

1 A bill to be entitled
2 An act relating to health insurance subsidies; amending s.
3 110.12312, F.S.; conforming provisions to changes made by
4 this act; amending s. 112.19, F.S.; revising eligibility
5 for certain health insurance subsidies for law
6 enforcement, correctional, and correctional probation
7 officers; amending s. 112.191, F.S.; revising eligibility
8 for certain health insurance subsidies for firefighters;
9 amending s. 112.363, F.S.; providing for the elimination
10 of retiree health insurance subsidies to certain new
11 retirees or beneficiaries; provides for the future repeal
12 of certain retiree health insurance subsidies; amending s.
13 121.051, F.S.; conforming provisions to changes made by
14 this act; revising the employer contribution for employees
15 in the State Community College System Optional Retirement
16 Program; amending ss. 121.052, 121.055, and 121.071, F.S.;
17 revising the employer retiree health insurance subsidy
18 contribution for participants in the Elected Officers'
19 Class, Senior Management Service Class, Regular Class,
20 Special Risk Class, and Special Risk Administrative
21 Support Class; providing for future repeal of specified
22 required employer contributions on behalf of each member
23 of the Elected Officers' Class, Senior Management Service
24 Class, Regular Class, Special Risk Class, and Special Risk
25 Administrative Support Class; amending s. 121.053, F.S.;
26 revising requirements for the earning of additional credit
27 toward the maximum health insurance subsidy for certain
28 members of the Elected Officers' Class; providing for

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29 future repeal of provision relating to health insurance
30 subsidies; amending s. 121.091, F.S.; providing that
31 certain employees who have terminated participation in
32 DROP may not receive retiree health insurance subsidy
33 payments; amending s. 121.091, F.S.; providing for the
34 future repeal of certain provisions to conform to changes
35 made by this act; amending s. 121.122, F.S.; revising
36 requirements for the earning of additional credit toward
37 the maximum health insurance subsidy for certain members
38 of the Senior Management Service Class; amending s.
39 121.122, F.S.; providing for future repeal of certain
40 provisions to conform to changes made by this act;
41 amending s. 121.35, F.S.; providing for the transfer of
42 contributions for members in the State University Optional
43 Retirement Program to the Florida Retirement System Trust
44 Fund; revises the employer contribution for employees in
45 the State University Optional Retirement Program; revising
46 the employer contribution for participants in the optional
47 retirement program; providing for the future repeal of
48 subsection (18) of s. 121.4501, F.S., relating to the
49 Public Employee Optional Retirement Program retiree health
50 insurance subsidy; conforms cross-references; amending s.
51 121.571, F.S.; conforming provisions to changes made by
52 this act; amending s. 121.591, F.S.; conforming cross-
53 references; amending s. 121.76, F.S.; revising provisions
54 relating to contributions for Social Security and the
55 retiree health insurance subsidy; amending s. 1012.875,
56 F.S.; revises the employer contribution for employees in

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57 | the State Community College System Optional Retirement
 58 | Program; providing effective dates.

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

62 | Section 1. Section 110.12312, Florida Statutes, is amended
 63 | to read:

64 | 110.12312 Open enrollment period for retirees.—On or after
 65 | July 1, 1997, the Department of Management Services shall
 66 | provide for an open enrollment period for retired state
 67 | employees who want to obtain health insurance coverage under ss.
 68 | 110.123 and 110.12315. The options offered during the open
 69 | enrollment period must provide the same health insurance
 70 | coverage as the coverage provided to active employees under the
 71 | same premium payment conditions in effect for covered retirees,
 72 | ~~including eligibility for health insurance subsidy payments~~
 73 | ~~under s. 112.363.~~ A person who separates from employment
 74 | subsequent to May 1, 1988, but whose date of retirement occurs
 75 | on or after August 1, 1995, is eligible as of the first open
 76 | enrollment period occurring after July 1, 1997, with an
 77 | effective date of January 1, 1998, as long as the retiree's
 78 | enrollment remains in effect.

79 | Section 2. Paragraph (h) of subsection (2) of section
 80 | 112.19, Florida Statutes, is amended to read:

81 | 112.19 Law enforcement, correctional, and correctional
 82 | probation officers; death benefits.—

83 | (2)

84 | (h)1. Any employer who employs a full-time law

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85 enforcement, correctional, or correctional probation officer
86 who, on or after January 1, 1995, suffers a catastrophic injury,
87 as defined in s. 440.02, Florida Statutes 2002, in the line of
88 duty shall pay the entire premium of the employer's health
89 insurance plan for the injured employee, the injured employee's
90 spouse, and for each dependent child of the injured employee
91 until the child reaches the age of majority or until the end of
92 the calendar year in which the child reaches the age of 25 if
93 the child continues to be dependent for support, or the child is
94 a full-time or part-time student and is dependent for support.
95 The term "health insurance plan" does not include supplemental
96 benefits that are not part of the basic group health insurance
97 plan. If the injured employee subsequently dies, the employer
98 shall continue to pay the entire health insurance premium for
99 the surviving spouse until remarried, and for the dependent
100 children, under the conditions outlined in this paragraph.

101 However:

102 a. Health insurance benefits payable from any other source
103 shall reduce benefits payable under this section.

104 b. It is unlawful for a person to willfully and knowingly
105 make, or cause to be made, or to assist, conspire with, or urge
106 another to make, or cause to be made, any false, fraudulent, or
107 misleading oral or written statement to obtain health insurance
108 coverage as provided under this paragraph. A person who violates
109 this sub-subparagraph commits a misdemeanor of the first degree,
110 punishable as provided in s. 775.082 or s. 775.083.

111 c. In addition to any applicable criminal penalty, upon
112 conviction for a violation as described in sub-subparagraph b.,

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113 a law enforcement, correctional, or correctional probation
 114 officer or other beneficiary who receives or seeks to receive
 115 health insurance benefits under this paragraph shall forfeit the
 116 right to receive such health insurance benefits, and shall
 117 reimburse the employer for all benefits paid due to the fraud or
 118 other prohibited activity. For purposes of this sub-
 119 subparagraph, "conviction" means a determination of guilt that
 120 is the result of a plea or trial, regardless of whether
 121 adjudication is withheld.

122 2. In order for the officer, spouse, and dependent
 123 children to be eligible for such insurance coverage, the injury
 124 must have occurred as the result of the officer's response to
 125 fresh pursuit, the officer's response to what is reasonably
 126 believed to be an emergency, or an unlawful act perpetrated by
 127 another. Except as otherwise provided herein, nothing in this
 128 paragraph shall be construed to limit health insurance coverage
 129 for which the officer, spouse, or dependent children may
 130 otherwise be eligible, except that a person who qualifies under
 131 this section shall not be eligible for the health insurance
 132 subsidy provided under ~~chapter 121~~, chapter 175, or chapter 185.

133 Section 3. Paragraph (g) of subsection (2) of section
 134 112.191, Florida Statutes, is amended to read:

135 112.191 Firefighters; death benefits.—

136 (2)

137 (g)1. Any employer who employs a full-time firefighter
 138 who, on or after January 1, 1995, suffers a catastrophic injury,
 139 as defined in s. 440.02, Florida Statutes 2002, in the line of
 140 duty shall pay the entire premium of the employer's health

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141 insurance plan for the injured employee, the injured employee's
142 spouse, and for each dependent child of the injured employee
143 until the child reaches the age of majority or until the end of
144 the calendar year in which the child reaches the age of 25 if
145 the child continues to be dependent for support, or the child is
146 a full-time or part-time student and is dependent for support.
147 The term "health insurance plan" does not include supplemental
148 benefits that are not part of the basic group health insurance
149 plan. If the injured employee subsequently dies, the employer
150 shall continue to pay the entire health insurance premium for
151 the surviving spouse until remarried, and for the dependent
152 children, under the conditions outlined in this paragraph.

153 However:

154 a. Health insurance benefits payable from any other source
155 shall reduce benefits payable under this section.

156 b. It is unlawful for a person to willfully and knowingly
157 make, or cause to be made, or to assist, conspire with, or urge
158 another to make, or cause to be made, any false, fraudulent, or
159 misleading oral or written statement to obtain health insurance
160 coverage as provided under this paragraph. A person who violates
161 this sub-subparagraph commits a misdemeanor of the first degree,
162 punishable as provided in s. 775.082 or s. 775.083.

163 c. In addition to any applicable criminal penalty, upon
164 conviction for a violation as described in sub-subparagraph b.,
165 a firefighter or other beneficiary who receives or seeks to
166 receive health insurance benefits under this paragraph shall
167 forfeit the right to receive such health insurance benefits, and
168 shall reimburse the employer for all benefits paid due to the

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169 fraud or other prohibited activity. For purposes of this sub-
170 subparagraph, "conviction" means a determination of guilt that
171 is the result of a plea or trial, regardless of whether
172 adjudication is withheld.

173 2. In order for the firefighter, spouse, and dependent
174 children to be eligible for such insurance coverage, the injury
175 must have occurred as the result of the firefighter's response
176 to what is reasonably believed to be an emergency involving the
177 protection of life or property, or an unlawful act perpetrated
178 by another. Except as otherwise provided herein, nothing in this
179 paragraph shall be construed to limit health insurance coverage
180 for which the firefighter, spouse, or dependent children may
181 otherwise be eligible, except that a person who qualifies for
182 benefits under this section shall not be eligible for the health
183 insurance subsidy provided under ~~chapter 121~~, chapter 175, or
184 chapter 185.

185
186 Notwithstanding any provision of this section to the contrary,
187 the death benefits provided in paragraphs (b), (c), and (f)
188 shall also be applicable and paid in cases where a firefighter
189 received bodily injury prior to July 1, 1993, and subsequently
190 died on or after July 1, 1993, as a result of such in-line-of-
191 duty injury.

192 Section 4. Paragraph (e) of subsection (2) and subsections
193 (3), (4), and (9) of section 112.363, Florida Statutes, are
194 amended, paragraph (g) is added to subsection (8) of that
195 section, and subsections (10) and (11) are added to that
196 section, to read:

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197 112.363 Retiree health insurance subsidy.—
 198 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—
 199 (e) Participants in the Senior Management Service Optional
 200 Annuity Program as provided in s. 121.055(6) and the State
 201 University System Optional Retirement Program as provided in s.
 202 121.35 shall not receive the retiree health insurance subsidy
 203 provided in this section. The employer of such participant shall
 204 pay the contributions required in subsection (8) to the annuity
 205 program provided in s. 121.055(6) (d) or s. 121.35(4) (a), as
 206 applicable, through June 30, 2010.
 207 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—
 208 (a) Beginning January 1, 1988, each eligible retiree or a
 209 beneficiary who is a spouse or financial dependent thereof shall
 210 receive a monthly retiree health insurance subsidy payment equal
 211 to the number of years of creditable service, as defined in s.
 212 121.021(17), completed at the time of retirement multiplied by
 213 \$1; however, no retiree may receive a subsidy payment of more
 214 than \$30 or less than \$10.
 215 (b) Beginning January 1, 1989, each eligible retiree or a
 216 beneficiary who is a spouse or financial dependent shall receive
 217 a monthly retiree health insurance subsidy payment equal to the
 218 number of years of creditable service, as defined in s.
 219 121.021(17), completed at the time of retirement multiplied by
 220 \$2; however, no retiree may receive a subsidy payment of more
 221 than \$60 or less than \$20.
 222 (c) Beginning January 1, 1991, each eligible retiree or a
 223 beneficiary who is a spouse or financial dependent shall receive
 224 a monthly retiree health insurance subsidy payment equal to the

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225 number of years of creditable service, as defined in s.
226 121.021(17), completed at the time of retirement multiplied by
227 \$3; however, no retiree may receive a subsidy payment of more
228 than \$90 or less than \$30.

229 (d) Beginning January 1, 1999, each eligible retiree or,
230 if the retiree is deceased, his or her beneficiary who is
231 receiving a monthly benefit from such retiree's account and who
232 is a spouse, or a person who meets the definition of joint
233 annuitant in s. 121.021(28), shall receive a monthly retiree
234 health insurance subsidy payment equal to the number of years of
235 creditable service, as defined in s. 121.021(17), completed at
236 the time of retirement multiplied by \$5; however, no eligible
237 retiree or such beneficiary may receive a subsidy payment of
238 more than \$150 or less than \$50. If there are multiple
239 beneficiaries, the total payment must not be greater than the
240 payment to which the retiree was entitled.

241 (e)1. Beginning July 1, 2001, each eligible retiree of the
242 defined benefit program of the Florida Retirement System, or, if
243 the retiree is deceased, his or her beneficiary who is receiving
244 a monthly benefit from such retiree's account and who is a
245 spouse, or a person who meets the definition of joint annuitant
246 in s. 121.021(28), shall receive a monthly retiree health
247 insurance subsidy payment equal to the number of years of
248 creditable service, as defined in s. 121.021(17), completed at
249 the time of retirement multiplied by \$5; however, no eligible
250 retiree or beneficiary may receive a subsidy payment of more
251 than \$150 or less than \$30. If there are multiple beneficiaries,
252 the total payment must not be greater than the payment to which

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253 the retiree was entitled. The health insurance subsidy amount
254 payable to any person receiving the retiree health insurance
255 subsidy payment on July 1, 2001, shall not be reduced solely by
256 operation of this subparagraph.

257 2. Beginning July 1, 2002, each eligible participant of
258 the Public Employee Optional Retirement Program of the Florida
259 Retirement System who has met the requirements of this section,
260 or, if the participant is deceased, his or her spouse who is the
261 participant's designated beneficiary, shall receive a monthly
262 retiree health insurance subsidy payment equal to the number of
263 years of creditable service, as provided in this subparagraph,
264 completed at the time of retirement, multiplied by \$5; however,
265 no eligible retiree or beneficiary may receive a subsidy payment
266 of more than \$150 or less than \$30. For purposes of determining
267 a participant's creditable service used to calculate the health
268 insurance subsidy, a participant's years of service credit or
269 fraction thereof shall be based on the participant's work year
270 as defined in s. 121.021(54). Credit shall be awarded for a full
271 work year whenever health insurance subsidy contributions have
272 been made as required by law for each month in the participant's
273 work year. In addition, all years of creditable service retained
274 under the Florida Retirement System defined benefit program
275 shall be included as creditable service for purposes of this
276 section. Notwithstanding any other provision in this section to
277 the contrary, the spouse at the time of death shall be the
278 participant's beneficiary unless such participant has designated
279 a different beneficiary subsequent to the participant's most
280 recent marriage.

281
 282 Notwithstanding any provision of this subsection, payments may
 283 not be made to retirees who do not establish eligibility under
 284 this section prior to July 1, 2010.

285 (4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning
 286 January 1, 1988, through December 31, 2010, any monthly retiree
 287 health insurance subsidy amount due and payable under this
 288 section shall be paid to retired members by the Department of
 289 Management Services or under the direction and control of the
 290 department.

291 (8) CONTRIBUTIONS.—For purposes of funding the insurance
 292 subsidy provided by this section:

293 (g) Beginning July 1, 2010, the employer of each member of
 294 a state-administered plan shall contribute 0 percent of gross
 295 compensation for each pay period.

296
 297 Such contributions shall be submitted to the Department of
 298 Management Services and deposited in the Retiree Health
 299 Insurance Subsidy Trust Fund.

300 (9) BENEFITS.—Except as provided in subsection (10),
 301 subsidy payments shall be payable under the retiree health
 302 insurance subsidy program only to participants in the program or
 303 their beneficiaries, beginning with the month the division
 304 receives certification of coverage for health insurance for the
 305 eligible retiree or beneficiary. If the division receives such
 306 certification at any time during the 6 months after retirement
 307 benefits commence, the retiree health insurance subsidy shall be
 308 paid retroactive to the effective retirement date. If, however,

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309 the division receives such certification 7 or more months after
310 commencement of benefits, the retroactive retiree health
311 insurance subsidy payment will cover a maximum of 6 months. Such
312 subsidy payments shall not be subject to assignment, execution,
313 or attachment or to any legal process whatsoever.

314 (10) ELIMINATION OF RETIREE HEALTH INSURANCE SUBSIDY.—
315 Effective July 1, 2010, eligibility for subsidy payments shall
316 be closed to new retirees or beneficiaries and employer
317 contributions to fund the subsidy shall terminate, all monthly
318 subsidy payments shall terminate effective December 31, 2010,
319 and any remaining assets shall be transferred to the Florida
320 Retirement System Trust Fund, as follows:

321 (a) Eligibility for subsidy payments through December 31,
322 2010, shall be restricted to those retirees and beneficiaries
323 who have established eligibility pursuant to subsection (2)
324 prior to July 1, 2010. The division must receive certification
325 of coverage for such retiree or beneficiary no later than
326 October 29, 2010.

327 (b) Beginning July 1, 2010, the employer of each member of
328 a state-administered plan shall not pay contributions on gross
329 compensation to the Retiree Health Insurance Subsidy Trust Fund
330 for subsequent pay periods.

331 (c) Monthly subsidy payments shall be paid to all eligible
332 retirees and beneficiaries through December 31, 2010, at which
333 time no further subsidy payments shall be made.

334 (d) Any cash, securities, and other assets remaining in
335 the Retiree Health Insurance Subsidy Trust Fund on June 30,
336 2011, less any deductions specified in subsections (6) and (7),

337 shall be transferred by the State Board of Administration to the
 338 Florida Retirement System Trust Fund. The amount so transferred
 339 shall be applied toward payment of any unfunded actuarial
 340 accrued liability in the Florida Retirement System Trust Fund.
 341 The State Board of Administration shall have the sole
 342 discretion, subject to its fiduciary duties under s. 215.47, to
 343 make cash or in-kind transfers from the Retiree Health Insurance
 344 Subsidy Trust Fund to the Florida Retirement System Trust Fund
 345 on or after July 1, 2011.

346 (e) Employer adjustments for pay periods prior to July 1,
 347 2010, shall be processed through December 31, 2010.

348 (11) EXPIRATION.—This section expires June 30, 2011.

349 Section 5. Paragraph (c) of subsection (2) of section
 350 121.051, Florida Statutes, is amended to read:

351 121.051 Participation in the system.—

352 (2) OPTIONAL PARTICIPATION.—

353 (c) Employees of public community colleges or charter
 354 technical career centers sponsored by public community colleges,
 355 designated in s. 1000.21(3), who are members of the Regular
 356 Class of the Florida Retirement System and who comply with the
 357 criteria set forth in this paragraph and s. 1012.875 may, in
 358 lieu of participating in the Florida Retirement System, elect to
 359 withdraw from the system altogether and participate in the State
 360 Community College System Optional Retirement Program provided by
 361 the employing agency under s. 1012.875.

362 1. Through June 30, 2001, the cost to the employer for
 363 such annuity equals the normal cost portion of the employer
 364 retirement contribution which would be required if the employee

365 were a member of the Regular Class defined benefit program, ~~plus~~
 366 ~~the portion of the contribution rate required by s. 112.363(8)~~
 367 ~~which would otherwise be assigned to the Retiree Health~~
 368 ~~Insurance Subsidy Trust Fund.~~ Effective July 1, 2001, through
 369 June 30, 2010, each employer shall contribute on behalf of each
 370 participant in the optional retirement program an amount equal
 371 to 10.43 percent of the participant's gross monthly
 372 compensation. Effective July 1, 2010, each employer shall
 373 contribute on behalf of each participant in the optional
 374 retirement program an amount equal to 9.49 percent of the
 375 participant's gross monthly compensation. The employer shall
 376 deduct an amount for the administration of the program. The
 377 employer shall contribute an additional amount to the Florida
 378 Retirement System Trust Fund equal to the unfunded actuarial
 379 accrued liability portion of the Regular Class contribution
 380 rate.

381 2. The decision to participate in an optional retirement
 382 program is irrevocable as long as the employee holds a position
 383 eligible for participation, except as provided in subparagraph
 384 3. Any service creditable under the Florida Retirement System is
 385 retained after the member withdraws from the system; however,
 386 additional service credit in the system may not be earned while
 387 a member of the optional retirement program.

388 3. An employee who has elected to participate in the
 389 optional retirement program shall have one opportunity, at the
 390 employee's discretion, to transfer from the optional retirement
 391 program to the defined benefit program of the Florida Retirement
 392 System or to the Public Employee Optional Retirement Program,

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393 subject to the terms of the applicable optional retirement
394 program contracts.

395 a. If the employee chooses to move to the Public Employee
396 Optional Retirement Program, any contributions, interest, and
397 earnings creditable to the employee under the State Community
398 College System Optional Retirement Program are retained by the
399 employee in the State Community College System Optional
400 Retirement Program, and the applicable provisions of s.
401 121.4501(4) govern the election.

402 b. If the employee chooses to move to the defined benefit
403 program of the Florida Retirement System, the employee shall
404 receive service credit equal to his or her years of service
405 under the State Community College System Optional Retirement
406 Program.

407 (I) The cost for such credit is the amount representing
408 the present value of the employee's accumulated benefit
409 obligation for the affected period of service. The cost shall be
410 calculated as if the benefit commencement occurs on the first
411 date the employee becomes eligible for unreduced benefits, using
412 the discount rate and other relevant actuarial assumptions that
413 were used to value the Florida Retirement System defined benefit
414 plan liabilities in the most recent actuarial valuation. The
415 calculation must include any service already maintained under
416 the defined benefit plan in addition to the years under the
417 State Community College System Optional Retirement Program. The
418 present value of any service already maintained must be applied
419 as a credit to total cost resulting from the calculation. The
420 division shall ensure that the transfer sum is prepared using a

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421 formula and methodology certified by an enrolled actuary.

422 (II) The employee must transfer from his or her State
 423 Community College System Optional Retirement Program account and
 424 from other employee moneys as necessary, a sum representing the
 425 present value of the employee's accumulated benefit obligation
 426 immediately following the time of such movement, determined
 427 assuming that attained service equals the sum of service in the
 428 defined benefit program and service in the State Community
 429 College System Optional Retirement Program.

430 4. Participation in the optional retirement program is
 431 limited to employees who satisfy the following eligibility
 432 criteria:

433 a. The employee must be otherwise eligible for membership
 434 or renewed membership in the Regular Class of the Florida
 435 Retirement System, as provided in s. 121.021(11) and (12) or s.
 436 121.122.

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

440 (I) Instructional; or

441 (II) Executive Management, Instructional Management, or
 442 Institutional Management, if a community college determines that
 443 recruiting to fill a vacancy in the position is to be conducted
 444 in the national or regional market, and the duties and
 445 responsibilities of the position include the formulation,
 446 interpretation, or implementation of policies, or the
 447 performance of functions that are unique or specialized within
 448 higher education and that frequently support the mission of the

449 community college.

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

453 5. Participants in the program are subject to the same
 454 reemployment limitations, renewed membership provisions, and
 455 forfeiture provisions as are applicable to regular members of
 456 the Florida Retirement System under ss. 121.091(9), 121.122, and
 457 121.091(5), respectively. A participant who receives a program
 458 distribution funded by employer contributions shall be deemed to
 459 be retired from a state-administered retirement system if the
 460 participant is subsequently employed with an employer that
 461 participates in the Florida Retirement System.

462 6. Eligible community college employees are compulsory
 463 members of the Florida Retirement System until, pursuant to s.
 464 1012.875, a written election to withdraw from the system and
 465 participate in the State Community College System Optional
 466 Retirement Program is filed with the program administrator and
 467 received by the division.

468 a. A community college employee whose program eligibility
 469 results from initial employment must be enrolled in the State
 470 Community College System Optional Retirement Program retroactive
 471 to the first day of eligible employment. The employer retirement
 472 contributions paid through the month of the employee plan change
 473 shall be transferred to the community college to the employee's
 474 optional program account, and, effective the first day of the
 475 next month, the employer shall pay the applicable contributions
 476 based upon subparagraph 1.

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477 b. A community college employee whose program eligibility
478 is due to the subsequent designation of the employee's position
479 as one of those specified in subparagraph 4., or due to the
480 employee's appointment, promotion, transfer, or reclassification
481 to a position specified in subparagraph 4., must be enrolled in
482 the program on the first day of the first full calendar month
483 that such change in status becomes effective. The employer
484 retirement contributions paid from the effective date through
485 the month of the employee plan change must be transferred to the
486 community college to the employee's optional program account,
487 and, effective the first day of the next month, the employer
488 shall pay the applicable contributions based upon subparagraph
489 1.

490 7. Effective July 1, 2003, through December 31, 2008, any
491 participant of the State Community College System Optional
492 Retirement Program who has service credit in the defined benefit
493 plan of the Florida Retirement System for the period between his
494 or her first eligibility to transfer from the defined benefit
495 plan to the optional retirement program and the actual date of
496 transfer may, during employment, transfer to the optional
497 retirement program a sum representing the present value of the
498 accumulated benefit obligation under the defined benefit
499 retirement program for the period of service credit. Upon
500 transfer, all service credit previously earned under the defined
501 benefit program of the Florida Retirement System during this
502 period is nullified for purposes of entitlement to a future
503 benefit under the defined benefit program of the Florida
504 Retirement System.

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505 Section 6. Paragraph (c) of subsection (7) of section
 506 121.052, Florida Statutes, is amended to read:

507 121.052 Membership class of elected officers.—

508 (7) CONTRIBUTIONS.—

509 (c) The following table states the required employer
 510 contribution on behalf of each member of the Elected Officers'
 511 Class in terms of a percentage of the member's gross
 512 compensation. Such contribution constitutes the entire health
 513 insurance subsidy contribution with respect to each such member.
 514 A change in the contribution rate is effective with the first
 515 salary paid on or after the beginning date of the change. The
 516 retiree health insurance subsidy contribution rate is as
 517 follows:

518

Dates of Contribution Rate Changes	Contribution Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%

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~~Effective July 1, 2001, through June 30,~~ 1.11%
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525

Effective July 1, 2010 0.00%

526

527

528 Such contributions and accompanying payroll data are due and
 529 payable no later than the 5th working day of the month
 530 immediately following the month during which the payroll period
 531 ended and shall be deposited by the administrator in the Retiree
 532 Health Insurance Subsidy Trust Fund.

533 Section 7. Effective June 30, 2011, paragraph (c) of
 534 subsection (7) of section 121.052, Florida Statutes, as amended
 535 by this act, is repealed.

536 Section 8. Subsection (5) of section 121.053, Florida
 537 Statutes, is amended to read:

538 121.053 Participation in the Elected Officers' Class for
 539 retired members.—

540 (5) Any renewed member, as described in subsection (1) or
 541 subsection (2), who is not receiving the maximum health
 542 insurance subsidy provided in s. 112.363 and meets the
 543 requirements of s. 112.363 is entitled to earn additional credit
 544 toward the maximum health insurance subsidy. Any additional
 545 subsidy due because of such additional credit may be received
 546 only at the time of payment of the second career retirement
 547 benefit. The total health insurance subsidy received from
 548 initial and renewed membership may not exceed the maximum
 549 allowed in s. 112.363.

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550 Section 9. Effective June 30, 2011, subsection (5) of
 551 section 121.053, Florida Statutes, as amended by this act, is
 552 repealed.

553 Section 10. Paragraph (c) of subsection (3) and paragraph
 554 (d) of subsection (6) of section 121.055, Florida Statutes, are
 555 amended to read:

556 121.055 Senior Management Service Class.—There is hereby
 557 established a separate class of membership within the Florida
 558 Retirement System to be known as the "Senior Management Service
 559 Class," which shall become effective February 1, 1987.

560 (3)

561 (c) The following table states the required employer
 562 contribution on behalf of each member of the Senior Management
 563 Service Class in terms of a percentage of the member's gross
 564 compensation. Such contribution constitutes the entire health
 565 insurance subsidy contribution with respect to each such member.
 566 A change in the contribution rate is effective with the first
 567 salary paid on or after the beginning date of the change. The
 568 retiree health insurance subsidy contribution rate is as
 569 follows:

Dates of Contribution Rate Changes	Contribution Rate
October 1, 1987, through December 31, 1988	0.24%

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574	January 1, 1989, through December 31, 1993	0.48%
575	January 1, 1994, through December 31, 1994	0.56%
576	January 1, 1995, through June 30, 1998	0.66%
577	July 1, 1998, through June 30, 2001	0.94%
578	Effective <u>July 1, 2001, through June 30, 2010</u>	1.11%
579	<u>Effective July 1, 2010</u>	<u>0.00%</u>

581 Such contributions and accompanying payroll data are due and
 582 payable no later than the 5th working day of the month
 583 immediately following the month during which the payroll period
 584 ended and shall be deposited by the administrator in the Retiree
 585 Health Insurance Subsidy Trust Fund.

586 (6)
 587 (d) Contributions.—

588 1. Through June 30, 2001, each employer shall contribute
 589 on behalf of each participant in the Senior Management Service
 590 Optional Annuity Program an amount equal to the normal cost
 591 portion of the employer retirement contribution which would be
 592 required if the participant were a Senior Management Service
 593 Class member of the Florida Retirement System defined benefit
 594 program, plus the portion of the contribution rate required in
 595 s. 112.363(8) that would otherwise be assigned to the Retiree

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596 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
597 through June 30, 2010, each employer shall contribute on behalf
598 of each participant in the optional program an amount equal to
599 12.49 percent of the participant's gross monthly compensation.
600 Effective July 1, 2010, each employer shall contribute on behalf
601 of each participant in the optional program an amount equal to
602 11.55 percent of the participant's gross monthly compensation.

603 The department shall deduct an amount approved by the
604 Legislature to provide for the administration of this program.
605 The payment of the contributions to the optional program which
606 is required by this subparagraph for each participant shall be
607 made by the employer to the department, which shall forward the
608 contributions to the designated company or companies contracting
609 for payment of benefits for the participant under the program.

610 2. Each employer shall contribute on behalf of each
611 participant in the Senior Management Service Optional Annuity
612 Program an amount equal to the unfunded actuarial accrued
613 liability portion of the employer contribution which would be
614 required for members of the Senior Management Service Class in
615 the Florida Retirement System. This contribution shall be paid
616 to the department for transfer to the Florida Retirement System
617 Trust Fund.

618 3. An Optional Annuity Program Trust Fund shall be
619 established in the State Treasury and administered by the
620 department to make payments to provider companies on behalf of
621 the optional annuity program participants, and to transfer the
622 unfunded liability portion of the state optional annuity program
623 contributions to the Florida Retirement System Trust Fund.

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624 4. Contributions required for social security by each
625 employer and each participant, in the amount required for social
626 security coverage as now or hereafter may be provided by the
627 federal Social Security Act shall be maintained for each
628 participant in the Senior Management Service retirement program
629 and shall be in addition to the retirement contributions
630 specified in this paragraph.

631 5. Each participant in the Senior Management Service
632 Optional Annuity Program may contribute by way of salary
633 reduction or deduction a percentage amount of the participant's
634 gross compensation not to exceed the percentage amount
635 contributed by the employer to the optional annuity program.
636 Payment of the participant's contributions shall be made by the
637 employer to the department, which shall forward the
638 contributions to the designated company or companies contracting
639 for payment of benefits for the participant under the program.

640 Section 11. Effective June 30, 2011, paragraph (c) of
641 subsection (3) of section 121.055, Florida Statutes, as amended
642 by this act, is repealed.

643 Section 12. Subsection (4) of section 121.071, Florida
644 Statutes, is amended to read:

645 121.071 Contributions.—Contributions to the system shall
646 be made as follows:

647 (4) The following table states the required employer
648 contribution on behalf of each member of the Regular Class,
649 Special Risk Class, or Special Risk Administrative Support Class
650 in terms of a percentage of the member's gross compensation.
651 Such contribution constitutes the entire health insurance

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652 subsidy contribution with respect to each such member. A change
 653 in the contribution rate is effective with the first salary paid
 654 on or after the beginning date of the change. The retiree health
 655 insurance subsidy contribution rate is as follows:

656	Dates of Contribution Rate Changes	Contribution Rate
657	October 1, 1987, through December 31, 1988	0.24%
658	January 1, 1989, through December 31, 1993	0.48%
659	January 1, 1994, through December 31, 1994	0.56%
660	January 1, 1995, through June 30, 1998	0.66%
661	July 1, 1998, through June 30, 2001	0.94%
662	Effective <u>July 1, 2001, through June 30, 2010</u>	1.11%
663	<u>Effective July 1, 2010</u>	<u>0.00%</u>

664
 665
 666 Such contributions shall be deposited by the administrator in
 667 the Retiree Health Insurance Subsidy Trust Fund.

668 Section 13. Effective June 30, 2011, subsection (4) of
 669 section 121.071, Florida Statutes, as amended by this act, is
 670 repealed, subsections (5) and (6) of that section are renumbered

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671 as subsections (4) and (5), respectively, and present subsection
672 (5) is amended to read:

673 121.071 Contributions.—Contributions to the system shall
674 be made as follows:

675 (4)~~(5)~~ Contributions made in accordance with subsections
676 (1), (2), and (3)~~, and (4)~~, and s. 121.71 shall be paid by the
677 employer into the system trust funds in accordance with rules
678 adopted by the administrator pursuant to chapter 120, except as
679 may be otherwise specified herein. Effective July 1, 2002,
680 contributions paid under subsection ~~subsections~~ (1) ~~and (4)~~ and
681 accompanying payroll data are due and payable no later than the
682 5th working day of the month immediately following the month
683 during which the payroll period ended.

684 Section 14. Paragraph (f) of subsection (13) of section
685 121.091, Florida Statutes, is amended to read:

686 121.091 Benefits payable under the system.—Benefits may
687 not be paid under this section unless the member has terminated
688 employment as provided in s. 121.021(39) (a) or begun
689 participation in the Deferred Retirement Option Program as
690 provided in subsection (13), and a proper application has been
691 filed in the manner prescribed by the department. The department
692 may cancel an application for retirement benefits when the
693 member or beneficiary fails to timely provide the information
694 and documents required by this chapter and the department's
695 rules. The department shall adopt rules establishing procedures
696 for application for retirement benefits and for the cancellation
697 of such application when the required information or documents
698 are not received.

699 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
 700 subject to this section, the Deferred Retirement Option Program,
 701 hereinafter referred to as DROP, is a program under which an
 702 eligible member of the Florida Retirement System may elect to
 703 participate, deferring receipt of retirement benefits while
 704 continuing employment with his or her Florida Retirement System
 705 employer. The deferred monthly benefits shall accrue in the
 706 Florida Retirement System on behalf of the participant, plus
 707 interest compounded monthly, for the specified period of the
 708 DROP participation, as provided in paragraph (c). Upon
 709 termination of employment, the participant shall receive the
 710 total DROP benefits and begin to receive the previously
 711 determined normal retirement benefits. Participation in the DROP
 712 does not guarantee employment for the specified period of DROP.
 713 Participation in DROP by an eligible member beyond the initial
 714 60-month period as authorized in this subsection shall be on an
 715 annual contractual basis for all participants.

716 (f) Employees who have terminated participation in DROP on
 717 or after June 1, 2010, may not receive retiree health insurance
 718 subsidy payments. ~~Retiree health insurance subsidy. DROP~~
 719 ~~participants are not eligible to apply for the retiree health~~
 720 ~~insurance subsidy payments as provided in s. 112.363 until such~~
 721 ~~participants have terminated employment and participation in~~
 722 ~~DROP.~~

723 Section 15. Effective June 30, 2011, paragraphs (c) and
 724 (i) of subsection (13) of section 121.091, Florida Statutes, are
 725 amended to read:

726 121.091 Benefits payable under the system.—Benefits may

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727 not be paid under this section unless the member has terminated
728 employment as provided in s. 121.021(39)(a) or begun
729 participation in the Deferred Retirement Option Program as
730 provided in subsection (13), and a proper application has been
731 filed in the manner prescribed by the department. The department
732 may cancel an application for retirement benefits when the
733 member or beneficiary fails to timely provide the information
734 and documents required by this chapter and the department's
735 rules. The department shall adopt rules establishing procedures
736 for application for retirement benefits and for the cancellation
737 of such application when the required information or documents
738 are not received.

739 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
740 subject to this section, the Deferred Retirement Option Program,
741 hereinafter referred to as DROP, is a program under which an
742 eligible member of the Florida Retirement System may elect to
743 participate, deferring receipt of retirement benefits while
744 continuing employment with his or her Florida Retirement System
745 employer. The deferred monthly benefits shall accrue in the
746 Florida Retirement System on behalf of the participant, plus
747 interest compounded monthly, for the specified period of the
748 DROP participation, as provided in paragraph (c). Upon
749 termination of employment, the participant shall receive the
750 total DROP benefits and begin to receive the previously
751 determined normal retirement benefits. Participation in the DROP
752 does not guarantee employment for the specified period of DROP.
753 Participation in DROP by an eligible member beyond the initial
754 60-month period as authorized in this subsection shall be on an

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755 annual contractual basis for all participants.

756 (c) Benefits payable under DROP.—

757 1. Effective on the date of DROP participation, the
758 member's initial normal monthly benefit, including creditable
759 service, optional form of payment, and average final
760 compensation, and the effective date of retirement are fixed.
761 The beneficiary established under the Florida Retirement System
762 is the beneficiary eligible to receive any DROP benefits payable
763 if the DROP participant dies before completing the period of
764 DROP participation. If a joint annuitant predeceases the member,
765 the member may name a beneficiary to receive accumulated DROP
766 benefits payable. The retirement benefit, the annual cost of
767 living adjustments provided in s. 121.101, and interest accrue
768 monthly in the Florida Retirement System Trust Fund. The
769 interest accrues at an effective annual rate of 6.5 percent
770 compounded monthly, on the prior month's accumulated ending
771 balance, up to the month of termination or death, except as
772 provided in s. 121.053 (6) ~~(7)~~.

773 2. Each employee who elects to participate in DROP may
774 elect to receive a lump-sum payment for accrued annual leave
775 earned in accordance with agency policy upon beginning
776 participation in DROP. The accumulated leave payment certified
777 to the division upon commencement of DROP shall be included in
778 the calculation of the member's average final compensation. The
779 employee electing the lump-sum payment is not eligible to
780 receive a second lump-sum payment upon termination, except to
781 the extent the employee has earned additional annual leave
782 which, combined with the original payment, does not exceed the

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783 maximum lump-sum payment allowed by the employing agency's
784 policy or rules. An early lump-sum payment shall be based on the
785 hourly wage of the employee at the time he or she begins
786 participation in DROP. If the member elects to wait and receive
787 a lump-sum payment upon termination of DROP and termination of
788 employment with the employer, any accumulated leave payment made
789 at that time may not be included in the member's retirement
790 benefit, which was determined and fixed by law when the employee
791 elected to participate in DROP.

792 3. The effective date of DROP participation and the
793 effective date of retirement of a DROP participant shall be the
794 first day of the month selected by the member to begin
795 participation in DROP, provided such date is properly
796 established, with the written confirmation of the employer, and
797 the approval of the division, on forms required by the division.

798 4. Normal retirement benefits and any interest shall
799 continue to accrue in DROP until the established termination
800 date of DROP or until the participant terminates employment or
801 dies prior to such date, except as provided in s. 121.053 (6) ~~(7)~~.
802 Although individual DROP accounts shall not be established, a
803 separate accounting of each participant's accrued benefits under
804 DROP shall be calculated and provided to participants.

805 5. At the conclusion of the participant's DROP, the
806 division shall distribute the participant's total accumulated
807 DROP benefits, subject to the following:

808 a. The division shall receive verification by the
809 participant's employer or employers that the participant has
810 terminated all employment relationships as provided in s.

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811 121.021(39).

812 b. The terminated DROP participant or, if deceased, the
813 participant's named beneficiary, shall elect on forms provided
814 by the division to receive payment of the DROP benefits in
815 accordance with one of the options listed below. If a
816 participant or beneficiary fails to elect a method of payment
817 within 60 days after termination of DROP, the division shall pay
818 a lump sum as provided in sub-sub-subparagraph (I).

819 (I) Lump sum.—All accrued DROP benefits, plus interest,
820 less withholding taxes remitted to the Internal Revenue Service,
821 shall be paid to the DROP participant or surviving beneficiary.

822 (II) Direct rollover.—All accrued DROP benefits, plus
823 interest, shall be paid from DROP directly to the custodian of
824 an eligible retirement plan as defined in s. 402(c)(8)(B) of the
825 Internal Revenue Code. However, in the case of an eligible
826 rollover distribution to the surviving spouse of a deceased
827 participant, an eligible retirement plan is an individual
828 retirement account or an individual retirement annuity as
829 described in s. 402(c)(9) of the Internal Revenue Code.

830 (III) Partial lump sum.—A portion of the accrued DROP
831 benefits shall be paid to DROP participant or surviving spouse,
832 less withholding taxes remitted to the Internal Revenue Service,
833 and the remaining DROP benefits must be transferred directly to
834 the custodian of an eligible retirement plan as defined in s.
835 402(c)(8)(B) of the Internal Revenue Code. However, in the case
836 of an eligible rollover distribution to the surviving spouse of
837 a deceased participant, an eligible retirement plan is an
838 individual retirement account or an individual retirement

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839 annuity as described in s. 402(c)(9) of the Internal Revenue
840 Code. The proportions must be specified by the DROP participant
841 or surviving beneficiary.

842 c. The form of payment selected by the DROP participant or
843 surviving beneficiary must comply with the minimum distribution
844 requirements of the Internal Revenue Code.

845 d. A DROP participant who fails to terminate all
846 employment relationships as provided in s. 121.021(39) shall be
847 deemed as not retired, and the DROP election is null and void.
848 Florida Retirement System membership shall be reestablished
849 retroactively to the date of the commencement of DROP, and each
850 employer with whom the participant continues employment must pay
851 to the Florida Retirement System Trust Fund the difference
852 between the DROP contributions paid in paragraph (i) and the
853 contributions required for the applicable Florida Retirement
854 System class of membership during the period the member
855 participated in DROP, plus 6.5 percent interest compounded
856 annually.

857 6. The retirement benefits of any DROP participant who
858 terminates all employment relationships as provided in s.
859 121.021(39) but is reemployed in violation of the reemployment
860 provisions of subsection (9) shall be suspended during those
861 months in which the retiree is in violation. Any retiree in
862 violation of this subparagraph and any employer that employs or
863 appoints such person without notifying the Division of
864 Retirement to suspend retirement benefits are jointly and
865 severally liable for any benefits paid during the reemployment
866 limitation period. The employer must have a written statement

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867 | from the retiree that he or she is not retired from a state-
868 | administered retirement system. Any retirement benefits received
869 | by a retiree while employed in violation of the reemployment
870 | limitations must be repaid to the Florida Retirement System
871 | Trust Fund, and his or her retirement benefits shall remain
872 | suspended until payment is made. Benefits suspended beyond the
873 | end of the reemployment limitation period apply toward repayment
874 | of benefits received in violation of the reemployment
875 | limitation.

876 | 7. The accrued benefits of any DROP participant, and any
877 | contributions accumulated under the program, are not subject to
878 | assignment, execution, attachment, or any legal process
879 | whatsoever, except for qualified domestic relations orders by a
880 | court of competent jurisdiction, income deduction orders as
881 | provided in s. 61.1301, and federal income tax levies.

882 | 8. DROP participants are not eligible for disability
883 | retirement benefits as provided in subsection (4).

884 | (i) Contributions.—

885 | 1. All employers paying the salary of a DROP participant
886 | filling a regularly established position shall contribute 8.0
887 | percent of such participant's gross compensation for the period
888 | of July 1, 2002, through June 30, 2003, and the percentage of
889 | such compensation required by s. 121.71 thereafter, which shall
890 | constitute the entire employer DROP contribution with respect to
891 | such participant. Such contributions, payable to the Florida
892 | Retirement System Trust Fund in the same manner as required in
893 | s. 121.071, must be made as appropriate for each pay period and
894 | are in addition to contributions required for social security

895 ~~and the Retiree Health Insurance Subsidy Trust Fund.~~ Such
 896 employer and, social security, ~~and health insurance subsidy~~
 897 contributions are not included in DROP.

898 2. The employer shall, in addition to subparagraph 1.,
 899 also withhold one-half of the entire social security
 900 contribution required for the participant. Contributions for
 901 social security by each participant and each employer, in the
 902 amount required for social security coverage as provided by the
 903 federal Social Security Act, are in addition to contributions
 904 specified in subparagraph 1.

905 ~~3. All employers paying the salary of a DROP participant~~
 906 ~~filling a regularly established position shall contribute the~~
 907 ~~percent of such participant's gross compensation required in s.~~
 908 ~~121.071(4), which constitutes the employer's health insurance~~
 909 ~~subsidy contribution with respect to such participant. Such~~
 910 ~~contributions must be deposited by the administrator in the~~
 911 ~~Retiree Health Insurance Subsidy Trust Fund.~~

912 Section 16. Paragraph (h) of subsection (1) of section
 913 121.122, Florida Statutes, is amended to read:

914 121.122 Renewed membership in system.—

915 (1) Except as provided in s. 121.053, effective July 1,
 916 1991, through June 30, 2010, any retiree of a state-administered
 917 retirement system who is initially reemployed in a regularly
 918 established position with a covered employer, including an
 919 elective public office that does not qualify for the Elected
 920 Officer's Class, shall be enrolled as a compulsory member of the
 921 Regular Class of the Florida Retirement System. Effective July
 922 1, 1997, through June 30, 2010, any retiree of a state-

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923 | administered retirement system who is initially reemployed in a
 924 | position included in the Senior Management Service Class shall
 925 | be enrolled as a compulsory member of the Senior Management
 926 | Service Class of the Florida Retirement System as provided in s.
 927 | 121.055. A retiree is entitled to receive an additional
 928 | retirement benefit, subject to the following conditions:

929 | (h) A renewed member who is not receiving the maximum
 930 | health insurance subsidy provided in s. 112.363 and meets the
 931 | requirements of s. 112.363 is entitled to earn additional credit
 932 | toward the maximum health insurance subsidy. Any additional
 933 | subsidy due because of such additional credit may be received
 934 | only at the time of payment of the second career retirement
 935 | benefit. The total health insurance subsidy received by a
 936 | retiree receiving benefits from initial and renewed membership
 937 | may not exceed the maximum allowed in s. 112.363.

938 | Section 17. Effective June 30, 2011, paragraph (h) of
 939 | subsection (1) of section 121.122, Florida Statutes, as amended
 940 | by this act, is repealed, and paragraph (d) of subsection (1) of
 941 | that section is amended to read:

942 | 121.122 Renewed membership in system.—

943 | (1) Except as provided in s. 121.053, effective July 1,
 944 | 1991, through June 30, 2010, any retiree of a state-administered
 945 | retirement system who is initially reemployed in a regularly
 946 | established position with a covered employer, including an
 947 | elective public office that does not qualify for the Elected
 948 | Officer's Class, shall be enrolled as a compulsory member of the
 949 | Regular Class of the Florida Retirement System. Effective July
 950 | 1, 1997, through June 30, 2010, any retiree of a state-

951 administered retirement system who is initially reemployed in a
 952 position included in the Senior Management Service Class shall
 953 be enrolled as a compulsory member of the Senior Management
 954 Service Class of the Florida Retirement System as provided in s.
 955 121.055. A retiree is entitled to receive an additional
 956 retirement benefit, subject to the following conditions:

957 (d) Upon renewed membership or reemployment of a retiree,
 958 the employer of such member shall pay the applicable employer
 959 contributions as required by ss. ~~112.363~~, 121.71, 121.74, and
 960 121.76.

961 Section 18. Paragraph (c) of subsection (3) and paragraph
 962 (a) of subsection (4) of section 121.35, Florida Statutes, are
 963 amended to read:

964 121.35 Optional retirement program for the State
 965 University System.—

966 (3) ELECTION OF OPTIONAL PROGRAM.—

967 (c) Any employee who becomes eligible to participate in
 968 the optional retirement program on or after January 1, 1993,
 969 shall be a compulsory participant of the program unless such
 970 employee elects membership in the Florida Retirement System.
 971 Such election shall be made in writing and filed with the
 972 personnel officer of the employer. Any eligible employee who
 973 fails to make such election within the prescribed time period
 974 shall be deemed to have elected to participate in the optional
 975 retirement program.

976 1. Any employee whose optional retirement program
 977 eligibility results from initial employment shall be enrolled in
 978 the program at the commencement of employment. If, within 90

979 | days after commencement of employment, the employee elects
 980 | membership in the Florida Retirement System, such membership
 981 | shall be effective retroactive to the date of commencement of
 982 | employment.

983 | 2. Any employee whose optional retirement program
 984 | eligibility results from a change in status due to the
 985 | subsequent designation of the employee's position as one of
 986 | those specified in paragraph (2) (a) or due to the employee's
 987 | appointment, promotion, transfer, or reclassification to a
 988 | position specified in paragraph (2) (a) shall be enrolled in the
 989 | optional retirement program upon such change in status and shall
 990 | be notified by the employer of such action. If, within 90 days
 991 | after the date of such notification, the employee elects to
 992 | retain membership in the Florida Retirement System, such
 993 | continuation of membership shall be retroactive to the date of
 994 | the change in status.

995 | 3. Notwithstanding the provisions of this paragraph,
 996 | effective July 1, 1997, any employee who is eligible to
 997 | participate in the Optional Retirement Program and who fails to
 998 | execute a contract with one of the approved companies and to
 999 | notify the department in writing as provided in subsection (4)
 1000 | within 90 days after the date of eligibility shall be deemed to
 1001 | have elected membership in the Florida Retirement System, except
 1002 | as provided in s. 121.051(1) (a). This provision shall also apply
 1003 | to any employee who terminates employment in an eligible
 1004 | position before executing the required annuity contract and
 1005 | notifying the department. Such membership shall be retroactive
 1006 | to the date of eligibility, and all appropriate contributions

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1007 shall be transferred to the Florida Retirement System Trust Fund
 1008 and the Health Insurance Subsidy Trust Fund through June 30,
 1009 2010. Effective July 1, 2010, such membership shall be
 1010 retroactive to the date of eligibility, and all appropriate
 1011 contributions shall be transferred to the Florida Retirement
 1012 System Trust Fund.

1013 (4) CONTRIBUTIONS.—

1014 (a) Through June 30, 2001, each employer shall contribute
 1015 on behalf of each participant in the optional retirement program
 1016 an amount equal to the normal cost portion of the employer
 1017 retirement contribution which would be required if the
 1018 participant were a regular member of the Florida Retirement
 1019 System defined benefit program, plus the portion of the
 1020 contribution rate required in s. 112.363(8) that would otherwise
 1021 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
 1022 Effective July 1, 2001, through June 30, 2010, each employer
 1023 shall contribute on behalf of each participant in the optional
 1024 program an amount equal to 10.43 percent of the participant's
 1025 gross monthly compensation. Effective July 1, 2010, each
 1026 employer shall contribute on behalf of each participant in the
 1027 optional program an amount equal to 9.49 percent of the
 1028 participant's gross monthly compensation. The department shall
 1029 deduct an amount approved by the Legislature to provide for the
 1030 administration of this program. The payment of the contributions
 1031 to the optional program which is required by this paragraph for
 1032 each participant shall be made by the employer to the
 1033 department, which shall forward the contributions to the
 1034 designated company or companies contracting for payment of

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1035 benefits for the participant under the program. However, such
 1036 contributions paid on behalf of an employee described in
 1037 paragraph (3)(c) shall not be forwarded to a company and shall
 1038 not begin to accrue interest until the employee has executed a
 1039 contract and notified the department.

1040 Section 19. Effective June 30, 2011, subsection (18) of
 1041 section 121.4501, Florida Statutes, is repealed, subsections
 1042 (19) through (22) of that section are renumbered as subsections
 1043 (18) through (21), respectively, and paragraph (h) of subsection
 1044 (2) of that section is amended to read:

1045 121.4501 Public Employee Optional Retirement Program.—

1046 (2) DEFINITIONS.—As used in this part, the term:

1047 (h) "Participant" means an eligible employee who elects to
 1048 participate in the Public Employee Optional Retirement Program
 1049 and enrolls in such optional program as provided in subsection
 1050 (4) or a terminated Deferred Retirement Option Program
 1051 participant as described in subsection (20) ~~(21)~~.

1052 Section 20. Effective June 30, 2011, subsection (3) of
 1053 section 121.571, Florida Statutes, is amended to read:

1054 121.571 Contributions.—Contributions to the Public
 1055 Employee Optional Retirement Program shall be made as follows:

1056 (3) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE ~~AND FOR~~
 1057 ~~RETIREE HEALTH INSURANCE SUBSIDY~~.—Contributions required under
 1058 this section shall be in addition to employer and member
 1059 contributions required for social security ~~and the Retiree~~
 1060 ~~Health Insurance Subsidy Trust Fund as provided in ss. 112.363,~~
 1061 ~~121.052, 121.055, and 121.071, as appropriate.~~

1062 Section 21. Paragraphs (a) and (b) of subsection (3) of
 1063 section 121.591, Florida Statutes, are amended to read:
 1064 121.591 Benefits payable under the Public Employee
 1065 Optional Retirement Program of the Florida Retirement System.—
 1066 Benefits may not be paid under this section unless the member
 1067 has terminated employment as provided in s. 121.021(39)(a) or is
 1068 deceased and a proper application has been filed in the manner
 1069 prescribed by the state board or the department. The state board
 1070 or department, as appropriate, may cancel an application for
 1071 retirement benefits when the member or beneficiary fails to
 1072 timely provide the information and documents required by this
 1073 chapter and the rules of the state board and department. In
 1074 accordance with their respective responsibilities as provided
 1075 herein, the State Board of Administration and the Department of
 1076 Management Services shall adopt rules establishing procedures
 1077 for application for retirement benefits and for the cancellation
 1078 of such application when the required information or documents
 1079 are not received. The State Board of Administration and the
 1080 Department of Management Services, as appropriate, are
 1081 authorized to cash out a de minimis account of a participant who
 1082 has been terminated from Florida Retirement System covered
 1083 employment for a minimum of 6 calendar months. A de minimis
 1084 account is an account containing employer contributions and
 1085 accumulated earnings of not more than \$5,000 made under the
 1086 provisions of this chapter. Such cash-out must either be a
 1087 complete lump-sum liquidation of the account balance, subject to
 1088 the provisions of the Internal Revenue Code, or a lump-sum
 1089 direct rollover distribution paid directly to the custodian of

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1090 an eligible retirement plan, as defined by the Internal Revenue
 1091 Code, on behalf of the participant. If any financial instrument
 1092 issued for the payment of retirement benefits under this section
 1093 is not presented for payment within 180 days after the last day
 1094 of the month in which it was originally issued, the third-party
 1095 administrator or other duly authorized agent of the State Board
 1096 of Administration shall cancel the instrument and credit the
 1097 amount of the instrument to the suspense account of the Public
 1098 Employee Optional Retirement Program Trust Fund authorized under
 1099 s. 121.4501(6). Any such amounts transferred to the suspense
 1100 account are payable upon a proper application, not to include
 1101 earnings thereon, as provided in this section, within 10 years
 1102 after the last day of the month in which the instrument was
 1103 originally issued, after which time such amounts and any
 1104 earnings thereon shall be forfeited. Any such forfeited amounts
 1105 are assets of the Public Employee Optional Retirement Program
 1106 Trust Fund and are not subject to the provisions of chapter 717.

1107 (3) DEATH BENEFITS.—Under the Public Employee Optional
 1108 Retirement Program:

1109 (a) Survivor benefits shall be payable in accordance with
 1110 the following terms and conditions:

1111 1. To the extent vested, benefits shall be payable only to
 1112 a participant's beneficiary or beneficiaries as designated by
 1113 the participant as provided in s. 121.4501 (19) ~~(20)~~.

1114 2. Benefits shall be paid by the third-party administrator
 1115 or designated approved providers in accordance with the law, the
 1116 contracts, and any applicable board rule or policy.

1117 3. To receive benefits under this subsection, the

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1118 participant must be deceased.

1119 (b) In the event of a participant's death, all vested
 1120 accumulations as described in s. 121.4501(6), less withholding
 1121 taxes remitted to the Internal Revenue Service, shall be
 1122 distributed, as provided in paragraph (c) or as described in s.
 1123 121.4501(19)~~(20)~~, as if the participant retired on the date of
 1124 death. No other death benefits shall be available for survivors
 1125 of participants under the Public Employee Optional Retirement
 1126 Program, except for such benefits, or coverage for such
 1127 benefits, as are otherwise provided by law or are separately
 1128 afforded by the employer, at the employer's discretion.

1129 Section 22. Section 121.76, Florida Statutes, is amended
 1130 to read:

1131 121.76 Contributions for social security and for retiree
 1132 health insurance subsidy.—Contributions required under this part
 1133 for social security shall be ~~made or~~ deducted, ~~as may be~~
 1134 ~~appropriate,~~ for each pay period ~~and are in addition to employer~~
 1135 ~~and member contributions required for social security and the~~
 1136 ~~Retiree Health Insurance Subsidy Trust Fund as provided under~~
 1137 ~~parts I and II of this chapter.~~

1138 Section 23. Paragraph (a) of subsection (4) of section
 1139 1012.875, Florida Statutes, is amended to read:

1140 1012.875 State Community College System Optional
 1141 Retirement Program.—Each community college may implement an
 1142 optional retirement program, if such program is established
 1143 therefor pursuant to s. 1001.64(20), under which annuity or
 1144 other contracts providing retirement and death benefits may be
 1145 purchased by, and on behalf of, eligible employees who

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1146 participate in the program, in accordance with s. 403(b) of the
1147 Internal Revenue Code. Except as otherwise provided herein, this
1148 retirement program, which shall be known as the State Community
1149 College System Optional Retirement Program, may be implemented
1150 and administered only by an individual community college or by a
1151 consortium of community colleges.

1152 (4) (a) Each college must contribute on behalf of each
1153 program participant an amount equal to 10.43 percent of the
1154 participant's gross monthly compensation through June 30, 2010.
1155 Effective July 1, 2010, each college must contribute on behalf
1156 of each program participant an amount equal to 9.49 percent of
1157 the participant's gross monthly compensation. The college shall
1158 deduct an amount approved by the district board of trustees of
1159 the college to provide for the administration of the optional
1160 retirement program. Payment of this contribution must be made
1161 either directly by the college or through the program
1162 administrator to the designated company contracting for payment
1163 of benefits to the program participant.

1164 Section 24. Except as otherwise expressly provided in this
1165 act, this act shall take effect July 1, 2010.