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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.

59 |

60 | WHEREAS, both the House of Representatives and the Senate
61 | passed House Bill 5701 during the 2010 regular legislative
62 | session, and

63 | WHEREAS, the substance of House Bill 5701 was removed from
64 | the budget package during budget conference negotiations because
65 | of an agreement to budget for higher revenues than the House had
66 | initially anticipated, and

67 | WHEREAS, Congress has not approved the extension of Federal
68 | Medical Assistance Percentage funding, and the future of this
69 | funding is uncertain, and

70 | WHEREAS, the Deepwater Horizon oil spill is projected to
71 | have a significant negative impact on state and local revenues
72 | due to a decrease in tourism, and

73 | WHEREAS, in order to fulfill its constitutional duty to
74 | balance the state budget and protect Florida's taxpayers, the
75 | Legislature must cut spending to make up for lost revenues, and

76 | WHEREAS, the optional health insurance subsidy will cost
77 | Florida taxpayers approximately \$335 million dollars this fiscal
78 | year, and

79 | WHEREAS, in order to preserve funding for core spending
80 | areas such as education and health care, the Legislature must
81 | first look to cutting optional programs, NOW, THEREFORE,

82 |

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

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85 Section 1. Section 110.12312, Florida Statutes, is amended
 86 to read:

87 110.12312 Open enrollment period for retirees.—On or after
 88 July 1, 1997, the Department of Management Services shall
 89 provide for an open enrollment period for retired state
 90 employees who want to obtain health insurance coverage under ss.
 91 110.123 and 110.12315. The options offered during the open
 92 enrollment period must provide the same health insurance
 93 coverage as the coverage provided to active employees under the
 94 same premium payment conditions in effect for covered retirees,
 95 ~~including eligibility for health insurance subsidy payments~~
 96 ~~under s. 112.363.~~ A person who separates from employment
 97 subsequent to May 1, 1988, but whose date of retirement occurs
 98 on or after August 1, 1995, is eligible as of the first open
 99 enrollment period occurring after July 1, 1997, with an
 100 effective date of January 1, 1998, as long as the retiree's
 101 enrollment remains in effect.

102 Section 2. Paragraph (h) of subsection (2) of section
 103 112.19, Florida Statutes, is amended to read:

104 112.19 Law enforcement, correctional, and correctional
 105 probation officers; death benefits.—

106 (2)

107 (h)1. Any employer who employs a full-time law
 108 enforcement, correctional, or correctional probation officer
 109 who, on or after January 1, 1995, suffers a catastrophic injury,
 110 as defined in s. 440.02, Florida Statutes 2002, in the line of
 111 duty shall pay the entire premium of the employer's health
 112 insurance plan for the injured employee, the injured employee's

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113 spouse, and for each dependent child of the injured employee
114 until the child reaches the age of majority or until the end of
115 the calendar year in which the child reaches the age of 25 if
116 the child continues to be dependent for support, or the child is
117 a full-time or part-time student and is dependent for support.
118 The term "health insurance plan" does not include supplemental
119 benefits that are not part of the basic group health insurance
120 plan. If the injured employee subsequently dies, the employer
121 shall continue to pay the entire health insurance premium for
122 the surviving spouse until remarried, and for the dependent
123 children, under the conditions outlined in this paragraph.

124 However:

125 a. Health insurance benefits payable from any other source
126 shall reduce benefits payable under this section.

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

134 c. In addition to any applicable criminal penalty, upon
135 conviction for a violation as described in sub-subparagraph b.,
136 a law enforcement, correctional, or correctional probation
137 officer or other beneficiary who receives or seeks to receive
138 health insurance benefits under this paragraph shall forfeit the
139 right to receive such health insurance benefits, and shall
140 reimburse the employer for all benefits paid due to the fraud or

141 other prohibited activity. For purposes of this sub-
 142 subparagraph, "conviction" means a determination of guilt that
 143 is the result of a plea or trial, regardless of whether
 144 adjudication is withheld.

145 2. In order for the officer, spouse, and dependent
 146 children to be eligible for such insurance coverage, the injury
 147 must have occurred as the result of the officer's response to
 148 fresh pursuit, the officer's response to what is reasonably
 149 believed to be an emergency, or an unlawful act perpetrated by
 150 another. Except as otherwise provided herein, nothing in this
 151 paragraph shall be construed to limit health insurance coverage
 152 for which the officer, spouse, or dependent children may
 153 otherwise be eligible, except that a person who qualifies under
 154 this section shall not be eligible for the health insurance
 155 subsidy provided under ~~chapter 121~~, chapter 175, or chapter 185.

156 Section 3. Paragraph (g) of subsection (2) of section
 157 112.191, Florida Statutes, is amended to read:

158 112.191 Firefighters; death benefits.—

159 (2)

160 (g)1. Any employer who employs a full-time firefighter
 161 who, on or after January 1, 1995, suffers a catastrophic injury,
 162 as defined in s. 440.02, Florida Statutes 2002, in the line of
 163 duty shall pay the entire premium of the employer's health
 164 insurance plan for the injured employee, the injured employee's
 165 spouse, and for each dependent child of the injured employee
 166 until the child reaches the age of majority or until the end of
 167 the calendar year in which the child reaches the age of 25 if
 168 the child continues to be dependent for support, or the child is

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169 a full-time or part-time student and is dependent for support.
170 The term "health insurance plan" does not include supplemental
171 benefits that are not part of the basic group health insurance
172 plan. If the injured employee subsequently dies, the employer
173 shall continue to pay the entire health insurance premium for
174 the surviving spouse until remarried, and for the dependent
175 children, under the conditions outlined in this paragraph.

176 However:

177 a. Health insurance benefits payable from any other source
178 shall reduce benefits payable under this section.

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

186 c. In addition to any applicable criminal penalty, upon
187 conviction for a violation as described in sub-subparagraph b.,
188 a firefighter or other beneficiary who receives or seeks to
189 receive health insurance benefits under this paragraph shall
190 forfeit the right to receive such health insurance benefits, and
191 shall reimburse the employer for all benefits paid due to the
192 fraud or other prohibited activity. For purposes of this sub-
193 subparagraph, "conviction" means a determination of guilt that
194 is the result of a plea or trial, regardless of whether
195 adjudication is withheld.

196 2. In order for the firefighter, spouse, and dependent

197 children to be eligible for such insurance coverage, the injury
 198 must have occurred as the result of the firefighter's response
 199 to what is reasonably believed to be an emergency involving the
 200 protection of life or property, or an unlawful act perpetrated
 201 by another. Except as otherwise provided herein, nothing in this
 202 paragraph shall be construed to limit health insurance coverage
 203 for which the firefighter, spouse, or dependent children may
 204 otherwise be eligible, except that a person who qualifies for
 205 benefits under this section shall not be eligible for the health
 206 insurance subsidy provided under ~~chapter 121,~~ chapter 175, or
 207 chapter 185.

208
 209 Notwithstanding any provision of this section to the contrary,
 210 the death benefits provided in paragraphs (b), (c), and (f)
 211 shall also be applicable and paid in cases where a firefighter
 212 received bodily injury prior to July 1, 1993, and subsequently
 213 died on or after July 1, 1993, as a result of such in-line-of-
 214 duty injury.

215 Section 4. Paragraph (e) of subsection (2) and subsections
 216 (3), (4), and (9) of section 112.363, Florida Statutes, are
 217 amended, paragraph (g) is added to subsection (8) of that
 218 section, and subsections (10) and (11) are added to that
 219 section, to read:

220 112.363 Retiree health insurance subsidy.—
 221 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—
 222 (e) Participants in the Senior Management Service Optional
 223 Annuity Program as provided in s. 121.055(6) and the State
 224 University System Optional Retirement Program as provided in s.

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225 121.35 shall not receive the retiree health insurance subsidy
226 provided in this section. The employer of such participant shall
227 pay the contributions required in subsection (8) to the annuity
228 program provided in s. 121.055(6)(d) or s. 121.35(4)(a), as
229 applicable, through July 31, 2010.

230 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—

231 (a) Beginning January 1, 1988, each eligible retiree or a
232 beneficiary who is a spouse or financial dependent thereof shall
233 receive a monthly retiree health insurance subsidy payment equal
234 to the number of years of creditable service, as defined in s.
235 121.021(17), completed at the time of retirement multiplied by
236 \$1; however, no retiree may receive a subsidy payment of more
237 than \$30 or less than \$10.

238 (b) Beginning January 1, 1989, each eligible retiree or a
239 beneficiary who is a spouse or financial dependent shall receive
240 a monthly retiree health insurance subsidy payment equal to the
241 number of years of creditable service, as defined in s.
242 121.021(17), completed at the time of retirement multiplied by
243 \$2; however, no retiree may receive a subsidy payment of more
244 than \$60 or less than \$20.

245 (c) Beginning January 1, 1991, each eligible retiree or a
246 beneficiary who is a spouse or financial dependent shall receive
247 a monthly retiree health insurance subsidy payment equal to the
248 number of years of creditable service, as defined in s.
249 121.021(17), completed at the time of retirement multiplied by
250 \$3; however, no retiree may receive a subsidy payment of more
251 than \$90 or less than \$30.

252 (d) Beginning January 1, 1999, each eligible retiree or,

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253 | if the retiree is deceased, his or her beneficiary who is
254 | receiving a monthly benefit from such retiree's account and who
255 | is a spouse, or a person who meets the definition of joint
256 | annuitant in s. 121.021(28), shall receive a monthly retiree
257 | health insurance subsidy payment equal to the number of years of
258 | creditable service, as defined in s. 121.021(17), completed at
259 | the time of retirement multiplied by \$5; however, no eligible
260 | retiree or such beneficiary may receive a subsidy payment of
261 | more than \$150 or less than \$50. If there are multiple
262 | beneficiaries, the total payment must not be greater than the
263 | payment to which the retiree was entitled.

264 | (e)1. Beginning July 1, 2001, each eligible retiree of the
265 | defined benefit program of the Florida Retirement System, or, if
266 | the retiree is deceased, his or her beneficiary who is receiving
267 | a monthly benefit from such retiree's account and who is a
268 | spouse, or a person who meets the definition of joint annuitant
269 | in s. 121.021(28), shall receive a monthly retiree health
270 | insurance subsidy payment equal to the number of years of
271 | creditable service, as defined in s. 121.021(17), completed at
272 | the time of retirement multiplied by \$5; however, no eligible
273 | retiree or beneficiary may receive a subsidy payment of more
274 | than \$150 or less than \$30. If there are multiple beneficiaries,
275 | the total payment must not be greater than the payment to which
276 | the retiree was entitled. The health insurance subsidy amount
277 | payable to any person receiving the retiree health insurance
278 | subsidy payment on July 1, 2001, shall not be reduced solely by
279 | operation of this subparagraph.

280 | 2. Beginning July 1, 2002, each eligible participant of

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281 the Public Employee Optional Retirement Program of the Florida
 282 Retirement System who has met the requirements of this section,
 283 or, if the participant is deceased, his or her spouse who is the
 284 participant's designated beneficiary, shall receive a monthly
 285 retiree health insurance subsidy payment equal to the number of
 286 years of creditable service, as provided in this subparagraph,
 287 completed at the time of retirement, multiplied by \$5; however,
 288 no eligible retiree or beneficiary may receive a subsidy payment
 289 of more than \$150 or less than \$30. For purposes of determining
 290 a participant's creditable service used to calculate the health
 291 insurance subsidy, a participant's years of service credit or
 292 fraction thereof shall be based on the participant's work year
 293 as defined in s. 121.021(54). Credit shall be awarded for a full
 294 work year whenever health insurance subsidy contributions have
 295 been made as required by law for each month in the participant's
 296 work year. In addition, all years of creditable service retained
 297 under the Florida Retirement System defined benefit program
 298 shall be included as creditable service for purposes of this
 299 section. Notwithstanding any other provision in this section to
 300 the contrary, the spouse at the time of death shall be the
 301 participant's beneficiary unless such participant has designated
 302 a different beneficiary subsequent to the participant's most
 303 recent marriage.

304
 305 Notwithstanding any provision of this subsection, payments may
 306 not be made to retirees who do not establish eligibility under
 307 this section prior to August 1, 2010.

308 (4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning

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309 January 1, 1988, through December 31, 2010, any monthly retiree
310 health insurance subsidy amount due and payable under this
311 section shall be paid to retired members by the Department of
312 Management Services or under the direction and control of the
313 department.

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

316 (g) Beginning August 1, 2010, the employer of each member
317 of a state-administered plan shall contribute 0 percent of gross
318 compensation for each pay period.

319
320 Such contributions shall be submitted to the Department of
321 Management Services and deposited in the Retiree Health
322 Insurance Subsidy Trust Fund.

323 (9) BENEFITS.—Except as provided in subsection (10),
324 subsidy payments shall be payable under the retiree health
325 insurance subsidy program only to participants in the program or
326 their beneficiaries, beginning with the month the division
327 receives certification of coverage for health insurance for the
328 eligible retiree or beneficiary. If the division receives such
329 certification at any time during the 6 months after retirement
330 benefits commence, the retiree health insurance subsidy shall be
331 paid retroactive to the effective retirement date. If, however,
332 the division receives such certification 7 or more months after
333 commencement of benefits, the retroactive retiree health
334 insurance subsidy payment will cover a maximum of 6 months. Such
335 subsidy payments shall not be subject to assignment, execution,
336 or attachment or to any legal process whatsoever.

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337 (10) ELIMINATION OF RETIREE HEALTH INSURANCE SUBSIDY.—
338 Effective August 1, 2010, eligibility for subsidy payments shall
339 be closed to new retirees or beneficiaries and employer
340 contributions to fund the subsidy shall terminate, all monthly
341 subsidy payments shall terminate effective December 31, 2010,
342 and any remaining assets shall be transferred to the Florida
343 Retirement System Trust Fund, as follows:

344 (a) Eligibility for subsidy payments through December 31,
345 2010, shall be restricted to those retirees and beneficiaries
346 who have established eligibility pursuant to subsection (2)
347 prior to August 1, 2010. The division must receive certification
348 of coverage for such retiree or beneficiary no later than
349 October 29, 2010.

350 (b) Beginning August 1, 2010, the employer of each member
351 of a state-administered plan shall not pay contributions on
352 gross compensation to the Retiree Health Insurance Subsidy Trust
353 Fund for subsequent pay periods.

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

357 (d) Any cash, securities, and other assets remaining in
358 the Retiree Health Insurance Subsidy Trust Fund on July 31,
359 2011, less any deductions specified in subsections (6) and (7),
360 shall be transferred by the State Board of Administration to the
361 Florida Retirement System Trust Fund. The amount so transferred
362 shall be applied toward payment of any unfunded actuarial
363 accrued liability in the Florida Retirement System Trust Fund.
364 The State Board of Administration shall have the sole

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365 discretion, subject to its fiduciary duties under s. 215.47, to
 366 make cash or in-kind transfers from the Retiree Health Insurance
 367 Subsidy Trust Fund to the Florida Retirement System Trust Fund
 368 on or after July 1, 2011.

369 (e) Employer adjustments for pay periods prior to August
 370 1, 2010, shall be processed through December 31, 2010.

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

372 Section 5. Paragraph (c) of subsection (2) of section
 373 121.051, Florida Statutes, is amended to read:

374 121.051 Participation in the system.—

375 (2) OPTIONAL PARTICIPATION.—

376 (c) Employees of public community colleges or charter
 377 technical career centers sponsored by public community colleges,
 378 designated in s. 1000.21(3), who are members of the Regular
 379 Class of the Florida Retirement System and who comply with the
 380 criteria set forth in this paragraph and s. 1012.875 may, in
 381 lieu of participating in the Florida Retirement System, elect to
 382 withdraw from the system altogether and participate in the State
 383 Community College System Optional Retirement Program provided by
 384 the employing agency under s. 1012.875.

385 1. Through June 30, 2001, the cost to the employer for
 386 such annuity equals the normal cost portion of the employer
 387 retirement contribution which would be required if the employee
 388 were a member of the Regular Class defined benefit program, ~~plus~~
 389 ~~the portion of the contribution rate required by s. 112.363(8)~~
 390 ~~which would otherwise be assigned to the Retiree Health~~
 391 ~~Insurance Subsidy Trust Fund.~~ Effective July 1, 2001, through
 392 July 31, 2010, each employer shall contribute on behalf of each

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393 participant in the optional retirement program an amount equal
394 to 10.43 percent of the participant's gross monthly
395 compensation. Effective August 1, 2010, each employer shall
396 contribute on behalf of each participant in the optional
397 retirement program an amount equal to 9.49 percent of the
398 participant's gross monthly compensation. The employer shall
399 deduct an amount for the administration of the program. The
400 employer shall contribute an additional amount to the Florida
401 Retirement System Trust Fund equal to the unfunded actuarial
402 accrued liability portion of the Regular Class contribution
403 rate.

404 2. The decision to participate in an optional retirement
405 program is irrevocable as long as the employee holds a position
406 eligible for participation, except as provided in subparagraph
407 3. Any service creditable under the Florida Retirement System is
408 retained after the member withdraws from the system; however,
409 additional service credit in the system may not be earned while
410 a member of the optional retirement program.

411 3. An employee who has elected to participate in the
412 optional retirement program shall have one opportunity, at the
413 employee's discretion, to transfer from the optional retirement
414 program to the defined benefit program of the Florida Retirement
415 System or to the Public Employee Optional Retirement Program,
416 subject to the terms of the applicable optional retirement
417 program contracts.

418 a. If the employee chooses to move to the Public Employee
419 Optional Retirement Program, any contributions, interest, and
420 earnings creditable to the employee under the State Community

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421 College System Optional Retirement Program are retained by the
422 employee in the State Community College System Optional
423 Retirement Program, and the applicable provisions of s.
424 121.4501(4) govern the election.

425 b. If the employee chooses to move to the defined benefit
426 program of the Florida Retirement System, the employee shall
427 receive service credit equal to his or her years of service
428 under the State Community College System Optional Retirement
429 Program.

430 (I) The cost for such credit is the amount representing
431 the present value of the employee's accumulated benefit
432 obligation for the affected period of service. The cost shall be
433 calculated as if the benefit commencement occurs on the first
434 date the employee becomes eligible for unreduced benefits, using
435 the discount rate and other relevant actuarial assumptions that
436 were used to value the Florida Retirement System defined benefit
437 plan liabilities in the most recent actuarial valuation. The
438 calculation must include any service already maintained under
439 the defined benefit plan in addition to the years under the
440 State Community College System Optional Retirement Program. The
441 present value of any service already maintained must be applied
442 as a credit to total cost resulting from the calculation. The
443 division shall ensure that the transfer sum is prepared using a
444 formula and methodology certified by an enrolled actuary.

445 (II) The employee must transfer from his or her State
446 Community College System Optional Retirement Program account and
447 from other employee moneys as necessary, a sum representing the
448 present value of the employee's accumulated benefit obligation

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449 immediately following the time of such movement, determined
 450 assuming that attained service equals the sum of service in the
 451 defined benefit program and service in the State Community
 452 College System Optional Retirement Program.

453 4. Participation in the optional retirement program is
 454 limited to employees who satisfy the following eligibility
 455 criteria:

456 a. The employee must be otherwise eligible for membership
 457 or renewed membership in the Regular Class of the Florida
 458 Retirement System, as provided in s. 121.021(11) and (12) or s.
 459 121.122.

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

463 (I) Instructional; or

464 (II) Executive Management, Instructional Management, or
 465 Institutional Management, if a community college determines that
 466 recruiting to fill a vacancy in the position is to be conducted
 467 in the national or regional market, and the duties and
 468 responsibilities of the position include the formulation,
 469 interpretation, or implementation of policies, or the
 470 performance of functions that are unique or specialized within
 471 higher education and that frequently support the mission of the
 472 community college.

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

476 5. Participants in the program are subject to the same

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477 reemployment limitations, renewed membership provisions, and
478 forfeiture provisions as are applicable to regular members of
479 the Florida Retirement System under ss. 121.091(9), 121.122, and
480 121.091(5), respectively. A participant who receives a program
481 distribution funded by employer contributions shall be deemed to
482 be retired from a state-administered retirement system if the
483 participant is subsequently employed with an employer that
484 participates in the Florida Retirement System.

485 6. Eligible community college employees are compulsory
486 members of the Florida Retirement System until, pursuant to s.
487 1012.875, a written election to withdraw from the system and
488 participate in the State Community College System Optional
489 Retirement Program is filed with the program administrator and
490 received by the division.

491 a. A community college employee whose program eligibility
492 results from initial employment must be enrolled in the State
493 Community College System Optional Retirement Program retroactive
494 to the first day of eligible employment. The employer retirement
495 contributions paid through the month of the employee plan change
496 shall be transferred to the community college to the employee's
497 optional program account, and, effective the first day of the
498 next month, the employer shall pay the applicable contributions
499 based upon subparagraph 1.

500 b. A community college employee whose program eligibility
501 is due to the subsequent designation of the employee's position
502 as one of those specified in subparagraph 4., or due to the
503 employee's appointment, promotion, transfer, or reclassification
504 to a position specified in subparagraph 4., must be enrolled in

505 the program on the first day of the first full calendar month
 506 that such change in status becomes effective. The employer
 507 retirement contributions paid from the effective date through
 508 the month of the employee plan change must be transferred to the
 509 community college to the employee's optional program account,
 510 and, effective the first day of the next month, the employer
 511 shall pay the applicable contributions based upon subparagraph
 512 1.

513 7. Effective July 1, 2003, through December 31, 2008, any
 514 participant of the State Community College System Optional
 515 Retirement Program who has service credit in the defined benefit
 516 plan of the Florida Retirement System for the period between his
 517 or her first eligibility to transfer from the defined benefit
 518 plan to the optional retirement program and the actual date of
 519 transfer may, during employment, transfer to the optional
 520 retirement program a sum representing the present value of the
 521 accumulated benefit obligation under the defined benefit
 522 retirement program for the period of service credit. Upon
 523 transfer, all service credit previously earned under the defined
 524 benefit program of the Florida Retirement System during this
 525 period is nullified for purposes of entitlement to a future
 526 benefit under the defined benefit program of the Florida
 527 Retirement System.

528 Section 6. Paragraph (c) of subsection (7) of section
 529 121.052, Florida Statutes, is amended to read:

530 121.052 Membership class of elected officers.—

531 (7) CONTRIBUTIONS.—

532 (c) The following table states the required employer

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533 contribution on behalf of each member of the Elected Officers'
 534 Class in terms of a percentage of the member's gross
 535 compensation. Such contribution constitutes the entire health
 536 insurance subsidy contribution with respect to each such member.
 537 A change in the contribution rate is effective with the first
 538 salary paid on or after the beginning date of the change. The
 539 retiree health insurance subsidy contribution rate is as
 540 follows:

541	Dates of Contribution	Contribution
542	Rate Changes	Rate
543	October 1, 1987, through December 31, 1988	0.24%
544	January 1, 1989, through December 31, 1993	0.48%
545	January 1, 1994, through December 31, 1994	0.56%
546	January 1, 1995, through June 30, 1998	0.66%
547	July 1, 1998, through June 30, 2001	0.94%
548	Effective July 1, 2001, <u>through July 31,</u> <u>2010</u>	1.11%
549	<u>Effective August 1, 2010</u>	<u>0.00%</u>

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551 Such contributions and accompanying payroll data are due and
552 payable no later than the 5th working day of the month
553 immediately following the month during which the payroll period
554 ended and shall be deposited by the administrator in the Retiree
555 Health Insurance Subsidy Trust Fund.

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

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

561 121.053 Participation in the Elected Officers' Class for
562 retired members.—

563 (5) Any renewed member, as described in subsection (1) or
564 subsection (2), who is not receiving the maximum health
565 insurance subsidy provided in s. 112.363 and meets the
566 requirements of s. 112.363 is entitled to earn additional credit
567 toward the maximum health insurance subsidy. Any additional
568 subsidy due because of such additional credit may be received
569 only at the time of payment of the second career retirement
570 benefit. The total health insurance subsidy received from
571 initial and renewed membership may not exceed the maximum
572 allowed in s. 112.363.

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

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

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579 | 121.055 Senior Management Service Class.—There is hereby
 580 | established a separate class of membership within the Florida
 581 | Retirement System to be known as the "Senior Management Service
 582 | Class," which shall become effective February 1, 1987.

583 | (3)

584 | (c) The following table states the required employer
 585 | contribution on behalf of each member of the Senior Management
 586 | Service Class in terms of a percentage of the member's gross
 587 | compensation. Such contribution constitutes the entire health
 588 | insurance subsidy contribution with respect to each such member.
 589 | A change in the contribution rate is effective with the first
 590 | salary paid on or after the beginning date of the change. The
 591 | retiree health insurance subsidy contribution rate is as
 592 | follows:

593 Dates of Contribution	Contribution
594 Rate Changes	Rate
595 October 1, 1987, through December 31, 1988	0.24%
596 January 1, 1989, through December 31, 1993	0.48%
597 January 1, 1994, through December 31, 1994	0.56%
598 January 1, 1995, through June 30, 1998	0.66%

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600	July 1, 1998, through June 30, 2001	0.94%
601	Effective <u>July 1, 2001, through July 31, 2010</u>	1.11%
602	<u>Effective August 1, 2010</u>	<u>0.00%</u>

603

604 Such contributions and accompanying payroll data are due and

605 payable no later than the 5th working day of the month

606 immediately following the month during which the payroll period

607 ended and shall be deposited by the administrator in the Retiree

608 Health Insurance Subsidy Trust Fund.

609 (6)

610 (d) Contributions.—

611 1. Through June 30, 2001, each employer shall contribute

612 on behalf of each participant in the Senior Management Service

613 Optional Annuity Program an amount equal to the normal cost

614 portion of the employer retirement contribution which would be

615 required if the participant were a Senior Management Service

616 Class member of the Florida Retirement System defined benefit

617 program, plus the portion of the contribution rate required in

618 s. 112.363(8) that would otherwise be assigned to the Retiree

619 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,

620 through July 31, 2010, each employer shall contribute on behalf

621 of each participant in the optional program an amount equal to

622 12.49 percent of the participant's gross monthly compensation.

623 Effective August 1, 2010, each employer shall contribute on

624 behalf of each participant in the optional program an amount

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625 equal to 11.55 percent of the participant's gross monthly
626 compensation. The department shall deduct an amount approved by
627 the Legislature to provide for the administration of this
628 program. The payment of the contributions to the optional
629 program which is required by this subparagraph for each
630 participant shall be made by the employer to the department,
631 which shall forward the contributions to the designated company
632 or companies contracting for payment of benefits for the
633 participant under the program.

634 2. Each employer shall contribute on behalf of each
635 participant in the Senior Management Service Optional Annuity
636 Program an amount equal to the unfunded actuarial accrued
637 liability portion of the employer contribution which would be
638 required for members of the Senior Management Service Class in
639 the Florida Retirement System. This contribution shall be paid
640 to the department for transfer to the Florida Retirement System
641 Trust Fund.

642 3. An Optional Annuity Program Trust Fund shall be
643 established in the State Treasury and administered by the
644 department to make payments to provider companies on behalf of
645 the optional annuity program participants, and to transfer the
646 unfunded liability portion of the state optional annuity program
647 contributions to the Florida Retirement System Trust Fund.

648 4. Contributions required for social security by each
649 employer and each participant, in the amount required for social
650 security coverage as now or hereafter may be provided by the
651 federal Social Security Act shall be maintained for each
652 participant in the Senior Management Service retirement program

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653 and shall be in addition to the retirement contributions
 654 specified in this paragraph.

655 5. Each participant in the Senior Management Service
 656 Optional Annuity Program may contribute by way of salary
 657 reduction or deduction a percentage amount of the participant's
 658 gross compensation not to exceed the percentage amount
 659 contributed by the employer to the optional annuity program.
 660 Payment of the participant's contributions shall be made by the
 661 employer to the department, which shall forward the
 662 contributions to the designated company or companies contracting
 663 for payment of benefits for the participant under the program.

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

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

669 121.071 Contributions.—Contributions to the system shall
 670 be made as follows:

671 (4) The following table states the required employer
 672 contribution on behalf of each member of the Regular Class,
 673 Special Risk Class, or Special Risk Administrative Support Class
 674 in terms of a percentage of the member's gross compensation.
 675 Such contribution constitutes the entire health insurance
 676 subsidy contribution with respect to each such member. A change
 677 in the contribution rate is effective with the first salary paid
 678 on or after the beginning date of the change. The retiree health
 679 insurance subsidy contribution rate is as follows:

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	Dates of Contribution	Contribution
	Rate Changes	Rate
681	October 1, 1987, through December 31, 1988	0.24%
682	January 1, 1989, through December 31, 1993	0.48%
683	January 1, 1994, through December 31, 1994	0.56%
684	January 1, 1995, through June 30, 1998	0.66%
685	July 1, 1998, through June 30, 2001	0.94%
686	Effective <u>July 1, 2001, through July 31, 2010</u>	1.11%
687	<u>Effective August 1, 2010</u>	<u>0.00%</u>
688		
689		
690	Such contributions shall be deposited by the administrator in	
691	the Retiree Health Insurance Subsidy Trust Fund.	
692	Section 13. Effective June 30, 2011, subsection (4) of	
693	section 121.071, Florida Statutes, as amended by this act, is	
694	repealed, subsections (5) and (6) of that section are renumbered	
695	as subsections (4) and (5), respectively, and present subsection	
696	(5) is amended to read:	
697	121.071 Contributions.—Contributions to the system shall	
698	be made as follows:	
699	<u>(4)</u> (5) Contributions made in accordance with subsections	

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700 (1), (2), and (3), ~~and (4)~~, and s. 121.71 shall be paid by the
 701 employer into the system trust funds in accordance with rules
 702 adopted by the administrator pursuant to chapter 120, except as
 703 may be otherwise specified herein. Effective July 1, 2002,
 704 contributions paid under subsection ~~subsections~~ (1) ~~and (4)~~ and
 705 accompanying payroll data are due and payable no later than the
 706 5th working day of the month immediately following the month
 707 during which the payroll period ended.

708 Section 14. Paragraph (f) of subsection (13) of section
 709 121.091, Florida Statutes, is amended to read:

710 121.091 Benefits payable under the system.—Benefits may
 711 not be paid under this section unless the member has terminated
 712 employment as provided in s. 121.021(39) (a) or begun
 713 participation in the Deferred Retirement Option Program as
 714 provided in subsection (13), and a proper application has been
 715 filed in the manner prescribed by the department. The department
 716 may cancel an application for retirement benefits when the
 717 member or beneficiary fails to timely provide the information
 718 and documents required by this chapter and the department's
 719 rules. The department shall adopt rules establishing procedures
 720 for application for retirement benefits and for the cancellation
 721 of such application when the required information or documents
 722 are not received.

723 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
 724 subject to this section, the Deferred Retirement Option Program,
 725 hereinafter referred to as DROP, is a program under which an
 726 eligible member of the Florida Retirement System may elect to
 727 participate, deferring receipt of retirement benefits while

728 continuing employment with his or her Florida Retirement System
 729 employer. The deferred monthly benefits shall accrue in the
 730 Florida Retirement System on behalf of the participant, plus
 731 interest compounded monthly, for the specified period of the
 732 DROP participation, as provided in paragraph (c). Upon
 733 termination of employment, the participant shall receive the
 734 total DROP benefits and begin to receive the previously
 735 determined normal retirement benefits. Participation in the DROP
 736 does not guarantee employment for the specified period of DROP.
 737 Participation in DROP by an eligible member beyond the initial
 738 60-month period as authorized in this subsection shall be on an
 739 annual contractual basis for all participants.

740 (f) Employees who have terminated participation in DROP on
 741 or after August 1, 2010, may not receive retiree health
 742 insurance subsidy payments. ~~Retiree health insurance subsidy.~~
 743 ~~DROP participants are not eligible to apply for the retiree~~
 744 ~~health insurance subsidy payments as provided in s. 112.363~~
 745 ~~until such participants have terminated employment and~~
 746 ~~participation in DROP.~~

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

750 121.091 Benefits payable under the system.—Benefits may
 751 not be paid under this section unless the member has terminated
 752 employment as provided in s. 121.021(39) (a) or begun
 753 participation in the Deferred Retirement Option Program as
 754 provided in subsection (13), and a proper application has been
 755 filed in the manner prescribed by the department. The department

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756 may cancel an application for retirement benefits when the
757 member or beneficiary fails to timely provide the information
758 and documents required by this chapter and the department's
759 rules. The department shall adopt rules establishing procedures
760 for application for retirement benefits and for the cancellation
761 of such application when the required information or documents
762 are not received.

763 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
764 subject to this section, the Deferred Retirement Option Program,
765 hereinafter referred to as DROP, is a program under which an
766 eligible member of the Florida Retirement System may elect to
767 participate, deferring receipt of retirement benefits while
768 continuing employment with his or her Florida Retirement System
769 employer. The deferred monthly benefits shall accrue in the
770 Florida Retirement System on behalf of the participant, plus
771 interest compounded monthly, for the specified period of the
772 DROP participation, as provided in paragraph (c). Upon
773 termination of employment, the participant shall receive the
774 total DROP benefits and begin to receive the previously
775 determined normal retirement benefits. Participation in the DROP
776 does not guarantee employment for the specified period of DROP.
777 Participation in DROP by an eligible member beyond the initial
778 60-month period as authorized in this subsection shall be on an
779 annual contractual basis for all participants.

780 (c) Benefits payable under DROP.—

781 1. Effective on the date of DROP participation, the
782 member's initial normal monthly benefit, including creditable
783 service, optional form of payment, and average final

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784 compensation, and the effective date of retirement are fixed.
785 The beneficiary established under the Florida Retirement System
786 is the beneficiary eligible to receive any DROP benefits payable
787 if the DROP participant dies before completing the period of
788 DROP participation. If a joint annuitant predeceases the member,
789 the member may name a beneficiary to receive accumulated DROP
790 benefits payable. The retirement benefit, the annual cost of
791 living adjustments provided in s. 121.101, and interest accrue
792 monthly in the Florida Retirement System Trust Fund. The
793 interest accrues at an effective annual rate of 6.5 percent
794 compounded monthly, on the prior month's accumulated ending
795 balance, up to the month of termination or death, except as
796 provided in s. 121.053 (6) ~~(7)~~.

797 2. Each employee who elects to participate in DROP may
798 elect to receive a lump-sum payment for accrued annual leave
799 earned in accordance with agency policy upon beginning
800 participation in DROP. The accumulated leave payment certified
801 to the division upon commencement of DROP shall be included in
802 the calculation of the member's average final compensation. The
803 employee electing the lump-sum payment is not eligible to
804 receive a second lump-sum payment upon termination, except to
805 the extent the employee has earned additional annual leave
806 which, combined with the original payment, does not exceed the
807 maximum lump-sum payment allowed by the employing agency's
808 policy or rules. An early lump-sum payment shall be based on the
809 hourly wage of the employee at the time he or she begins
810 participation in DROP. If the member elects to wait and receive
811 a lump-sum payment upon termination of DROP and termination of

812 employment with the employer, any accumulated leave payment made
 813 at that time may not be included in the member's retirement
 814 benefit, which was determined and fixed by law when the employee
 815 elected to participate in DROP.

816 3. The effective date of DROP participation and the
 817 effective date of retirement of a DROP participant shall be the
 818 first day of the month selected by the member to begin
 819 participation in DROP, provided such date is properly
 820 established, with the written confirmation of the employer, and
 821 the approval of the division, on forms required by the division.

822 4. Normal retirement benefits and any interest shall
 823 continue to accrue in DROP until the established termination
 824 date of DROP or until the participant terminates employment or
 825 dies prior to such date, except as provided in s. 121.053 (6) ~~(7)~~.
 826 Although individual DROP accounts shall not be established, a
 827 separate accounting of each participant's accrued benefits under
 828 DROP shall be calculated and provided to participants.

829 5. At the conclusion of the participant's DROP, the
 830 division shall distribute the participant's total accumulated
 831 DROP benefits, subject to the following:

832 a. The division shall receive verification by the
 833 participant's employer or employers that the participant has
 834 terminated all employment relationships as provided in s.
 835 121.021(39).

836 b. The terminated DROP participant or, if deceased, the
 837 participant's named beneficiary, shall elect on forms provided
 838 by the division to receive payment of the DROP benefits in
 839 accordance with one of the options listed below. If a

840 participant or beneficiary fails to elect a method of payment
 841 within 60 days after termination of DROP, the division shall pay
 842 a lump sum as provided in sub-sub-subparagraph (I).

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

846 (II) Direct rollover.—All accrued DROP benefits, plus
 847 interest, shall be paid from DROP directly to the custodian of
 848 an eligible retirement plan as defined in s. 402(c)(8)(B) of the
 849 Internal Revenue Code. However, in the case of an eligible
 850 rollover distribution to the surviving spouse of a deceased
 851 participant, an eligible retirement plan is an individual
 852 retirement account or an individual retirement annuity as
 853 described in s. 402(c)(9) of the Internal Revenue Code.

854 (III) Partial lump sum.—A portion of the accrued DROP
 855 benefits shall be paid to DROP participant or surviving spouse,
 856 less withholding taxes remitted to the Internal Revenue Service,
 857 and the remaining DROP benefits must be transferred directly to
 858 the custodian of an eligible retirement plan as defined in s.
 859 402(c)(8)(B) of the Internal Revenue Code. However, in the case
 860 of an eligible rollover distribution to the surviving spouse of
 861 a deceased participant, an eligible retirement plan is an
 862 individual retirement account or an individual retirement
 863 annuity as described in s. 402(c)(9) of the Internal Revenue
 864 Code. The proportions must be specified by the DROP participant
 865 or surviving beneficiary.

866 c. The form of payment selected by the DROP participant or
 867 surviving beneficiary must comply with the minimum distribution

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868 requirements of the Internal Revenue Code.

869 d. A DROP participant who fails to terminate all
870 employment relationships as provided in s. 121.021(39) shall be
871 deemed as not retired, and the DROP election is null and void.
872 Florida Retirement System membership shall be reestablished
873 retroactively to the date of the commencement of DROP, and each
874 employer with whom the participant continues employment must pay
875 to the Florida Retirement System Trust Fund the difference
876 between the DROP contributions paid in paragraph (i) and the
877 contributions required for the applicable Florida Retirement
878 System class of membership during the period the member
879 participated in DROP, plus 6.5 percent interest compounded
880 annually.

881 6. The retirement benefits of any DROP participant who
882 terminates all employment relationships as provided in s.
883 121.021(39) but is reemployed in violation of the reemployment
884 provisions of subsection (9) shall be suspended during those
885 months in which the retiree is in violation. Any retiree in
886 violation of this subparagraph and any employer that employs or
887 appoints such person without notifying the Division of
888 Retirement to suspend retirement benefits are jointly and
889 severally liable for any benefits paid during the reemployment
890 limitation period. The employer must have a written statement
891 from the retiree that he or she is not retired from a state-
892 administered retirement system. Any retirement benefits received
893 by a retiree while employed in violation of the reemployment
894 limitations must be repaid to the Florida Retirement System
895 Trust Fund, and his or her retirement benefits shall remain

896 | suspended until payment is made. Benefits suspended beyond the
 897 | end of the reemployment limitation period apply toward repayment
 898 | of benefits received in violation of the reemployment
 899 | limitation.

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

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

908 | (i) Contributions.—

909 | 1. All employers paying the salary of a DROP participant
 910 | filling a regularly established position shall contribute 8.0
 911 | percent of such participant's gross compensation for the period
 912 | of July 1, 2002, through June 30, 2003, and the percentage of
 913 | such compensation required by s. 121.71 thereafter, which shall
 914 | constitute the entire employer DROP contribution with respect to
 915 | such participant. Such contributions, payable to the Florida
 916 | Retirement System Trust Fund in the same manner as required in
 917 | s. 121.071, must be made as appropriate for each pay period and
 918 | are in addition to contributions required for social security
 919 | ~~and the Retiree Health Insurance Subsidy Trust Fund.~~ Such
 920 | employer and, social security, ~~and health insurance subsidy~~
 921 | contributions are not included in DROP.

922 | 2. The employer shall, in addition to subparagraph 1.,
 923 | also withhold one-half of the entire social security

924 contribution required for the participant. Contributions for
 925 social security by each participant and each employer, in the
 926 amount required for social security coverage as provided by the
 927 federal Social Security Act, are in addition to contributions
 928 specified in subparagraph 1.

929 ~~3. All employers paying the salary of a DROP participant~~
 930 ~~filling a regularly established position shall contribute the~~
 931 ~~percent of such participant's gross compensation required in s.~~
 932 ~~121.071(4), which constitutes the employer's health insurance~~
 933 ~~subsidy contribution with respect to such participant. Such~~
 934 ~~contributions must be deposited by the administrator in the~~
 935 ~~Retiree Health Insurance Subsidy Trust Fund.~~

936 Section 16. Paragraph (h) of subsection (1) of section
 937 121.122, Florida Statutes, is amended to read:

938 121.122 Renewed membership in system.—

939 (1) Except as provided in s. 121.053, effective July 1,
 940 1991, through June 30, 2010, any retiree of a state-administered
 941 retirement system who is initially reemployed in a regularly
 942 established position with a covered employer, including an
 943 elective public office that does not qualify for the Elected
 944 Officer's Class, shall be enrolled as a compulsory member of the
 945 Regular Class of the Florida Retirement System. Effective July
 946 1, 1997, through June 30, 2010, any retiree of a state-
 947 administered retirement system who is initially reemployed in a
 948 position included in the Senior Management Service Class shall
 949 be enrolled as a compulsory member of the Senior Management
 950 Service Class of the Florida Retirement System as provided in s.
 951 121.055. A retiree is entitled to receive an additional

952 retirement benefit, subject to the following conditions:

953 (h) A renewed member who is not receiving the maximum
 954 health insurance subsidy provided in s. 112.363 and meets the
 955 requirements of s. 112.363 is entitled to earn additional credit
 956 toward the maximum health insurance subsidy. Any additional
 957 subsidy due because of such additional credit may be received
 958 only at the time of payment of the second career retirement
 959 benefit. The total health insurance subsidy received by a
 960 retiree receiving benefits from initial and renewed membership
 961 may not exceed the maximum allowed in s. 112.363.

962 Section 17. Effective June 30, 2011, paragraph (h) of
 963 subsection (1) of section 121.122, Florida Statutes, as amended
 964 by this act, is repealed, and paragraph (d) of subsection (1) of
 965 that section is amended to read:

966 121.122 Renewed membership in system.—

967 (1) Except as provided in s. 121.053, effective July 1,
 968 1991, through June 30, 2010, any retiree of a state-administered
 969 retirement system who is initially reemployed in a regularly
 970 established position with a covered employer, including an
 971 elective public office that does not qualify for the Elected
 972 Officer's Class, shall be enrolled as a compulsory member of the
 973 Regular Class of the Florida Retirement System. Effective July
 974 1, 1997, through June 30, 2010, any retiree of a state-
 975 administered retirement system who is initially reemployed in a
 976 position included in the Senior Management Service Class shall
 977 be enrolled as a compulsory member of the Senior Management
 978 Service Class of the Florida Retirement System as provided in s.
 979 121.055. A retiree is entitled to receive an additional

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980 retirement benefit, subject to the following conditions:

981 (d) Upon renewed membership or reemployment of a retiree,
 982 the employer of such member shall pay the applicable employer
 983 contributions as required by ss. ~~112.363~~, 121.71, 121.74, and
 984 121.76.

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

988 121.35 Optional retirement program for the State
 989 University System.—

990 (3) ELECTION OF OPTIONAL PROGRAM.—

991 (c) Any employee who becomes eligible to participate in
 992 the optional retirement program on or after January 1, 1993,
 993 shall be a compulsory participant of the program unless such
 994 employee elects membership in the Florida Retirement System.
 995 Such election shall be made in writing and filed with the
 996 personnel officer of the employer. Any eligible employee who
 997 fails to make such election within the prescribed time period
 998 shall be deemed to have elected to participate in the optional
 999 retirement program.

1000 1. Any employee whose optional retirement program
 1001 eligibility results from initial employment shall be enrolled in
 1002 the program at the commencement of employment. If, within 90
 1003 days after commencement of employment, the employee elects
 1004 membership in the Florida Retirement System, such membership
 1005 shall be effective retroactive to the date of commencement of
 1006 employment.

1007 2. Any employee whose optional retirement program

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1008 | eligibility results from a change in status due to the
 1009 | subsequent designation of the employee's position as one of
 1010 | those specified in paragraph (2) (a) or due to the employee's
 1011 | appointment, promotion, transfer, or reclassification to a
 1012 | position specified in paragraph (2) (a) shall be enrolled in the
 1013 | optional retirement program upon such change in status and shall
 1014 | be notified by the employer of such action. If, within 90 days
 1015 | after the date of such notification, the employee elects to
 1016 | retain membership in the Florida Retirement System, such
 1017 | continuation of membership shall be retroactive to the date of
 1018 | the change in status.

1019 | 3. Notwithstanding the provisions of this paragraph,
 1020 | effective July 1, 1997, any employee who is eligible to
 1021 | participate in the Optional Retirement Program and who fails to
 1022 | execute a contract with one of the approved companies and to
 1023 | notify the department in writing as provided in subsection (4)
 1024 | within 90 days after the date of eligibility shall be deemed to
 1025 | have elected membership in the Florida Retirement System, except
 1026 | as provided in s. 121.051(1) (a). This provision shall also apply
 1027 | to any employee who terminates employment in an eligible
 1028 | position before executing the required annuity contract and
 1029 | notifying the department. Such membership shall be retroactive
 1030 | to the date of eligibility, and all appropriate contributions
 1031 | shall be transferred to the Florida Retirement System Trust Fund
 1032 | and the Health Insurance Subsidy Trust Fund through July 31,
 1033 | 2010. Effective August 1, 2010, such membership shall be
 1034 | retroactive to the date of eligibility, and all appropriate
 1035 | contributions shall be transferred to the Florida Retirement

1036 | System Trust Fund.
 1037 | (4) CONTRIBUTIONS.—
 1038 | (a) Through June 30, 2001, each employer shall contribute
 1039 | on behalf of each participant in the optional retirement program
 1040 | an amount equal to the normal cost portion of the employer
 1041 | retirement contribution which would be required if the
 1042 | participant were a regular member of the Florida Retirement
 1043 | System defined benefit program, plus the portion of the
 1044 | contribution rate required in s. 112.363(8) that would otherwise
 1045 | be assigned to the Retiree Health Insurance Subsidy Trust Fund.
 1046 | Effective July 1, 2001, through July 31, 2010, each employer
 1047 | shall contribute on behalf of each participant in the optional
 1048 | program an amount equal to 10.43 percent of the participant's
 1049 | gross monthly compensation. Effective August 1, 2010, each
 1050 | employer shall contribute on behalf of each participant in the
 1051 | optional program an amount equal to 9.49 percent of the
 1052 | participant's gross monthly compensation. The department shall
 1053 | deduct an amount approved by the Legislature to provide for the
 1054 | administration of this program. The payment of the contributions
 1055 | to the optional program which is required by this paragraph for
 1056 | each participant shall be made by the employer to the
 1057 | department, which shall forward the contributions to the
 1058 | designated company or companies contracting for payment of
 1059 | benefits for the participant under the program. However, such
 1060 | contributions paid on behalf of an employee described in
 1061 | paragraph (3)(c) shall not be forwarded to a company and shall
 1062 | not begin to accrue interest until the employee has executed a
 1063 | contract and notified the department.

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1064 Section 19. Effective June 30, 2011, subsection (18) of
 1065 section 121.4501, Florida Statutes, is repealed, subsections
 1066 (19) through (22) of that section are renumbered as subsections
 1067 (18) through (21), respectively, and paragraph (j) of subsection
 1068 (2) of that section, as amended by chapter 2010-180, Laws of
 1069 Florida, is amended to read:

1070 121.4501 Public Employee Optional Retirement Program.—

1071 (2) DEFINITIONS.—As used in this part, the term:

1072 (j) "Participant" means an eligible employee who enrolls
 1073 in the optional program as provided in subsection (4) or a
 1074 terminated Deferred Retirement Option Program participant as
 1075 described in subsection (20) ~~(21)~~.

1076 Section 20. Effective June 30, 2011, subsection (3) of
 1077 section 121.571, Florida Statutes, is amended to read:

1078 121.571 Contributions.—Contributions to the Public
 1079 Employee Optional Retirement Program shall be made as follows:

1080 (3) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE ~~AND FOR~~
 1081 ~~RETIREE HEALTH INSURANCE SUBSIDY~~.—Contributions required under
 1082 this section shall be in addition to employer and member
 1083 contributions required for social security ~~and the Retiree~~
 1084 ~~Health Insurance Subsidy Trust Fund as provided in ss. 112.363,~~
 1085 ~~121.052, 121.055, and 121.071, as appropriate.~~

1086 Section 21. Paragraphs (a) and (b) of subsection (3) of
 1087 section 121.591, Florida Statutes, are amended to read:

1088 121.591 Benefits payable under the Public Employee
 1089 Optional Retirement Program of the Florida Retirement System.—
 1090 Benefits may not be paid under this section unless the member
 1091 has terminated employment as provided in s. 121.021(39) (a) or is

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1092 | deceased and a proper application has been filed in the manner
 1093 | prescribed by the state board or the department. The state board
 1094 | or department, as appropriate, may cancel an application for
 1095 | retirement benefits when the member or beneficiary fails to
 1096 | timely provide the information and documents required by this
 1097 | chapter and the rules of the state board and department. In
 1098 | accordance with their respective responsibilities as provided
 1099 | herein, the State Board of Administration and the Department of
 1100 | Management Services shall adopt rules establishing procedures
 1101 | for application for retirement benefits and for the cancellation
 1102 | of such application when the required information or documents
 1103 | are not received. The State Board of Administration and the
 1104 | Department of Management Services, as appropriate, are
 1105 | authorized to cash out a de minimis account of a participant who
 1106 | has been terminated from Florida Retirement System covered
 1107 | employment for a minimum of 6 calendar months. A de minimis
 1108 | account is an account containing employer contributions and
 1109 | accumulated earnings of not more than \$5,000 made under the
 1110 | provisions of this chapter. Such cash-out must either be a
 1111 | complete lump-sum liquidation of the account balance, subject to
 1112 | the provisions of the Internal Revenue Code, or a lump-sum
 1113 | direct rollover distribution paid directly to the custodian of
 1114 | an eligible retirement plan, as defined by the Internal Revenue
 1115 | Code, on behalf of the participant. If any financial instrument
 1116 | issued for the payment of retirement benefits under this section
 1117 | is not presented for payment within 180 days after the last day
 1118 | of the month in which it was originally issued, the third-party
 1119 | administrator or other duly authorized agent of the State Board

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1120 of Administration shall cancel the instrument and credit the
 1121 amount of the instrument to the suspense account of the Public
 1122 Employee Optional Retirement Program Trust Fund authorized under
 1123 s. 121.4501(6). Any such amounts transferred to the suspense
 1124 account are payable upon a proper application, not to include
 1125 earnings thereon, as provided in this section, within 10 years
 1126 after the last day of the month in which the instrument was
 1127 originally issued, after which time such amounts and any
 1128 earnings thereon shall be forfeited. Any such forfeited amounts
 1129 are assets of the Public Employee Optional Retirement Program
 1130 Trust Fund and are not subject to the provisions of chapter 717.

1131 (3) DEATH BENEFITS.—Under the Public Employee Optional
 1132 Retirement Program:

1133 (a) Survivor benefits shall be payable in accordance with
 1134 the following terms and conditions:

1135 1. To the extent vested, benefits shall be payable only to
 1136 a participant's beneficiary or beneficiaries as designated by
 1137 the participant as provided in s. 121.4501(19)~~(20)~~.

1138 2. Benefits shall be paid by the third-party administrator
 1139 or designated approved providers in accordance with the law, the
 1140 contracts, and any applicable board rule or policy.

1141 3. To receive benefits under this subsection, the
 1142 participant must be deceased.

1143 (b) In the event of a participant's death, all vested
 1144 accumulations as described in s. 121.4501(6), less withholding
 1145 taxes remitted to the Internal Revenue Service, shall be
 1146 distributed, as provided in paragraph (c) or as described in s.
 1147 121.4501(19)~~(20)~~, as if the participant retired on the date of

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1148 death. No other death benefits shall be available for survivors
 1149 of participants under the Public Employee Optional Retirement
 1150 Program, except for such benefits, or coverage for such
 1151 benefits, as are otherwise provided by law or are separately
 1152 afforded by the employer, at the employer's discretion.

1153 Section 22. Section 121.76, Florida Statutes, is amended
 1154 to read:

1155 121.76 Contributions for social security and for retiree
 1156 health insurance subsidy.—Contributions required under this part
 1157 for social security shall be ~~made or~~ deducted, ~~as may be~~
 1158 ~~appropriate,~~ for each pay period ~~and are in addition to employer~~
 1159 ~~and member contributions required for social security and the~~
 1160 ~~Retiree Health Insurance Subsidy Trust Fund as provided under~~
 1161 ~~parts I and II of this chapter.~~

1162 Section 23. Paragraph (a) of subsection (4) of section
 1163 1012.875, Florida Statutes, is amended to read:

1164 1012.875 State Community College System Optional
 1165 Retirement Program.—Each community college may implement an
 1166 optional retirement program, if such program is established
 1167 therefor pursuant to s. 1001.64(20), under which annuity or
 1168 other contracts providing retirement and death benefits may be
 1169 purchased by, and on behalf of, eligible employees who
 1170 participate in the program, in accordance with s. 403(b) of the
 1171 Internal Revenue Code. Except as otherwise provided herein, this
 1172 retirement program, which shall be known as the State Community
 1173 College System Optional Retirement Program, may be implemented
 1174 and administered only by an individual community college or by a
 1175 consortium of community colleges.

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1176 (4) (a) Each college must contribute on behalf of each
1177 program participant an amount equal to 10.43 percent of the
1178 participant's gross monthly compensation through July 31, 2010.
1179 Effective August 1, 2010, each college must contribute on behalf
1180 of each program participant an amount equal to 9.49 percent of
1181 the participant's gross monthly compensation. The college shall
1182 deduct an amount approved by the district board of trustees of
1183 the college to provide for the administration of the optional
1184 retirement program. Payment of this contribution must be made
1185 either directly by the college or through the program
1186 administrator to the designated company contracting for payment
1187 of benefits to the program participant.

1188 Section 24. Except as otherwise expressly provided in this
1189 act, this act shall take effect August 1, 2010.