

1 A bill to be entitled
2 An act relating to retirement; amending s. 112.625, F.S.;
3 revising the definition of the term "statement value";
4 amending s. 112.64, F.S.; providing limitations for the
5 total contributions made to certain retirement systems or
6 plans; prohibiting certain retirement systems or plans
7 from amortizing their unfunded liabilities over a
8 specified period; limiting the amortization bases created
9 in specified future plan years; providing disclosure
10 requirements; amending s. 121.053, F.S.; requiring
11 employers to make specified retirement contributions on
12 behalf of certain employees in the Elected Officers'
13 Class, including those in DROP; providing exceptions;
14 amending s. 121.055, F.S.; requiring employers to make
15 specified retirement contributions on behalf of certain
16 employees who have withdrawn from the Senior Management
17 Service Class; providing an exception; amending s.
18 121.122, F.S.; requiring employers to make specified
19 retirement contributions on behalf of certain reemployed
20 retirees; providing an exception; amending ss. 112.05,
21 121.051, 121.091, 121.35, and 1012.875, F.S.; providing
22 exceptions to required employer contributions on behalf of
23 certain program participants in conformance with changes
24 made by this act; providing a declaration of important
25 state interest; providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:
28

29 Section 1. Paragraph (c) of subsection (4) of section
 30 112.05, Florida Statutes, is amended to read:

31 112.05 Retirement; cost-of-living adjustment; employment
 32 after retirement.—

33 (4)

34 (c) An employer, upon employment of any person who has
 35 been retired under a state-administered retirement program,
 36 shall pay retirement contributions in an amount equal to the
 37 unfunded actuarial accrued liability portion of the employer
 38 contribution which would be required for a regular member of the
 39 Florida Retirement System, except as provided in s.
 40 112.64(2)(b).

41 Section 2. Subsection (7) of section 112.625, Florida
 42 Statutes, is amended to read:

43 112.625 Definitions.—As used in this act:

44 (7) "Statement value" means the value of assets in
 45 accordance with s. 302(c)(2) of the Employee Retirement Income
 46 Security Act of 1974 and as permitted under regulations
 47 prescribed by the Secretary of the Treasury as amended by Pub.
 48 L. No. 100-203, as such sections are in effect on August 16,
 49 2006. Assets for which a fair market value is not provided shall
 50 be excluded from the assets used in the determination of annual
 51 funding cost. For fiscal years ending in 2010, 2011, and 2012,
 52 statement value may be determined without regard to the corridor
 53 limit above and below the fair market value of assets. Any
 54 retirement system or plan that makes a determination of its
 55 statement value without regard to the corridor limit above and
 56 below the fair market value of assets must disclose this option

57 of funding in its actuarial valuation for affected plan years.

58 Section 3. Subsections (2) and (3) of section 112.64,
59 Florida Statutes, are amended to read:

60 112.64 Administration of funds; amortization of unfunded
61 liability.—

62 (2) (a) From and after October 1, 1980, for those plans in
63 existence on October 1, 1980, the total contributions to the
64 retirement system or plan shall be sufficient to meet the normal
65 cost of the retirement system or plan and to amortize the
66 unfunded liability, if any, within 40 years; however, ~~nothing~~
67 ~~contained in this paragraph does not permit subsection permits~~
68 any retirement system or plan to amortize its unfunded
69 liabilities over a period longer than that which remains under
70 its current amortization schedule.

71 (b) Notwithstanding paragraph (a), for retirement systems
72 or plans with an actuarial funded ratio of 90 percent or greater
73 in the plan year ending in calendar year 2008, calculated using
74 the Governmental Accounting Standards Board Statement 25 basis,
75 the provisions of subparagraph 1. may be applied to funding for
76 plan years beginning in calendar years 2010, 2011, and 2012:

77 1. Total contributions to the retirement system or plan
78 may be limited to the greater of:

79 a. The contribution rate in effect for the previous plan
80 year; or

81 b. The normal cost of the retirement system or plan in the
82 current plan year.

83 2. This paragraph does not permit any retirement system or
84 plan to amortize its unfunded liabilities over a period longer

85 than that which remains under its existing amortization
86 schedules. New amortization bases created in plan years
87 beginning in calendar years 2010, 2011, and 2012 may not exceed
88 the maximum duration allowed in this section, notwithstanding
89 any postponed amortization payments resulting from the
90 application of this paragraph.

91 3. Any retirement system or plan that uses the provisions
92 of subparagraph 1. must disclose this option of funding in its
93 actuarial valuation for affected plan years beginning in
94 calendar years 2010, 2011, and 2012.

95 (3) (a) For a retirement system or plan which comes into
96 existence after October 1, 1980, the unfunded liability, if any,
97 shall be amortized within 40 years of the first plan year.

98 (b) Notwithstanding paragraph (a), for retirement systems
99 or plans with an actuarial funded ratio of 90 percent or greater
100 in the plan year ending in calendar year 2008, calculated using
101 the Governmental Accounting Standards Board Statement 25 basis,
102 the provisions of subparagraph 1. may be applied to funding for
103 plan years beginning in calendar years 2010, 2011, and 2012:

104 1. Total contributions to the retirement system or plan
105 may be limited to the greater of:

106 a. The contribution rate in effect for the previous plan
107 year; or

108 b. The normal cost of the retirement system or plan in the
109 current plan year.

110 2. This paragraph does not permit any retirement system or
111 plan to amortize its unfunded liabilities over a period longer
112 than that which remains under its existing amortization

113 schedules. New amortization bases created in plan years
 114 beginning in calendar years 2010, 2011, and 2012 may not exceed
 115 the maximum duration allowed in this section, notwithstanding
 116 any postponed amortization payments resulting from the
 117 application of this paragraph.

118 3. Any retirement system or plan that uses the provisions
 119 of subparagraph 1. must disclose this option of funding in its
 120 actuarial valuation for affected plan years beginning in
 121 calendar years 2010, 2011, and 2012.

122 Section 4. Paragraph (c) of subsection (2) of section
 123 121.051, Florida Statutes, is amended to read:

124 121.051 Participation in the system.—

125 (2) OPTIONAL PARTICIPATION.—

126 (c) Employees of public community colleges or charter
 127 technical career centers sponsored by public community colleges,
 128 designated in s. 1000.21(3), who are members of the Regular
 129 Class of the Florida Retirement System and who comply with the
 130 criteria set forth in this paragraph and s. 1012.875 may, in
 131 lieu of participating in the Florida Retirement System, elect to
 132 withdraw from the system altogether and participate in the State
 133 Community College System Optional Retirement Program provided by
 134 the employing agency under s. 1012.875.

135 1. Through June 30, 2001, the cost to the employer for
 136 such annuity equals the normal cost portion of the employer
 137 retirement contribution which would be required if the employee
 138 were a member of the Regular Class defined benefit program, plus
 139 the portion of the contribution rate required by s. 112.363(8)
 140 which would otherwise be assigned to the Retiree Health

141 Insurance Subsidy Trust Fund. Effective July 1, 2001, each
142 employer shall contribute on behalf of each participant in the
143 optional program an amount equal to 10.43 percent of the
144 participant's gross monthly compensation. The employer shall
145 deduct an amount for the administration of the program. The
146 employer shall contribute an additional amount to the Florida
147 Retirement System Trust Fund equal to the unfunded actuarial
148 accrued liability portion of the Regular Class contribution
149 rate, except as provided in s. 112.64(2)(b).

150 2. The decision to participate in an optional retirement
151 program is irrevocable as long as the employee holds a position
152 eligible for participation, except as provided in subparagraph
153 3. Any service creditable under the Florida Retirement System is
154 retained after the member withdraws from the system; however,
155 additional service credit in the system may not be earned while
156 a member of the optional retirement program.

157 3. An employee who has elected to participate in the
158 optional retirement program shall have one opportunity, at the
159 employee's discretion, to transfer from the optional retirement
160 program to the defined benefit program of the Florida Retirement
161 System or to the Public Employee Optional Retirement Program,
162 subject to the terms of the applicable optional retirement
163 program contracts.

164 a. If the employee chooses to move to the Public Employee
165 Optional Retirement Program, any contributions, interest, and
166 earnings creditable to the employee under the State Community
167 College System Optional Retirement Program are retained by the
168 employee in the State Community College System Optional

169 Retirement Program, and the applicable provisions of s.
 170 121.4501(4) govern the election.

171 b. If the employee chooses to move to the defined benefit
 172 program of the Florida Retirement System, the employee shall
 173 receive service credit equal to his or her years of service
 174 under the State Community College System Optional Retirement
 175 Program.

176 (I) The cost for such credit is the amount representing
 177 the present value of the employee's accumulated benefit
 178 obligation for the affected period of service. The cost shall be
 179 calculated as if the benefit commencement occurs on the first
 180 date the employee becomes eligible for unreduced benefits, using
 181 the discount rate and other relevant actuarial assumptions that
 182 were used to value the Florida Retirement System defined benefit
 183 plan liabilities in the most recent actuarial valuation. The
 184 calculation must include any service already maintained under
 185 the defined benefit plan in addition to the years under the
 186 State Community College System Optional Retirement Program. The
 187 present value of any service already maintained must be applied
 188 as a credit to total cost resulting from the calculation. The
 189 division shall ensure that the transfer sum is prepared using a
 190 formula and methodology certified by an enrolled actuary.

191 (II) The employee must transfer from his or her State
 192 Community College System Optional Retirement Program account and
 193 from other employee moneys as necessary, a sum representing the
 194 present value of the employee's accumulated benefit obligation
 195 immediately following the time of such movement, determined
 196 assuming that attained service equals the sum of service in the

197 defined benefit program and service in the State Community
198 College System Optional Retirement Program.

199 4. Participation in the optional retirement program is
200 limited to employees who satisfy the following eligibility
201 criteria:

202 a. The employee must be otherwise eligible for membership
203 or renewed membership in the Regular Class of the Florida
204 Retirement System, as provided in s. 121.021(11) and (12) or s.
205 121.122.

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

209 (I) Instructional; or

210 (II) Executive Management, Instructional Management, or
211 Institutional Management, if a community college determines that
212 recruiting to fill a vacancy in the position is to be conducted
213 in the national or regional market, and the duties and
214 responsibilities of the position include the formulation,
215 interpretation, or implementation of policies, or the
216 performance of functions that are unique or specialized within
217 higher education and that frequently support the mission of the
218 community college.

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

222 5. Participants in the program are subject to the same
223 reemployment limitations, renewed membership provisions, and
224 forfeiture provisions as are applicable to regular members of

225 the Florida Retirement System under ss. 121.091(9), 121.122, and
 226 121.091(5), respectively. A participant who receives a program
 227 distribution funded by employer contributions shall be deemed to
 228 be retired from a state-administered retirement system if the
 229 participant is subsequently employed with an employer that
 230 participates in the Florida Retirement System.

231 6. Eligible community college employees are compulsory
 232 members of the Florida Retirement System until, pursuant to s.
 233 1012.875, a written election to withdraw from the system and
 234 participate in the State Community College System Optional
 235 Retirement Program is filed with the program administrator and
 236 received by the division.

237 a. A community college employee whose program eligibility
 238 results from initial employment must be enrolled in the State
 239 Community College System Optional Retirement Program retroactive
 240 to the first day of eligible employment. The employer retirement
 241 contributions paid through the month of the employee plan change
 242 shall be transferred to the community college to the employee's
 243 optional program account, and, effective the first day of the
 244 next month, the employer shall pay the applicable contributions
 245 based upon subparagraph 1.

246 b. A community college employee whose program eligibility
 247 is due to the subsequent designation of the employee's position
 248 as one of those specified in subparagraph 4., or due to the
 249 employee's appointment, promotion, transfer, or reclassification
 250 to a position specified in subparagraph 4., must be enrolled in
 251 the program on the first day of the first full calendar month
 252 that such change in status becomes effective. The employer

253 retirement contributions paid from the effective date through
 254 the month of the employee plan change must be transferred to the
 255 community college to the employee's optional program account,
 256 and, effective the first day of the next month, the employer
 257 shall pay the applicable contributions based upon subparagraph
 258 1.

259 7. Effective July 1, 2003, through December 31, 2008, any
 260 participant of the State Community College System Optional
 261 Retirement Program who has service credit in the defined benefit
 262 plan of the Florida Retirement System for the period between his
 263 or her first eligibility to transfer from the defined benefit
 264 plan to the optional retirement program and the actual date of
 265 transfer may, during employment, transfer to the optional
 266 retirement program a sum representing the present value of the
 267 accumulated benefit obligation under the defined benefit
 268 retirement program for the period of service credit. Upon
 269 transfer, all service credit previously earned under the defined
 270 benefit program of the Florida Retirement System during this
 271 period is nullified for purposes of entitlement to a future
 272 benefit under the defined benefit program of the Florida
 273 Retirement System.

274 Section 5. Paragraph (a) of subsection (3) and paragraph
 275 (a) of subsection (7) of section 121.053, Florida Statutes, are
 276 amended to read:

277 121.053 Participation in the Elected Officers' Class for
 278 retired members.—

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

280 (a) A retiree of a state-administered retirement system

281 who is elected or appointed for the first time to an elective
 282 office in a regularly established position with a covered
 283 employer may not reenroll in the Florida Retirement System. Each
 284 employer shall contribute on behalf of each employed retiree
 285 ineligible for renewed membership under this paragraph an amount
 286 equal to the unfunded actuarial liability portion of the
 287 employer contribution which would be required for members of the
 288 Elected Officers' Class or the Regular Class, as appropriate, in
 289 the Florida Retirement System, except as provided in s.
 290 112.64(2)(b).

291 (7) A member who is elected or appointed to an elective
 292 office and who is participating in the Deferred Retirement
 293 Option Program is not subject to termination as defined in s.
 294 121.021, or reemployment limitations as provided in s.
 295 121.091(9), until the end of his or her current term of office
 296 or, if the officer is consecutively elected or reelected to an
 297 elective office eligible for coverage under the Florida
 298 Retirement System, until he or she no longer holds an elective
 299 office, as follows:

300 (a) At the end of the 60-month DROP period:

301 1. The officer's DROP account may not accrue additional
 302 monthly benefits, but does continue to earn interest as provided
 303 in s. 121.091(13). However, an officer whose DROP participation
 304 begins on or after July 1, 2010, may not continue to earn such
 305 interest.

306 2. Except for the payment of the unfunded actuarial
 307 liability funding, retirement contributions are not required of
 308 the employer of the elected officer and additional retirement

309 credit may not be earned under the Florida Retirement System.
310 Each employer shall contribute on behalf of each nonenrolled
311 employee under this subsection an amount equal to the unfunded
312 actuarial liability portion of the employer contribution which
313 would be required for members of the Elected Officers' Class or
314 the Regular Class, as appropriate, in the Florida Retirement
315 System, except as provided in s. 112.64(2)(b).

316 Section 6. Paragraph (b) of subsection (1) and paragraph
317 (d) of subsection (6) of section 121.055, Florida Statutes, are
318 amended to read:

319 121.055 Senior Management Service Class.—There is hereby
320 established a separate class of membership within the Florida
321 Retirement System to be known as the "Senior Management Service
322 Class," which shall become effective February 1, 1987.

323 (1)

324 (b)1. Except as provided in subparagraph 2., effective
325 January 1, 1990, participation in the Senior Management Service
326 Class shall be compulsory for the president of each community
327 college, the manager of each participating city or county, and
328 all appointed district school superintendents. Effective January
329 1, 1994, additional positions may be designated for inclusion in
330 the Senior Management Service Class of the Florida Retirement
331 System, provided that:

332 a. Positions to be included in the class shall be
333 designated by the local agency employer. Notice of intent to
334 designate positions for inclusion in the class shall be
335 published once a week for 2 consecutive weeks in a newspaper of
336 general circulation published in the county or counties

337 affected, as provided in chapter 50.

338 b. Up to 10 nonelective full-time positions may be
 339 designated for each local agency employer reporting to the
 340 Department of Management Services; for local agencies with 100
 341 or more regularly established positions, additional nonelective
 342 full-time positions may be designated, not to exceed 1 percent
 343 of the regularly established positions within the agency.

344 c. Each position added to the class must be a managerial
 345 or policymaking position filled by an employee who is not
 346 subject to continuing contract and serves at the pleasure of the
 347 local agency employer without civil service protection, and who:

348 (I) Heads an organizational unit; or

349 (II) Has responsibility to effect or recommend personnel,
 350 budget, expenditure, or policy decisions in his or her areas of
 351 responsibility.

352 2. In lieu of participation in the Senior Management
 353 Service Class, members of the Senior Management Service Class
 354 pursuant to the provisions of subparagraph 1. may withdraw from
 355 the Florida Retirement System altogether. The decision to
 356 withdraw from the Florida Retirement System shall be irrevocable
 357 for as long as the employee holds such a position. Any service
 358 creditable under the Senior Management Service Class shall be
 359 retained after the member withdraws from the Florida Retirement
 360 System; however, additional service credit in the Senior
 361 Management Service Class shall not be earned after such
 362 withdrawal. Such members shall not be eligible to participate in
 363 the Senior Management Service Optional Annuity Program. Each
 364 employer shall contribute on behalf of each withdrawn employee

365 under this subparagraph an amount equal to the unfunded
 366 actuarial accrued liability portion of the employer contribution
 367 which would be required for members of the Senior Management
 368 Service Class in the Florida Retirement System, except as
 369 provided in s. 112.64(2)(b).

370 3. Effective January 1, 2006, through June 30, 2006, an
 371 employee who has withdrawn from the Florida Retirement System
 372 under subparagraph 2. has one opportunity to elect to
 373 participate in either the defined benefit program or the Public
 374 Employee Optional Retirement Program of the Florida Retirement
 375 System.

376 a. If the employee elects to participate in the Public
 377 Employee Optional Retirement Program, membership shall be
 378 prospective, and the applicable provisions of s. 121.4501(4)
 379 shall govern the election.

380 b. If the employee elects to participate in the defined
 381 benefit program of the Florida Retirement System, the employee
 382 shall, upon payment to the system trust fund of the amount
 383 calculated under sub-sub-subparagraph (I), receive service
 384 credit for prior service based upon the time during which the
 385 employee had withdrawn from the system.

386 (I) The cost for such credit shall be an amount
 387 representing the actuarial accrued liability for the affected
 388 period of service. The cost shall be calculated using the
 389 discount rate and other relevant actuarial assumptions that were
 390 used to value the Florida Retirement System defined benefit plan
 391 liabilities in the most recent actuarial valuation. The
 392 calculation shall include any service already maintained under

393 the defined benefit plan in addition to the period of
394 withdrawal. The actuarial accrued liability attributable to any
395 service already maintained under the defined benefit plan shall
396 be applied as a credit to the total cost resulting from the
397 calculation. The division shall ensure that the transfer sum is
398 prepared using a formula and methodology certified by an
399 actuary.

400 (II) The employee must transfer a sum representing the net
401 cost owed for the actuarial accrued liability in sub-sub-
402 subparagraph (I) immediately following the time of such
403 movement, determined assuming that attained service equals the
404 sum of service in the defined benefit program and the period of
405 withdrawal.

406 (6)

407 (d) Contributions.—

408 1. Through June 30, 2001, each employer shall contribute
409 on behalf of each participant in the Senior Management Service
410 Optional Annuity Program an amount equal to the normal cost
411 portion of the employer retirement contribution which would be
412 required if the participant were a Senior Management Service
413 Class member of the Florida Retirement System defined benefit
414 program, plus the portion of the contribution rate required in
415 s. 112.363(8) that would otherwise be assigned to the Retiree
416 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
417 each employer shall contribute on behalf of each participant in
418 the optional program an amount equal to 12.49 percent of the
419 participant's gross monthly compensation. The department shall
420 deduct an amount approved by the Legislature to provide for the

421 administration of this program. The payment of the contributions
422 to the optional program which is required by this subparagraph
423 for each participant shall be made by the employer to the
424 department, which shall forward the contributions to the
425 designated company or companies contracting for payment of
426 benefits for the participant under the program.

427 2. Each employer shall contribute on behalf of each
428 participant in the Senior Management Service Optional Annuity
429 Program an amount equal to the unfunded actuarial accrued
430 liability portion of the employer contribution which would be
431 required for members of the Senior Management Service Class in
432 the Florida Retirement System, except as provided in s.
433 112.64(2)(b). This contribution shall be paid to the department
434 for transfer to the Florida Retirement System Trust Fund.

435 3. An Optional Annuity Program Trust Fund shall be
436 established in the State Treasury and administered by the
437 department to make payments to provider companies on behalf of
438 the optional annuity program participants, and to transfer the
439 unfunded liability portion of the state optional annuity program
440 contributions to the Florida Retirement System Trust Fund.

441 4. Contributions required for social security by each
442 employer and each participant, in the amount required for social
443 security coverage as now or hereafter may be provided by the
444 federal Social Security Act shall be maintained for each
445 participant in the Senior Management Service retirement program
446 and shall be in addition to the retirement contributions
447 specified in this paragraph.

448 5. Each participant in the Senior Management Service

449 Optional Annuity Program may contribute by way of salary
 450 reduction or deduction a percentage amount of the participant's
 451 gross compensation not to exceed the percentage amount
 452 contributed by the employer to the optional annuity program.
 453 Payment of the participant's contributions shall be made by the
 454 employer to the department, which shall forward the
 455 contributions to the designated company or companies contracting
 456 for payment of benefits for the participant under the program.

457 Section 7. Paragraph (c) of subsection (9) of section
 458 121.091, Florida Statutes, is amended to read:

459 121.091 Benefits payable under the system.—Benefits may
 460 not be paid under this section unless the member has terminated
 461 employment as provided in s. 121.021(39) (a) or begun
 462 participation in the Deferred Retirement Option Program as
 463 provided in subsection (13), and a proper application has been
 464 filed in the manner prescribed by the department. The department
 465 may cancel an application for retirement benefits when the
 466 member or beneficiary fails to timely provide the information
 467 and documents required by this chapter and the department's
 468 rules. The department shall adopt rules establishing procedures
 469 for application for retirement benefits and for the cancellation
 470 of such application when the required information or documents
 471 are not received.

472 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

473 (c) Any person whose retirement is effective on or after
 474 July 1, 2010, or whose participation in the Deferred Retirement
 475 Option Program terminates on or after July 1, 2010, who is
 476 retired under this chapter, except under the disability

477 retirement provisions of subsection (4) or as provided in s.
478 121.053, may be reemployed by an employer that participates in a
479 state-administered retirement system and receive retirement
480 benefits and compensation from that employer. However, a person
481 may not be reemployed by an employer participating in the
482 Florida Retirement System before meeting the definition of
483 termination in s. 121.021 and may not receive both a salary from
484 the employer and retirement benefits for 6 calendar months after
485 meeting the definition of termination. However, a DROP
486 participant shall continue employment and receive a salary
487 during the period of participation in the Deferred Retirement
488 Option Program, as provided in subsection (13).

489 1. The reemployed retiree may not renew membership in the
490 Florida Retirement System.

491 2. The employer shall pay retirement contributions in an
492 amount equal to the unfunded actuarial liability portion of the
493 employer contribution that would be required for active members
494 of the Florida Retirement System in addition to the
495 contributions required by s. 121.76, except as provided in s.
496 112.64(2)(b).

497 3. A retiree initially reemployed in violation of this
498 paragraph and an employer that employs or appoints such person
499 are jointly and severally liable for reimbursement of any
500 retirement benefits paid to the retirement trust fund from which
501 the benefits were paid, including the Florida Retirement System
502 Trust Fund and the Public Employee Optional Retirement Program
503 Trust Fund, as appropriate. The employer must have a written
504 statement from the employee that he or she is not retired from a

505 state-administered retirement system. Retirement benefits shall
506 remain suspended until repayment is made. Benefits suspended
507 beyond the end of the retiree's 6-month reemployment limitation
508 period shall apply toward the repayment of benefits received in
509 violation of this paragraph.

510 Section 8. Subsection (2) of section 121.122, Florida
511 Statutes, is amended to read:

512 121.122 Renewed membership in system.—

513 (2) A retiree of a state-administered retirement system
514 who is initially reemployed on or after July 1, 2010, is not
515 eligible for renewed membership. Each employer shall contribute
516 on behalf of each reemployed retiree ineligible for membership
517 under this subsection an amount equal to the unfunded actuarial
518 liability portion of the employer contribution which would be
519 required for the membership class covering the position held,
520 except as provided in s. 112.64(2)(b).

521 Section 9. Paragraph (b) of subsection (4) of section
522 121.35, Florida Statutes, is amended to read:

523 121.35 Optional retirement program for the State
524 University System.—

525 (4) CONTRIBUTIONS.—

526 (b) Each employer shall contribute on behalf of each
527 participant in the optional retirement program an amount equal
528 to the unfunded actuarial accrued liability portion of the
529 employer contribution which would be required for members of the
530 Florida Retirement System, except as provided in s.
531 112.64(2)(b). This contribution shall be paid to the department
532 for transfer to the Florida Retirement System Trust Fund.

533 Section 10. Paragraph (b) of subsection (4) of section
 534 1012.875, Florida Statutes, is amended to read:

535 1012.875 State Community College System Optional
 536 Retirement Program.—Each community college may implement an
 537 optional retirement program, if such program is established
 538 therefor pursuant to s. 1001.64(20), under which annuity or
 539 other contracts providing retirement and death benefits may be
 540 purchased by, and on behalf of, eligible employees who
 541 participate in the program, in accordance with s. 403(b) of the
 542 Internal Revenue Code. Except as otherwise provided herein, this
 543 retirement program, which shall be known as the State Community
 544 College System Optional Retirement Program, may be implemented
 545 and administered only by an individual community college or by a
 546 consortium of community colleges.

547 (4)

548 (b) Each college must contribute on behalf of each program
 549 participant an amount equal to the unfunded actuarial accrued
 550 liability portion of the employer contribution which would be
 551 required if the program participant were a member of the Regular
 552 Class of the Florida Retirement System, except as provided in s.
 553 112.64(2)(b). Payment of this contribution must be made directly
 554 by the college to the department for deposit in the Florida
 555 Retirement System Trust Fund.

556 Section 11. The Legislature finds that a proper and
 557 legitimate state purpose is served when employees and retirees
 558 of the state and its political subdivisions, and the dependents,
 559 survivors, and beneficiaries of such employees and retirees, are
 560 extended the basic protections afforded by governmental

561 retirement systems. These persons must be provided benefits that
562 are fair and adequate and that are managed, administered, and
563 funded in an actuarially sound manner, as required by s. 14,
564 Article X of the State Constitution and part VII of chapter 112,
565 Florida Statutes. Therefore, the Legislature determines and
566 declares that this act fulfills an important state interest.

567 Section 12. This act shall take effect July 1, 2010.