chapter 112, Florida  
 2453 Statutes. Therefore, the Legislature determines and declares  
 2454 that the amendment of s. 121.091, Florida Statutes, by this act  
 2455 fulfills an important state interest.

2456 Section 24. This act shall take effect July 1, 2009.