

By the Committee on Governmental Oversight and Accountability;  
and Senator Simpson

585-02415-13

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1                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.021,  
3           F.S.; revising the definition of "vested" or  
4           "vesting"; providing that a member initially enrolled  
5           in the Florida Retirement System after a certain date  
6           is vested in the pension plan after 10 years of  
7           creditable service; amending s. 121.051, F.S.;  
8           providing for compulsory membership in the Florida  
9           Retirement System Investment Plan for employees in the  
10          Elected Officers' Class or the Senior Management  
11          Service Class initially enrolled after a specified  
12          date; conforming cross-references to changes made by  
13          the act; amending s. 121.052, F.S.; prohibiting  
14          members of the Elected Officers' Class from joining  
15          the Senior Management Service Class after a specified  
16          date; amending s. 121.055, F.S.; prohibiting an  
17          elected official eligible for membership in the  
18          Elected Officers' Class from enrolling in the Senior  
19          Management Service Class or in the Senior Management  
20          Service Optional Annuity Program; closing the Senior  
21          Management Optional Annuity Program to new members  
22          after a specified date; amending s. 121.091, F.S.;  
23          providing that certain members are entitled to a  
24          monthly disability benefit; revising provisions to  
25          conform to changes made by the act; amending s.  
26          121.4501, F.S.; requiring certain employees initially  
27          enrolled in the Florida Retirement System on or after  
28          a specified date to be compulsory members of the  
29          investment plan; revising the definition of "member"

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30 or "employee"; revising a provision relating to  
31 acknowledgement of an employee's election to  
32 participate in the investment plan; placing certain  
33 employees in the pension plan from their date of hire  
34 until they are automatically enrolled in the  
35 investment plan or timely elect enrollment in the  
36 pension plan; authorizing certain employees to elect  
37 to participate in the pension plan, rather than the  
38 default investment plan, within a specified time;  
39 providing for the transfer of certain contributions;  
40 revising the education component; deleting the  
41 obligation of system employers to communicate the  
42 existence of both retirement plans; conforming  
43 provisions and cross-references to changes made by the  
44 act; amending s. 121.591, F.S.; revising provisions  
45 relating to disability retirement benefits; amending  
46 s. 121.71, F.S.; decreasing the employee retirement  
47 contribution rates for investment plan members;  
48 amending ss. 121.35, 238.072, 413.051, and 1012.875,  
49 F.S.; conforming cross-references; providing for  
50 contribution rate increases to fund the changes made  
51 by this act; directing the Division of Law Revision  
52 and Information to adjust contribution rates set forth  
53 in s. 121.071, F.S.; providing that the act fulfills  
54 an important state interest; providing an effective  
55 date.

56  
57 Be It Enacted by the Legislature of the State of Florida:  
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59 Section 1. Subsection (45) of section 121.021, Florida  
60 Statutes, is amended to read:

61 121.021 Definitions.—The following words and phrases as  
62 used in this chapter have the respective meanings set forth  
63 unless a different meaning is plainly required by the context:

64 (45) "Vested" or "vesting" means the guarantee that a  
65 member is eligible to receive a future retirement benefit upon  
66 completion of the required years of creditable service for the  
67 employee's class of membership, even though the member may have  
68 terminated covered employment before reaching normal or early  
69 retirement date. Being vested does not entitle a member to a  
70 disability benefit. Provisions governing entitlement to  
71 disability benefits are set forth under s. 121.091(4).

72 (a) Effective July 1, 2001, through June 30, 2011, a 6-year  
73 vesting requirement shall be implemented for the Florida  
74 Retirement System Pension Plan:

75 1. Any member employed in a regularly established position  
76 on July 1, 2001, who completes or has completed a total of 6  
77 years of creditable service is considered vested.

78 2. Any member initially enrolled in the Florida Retirement  
79 System before July 1, 2001, but not employed in a regularly  
80 established position on July 1, 2001, shall be deemed vested  
81 upon completion of 6 years of creditable service if such member  
82 is employed in a covered position for at least 1 work year after  
83 July 1, 2001. However, a member is not required to complete more  
84 years of creditable service than would have been required for  
85 that member to vest under retirement laws in effect before July  
86 1, 2001.

87 3. Any member initially enrolled in the Florida Retirement

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88 System on July 1, 2001, through June 30, 2011, shall be deemed  
89 vested upon completion of 6 years of creditable service.

90 (b) Any member initially enrolled in the Florida Retirement  
91 System on ~~or after~~ July 1, 2011, through December 31, 2013,  
92 shall be vested in the pension plan upon completion of 8 years  
93 of creditable service.

94 (c) Any member initially enrolled in the Florida Retirement  
95 System on or after January 1, 2014, shall be vested in the  
96 pension plan upon completion of 10 years of creditable service.

97 Section 2. Paragraph (c) of subsection (2) of section  
98 121.051, Florida Statutes, is amended, present subsections (3)  
99 through (9) of that section are renumbered as subsections (4)  
100 through (10), respectively, and a new subsection (3) is added to  
101 that section, to read:

102 121.051 Participation in the system.-

103 (2) OPTIONAL PARTICIPATION.-

104 (c) Employees of public community colleges or charter  
105 technical career centers sponsored by public community colleges,  
106 designated in s. 1000.21(3), who are members of the Regular  
107 Class of the Florida Retirement System and who comply with the  
108 criteria set forth in this paragraph and s. 1012.875 may, in  
109 lieu of participating in the Florida Retirement System, elect to  
110 withdraw from the system altogether and participate in the State  
111 Community College System Optional Retirement Program provided by  
112 the employing agency under s. 1012.875.

113 1.a. Through June 30, 2001, the cost to the employer for  
114 benefits under the optional retirement program equals the normal  
115 cost portion of the employer retirement contribution which would  
116 be required if the employee were a member of the pension plan's

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117 Regular Class, plus the portion of the contribution rate  
118 required by s. 112.363(8) which would otherwise be assigned to  
119 the Retiree Health Insurance Subsidy Trust Fund.

120 b. Effective July 1, 2001, through June 30, 2011, each  
121 employer shall contribute on behalf of each member of the  
122 optional program an amount equal to 10.43 percent of the  
123 employee's gross monthly compensation. The employer shall deduct  
124 an amount for the administration of the program.

125 c. Effective July 1, 2011, through June 30, 2012, each  
126 member shall contribute an amount equal to the employee  
127 contribution required under s. 121.71(3) (a). The employer shall  
128 contribute on behalf of each program member an amount equal to  
129 the difference between 10.43 percent of the employee's gross  
130 monthly compensation and the employee's required contribution  
131 based on the employee's gross monthly compensation.

132 d. Effective July 1, 2012, each member shall contribute an  
133 amount equal to the employee contribution required under s.  
134 121.71(3) (a). The employer shall contribute on behalf of each  
135 program member an amount equal to the difference between 8.15  
136 percent of the employee's gross monthly compensation and the  
137 employee's required contribution based on the employee's gross  
138 monthly compensation.

139 e. The employer shall contribute an additional amount to  
140 the Florida Retirement System Trust Fund equal to the unfunded  
141 actuarial accrued liability portion of the Regular Class  
142 contribution rate.

143 2. The decision to participate in the optional retirement  
144 program is irrevocable as long as the employee holds a position  
145 eligible for participation, except as provided in subparagraph

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146 3. Any service creditable under the Florida Retirement System is  
147 retained after the member withdraws from the system; however,  
148 additional service credit in the system may not be earned while  
149 a member of the optional retirement program.

150 3. An employee who has elected to participate in the  
151 optional retirement program shall have one opportunity, at the  
152 employee's discretion, to transfer from the optional retirement  
153 program to the pension plan of the Florida Retirement System or  
154 to the investment plan established under part II of this  
155 chapter, subject to the terms of the applicable optional  
156 retirement program contracts.

157 a. If the employee chooses to move to the investment plan,  
158 any contributions, interest, and earnings creditable to the  
159 employee under the optional retirement program are retained by  
160 the employee in the optional retirement program, and the  
161 applicable provisions of s. 121.4501(4) govern the election.

162 b. If the employee chooses to move to the pension plan of  
163 the Florida Retirement System, the employee shall receive  
164 service credit equal to his or her years of service under the  
165 optional retirement program.

166 (I) The cost for such credit is the amount representing the  
167 present value of the employee's accumulated benefit obligation  
168 for the affected period of service. The cost shall be calculated  
169 as if the benefit commencement occurs on the first date the  
170 employee becomes eligible for unreduced benefits, using the  
171 discount rate and other relevant actuarial assumptions that were  
172 used to value the Florida Retirement System Pension Plan  
173 liabilities in the most recent actuarial valuation. The  
174 calculation must include any service already maintained under

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175 the pension plan in addition to the years under the optional  
176 retirement program. The present value of any service already  
177 maintained must be applied as a credit to total cost resulting  
178 from the calculation. The division must ensure that the transfer  
179 sum is prepared using a formula and methodology certified by an  
180 enrolled actuary.

181 (II) The employee must transfer from his or her optional  
182 retirement program account and from other employee moneys as  
183 necessary, a sum representing the present value of the  
184 employee's accumulated benefit obligation immediately following  
185 the time of such movement, determined assuming that attained  
186 service equals the sum of service in the pension plan and  
187 service in the optional retirement program.

188 4. Participation in the optional retirement program is  
189 limited to employees who satisfy the following eligibility  
190 criteria:

191 a. The employee is otherwise eligible for membership or  
192 renewed membership in the Regular Class of the Florida  
193 Retirement System, as provided in s. 121.021(11) and (12) or s.  
194 121.122.

195 b. The employee is employed in a full-time position  
196 classified in the Accounting Manual for Florida's Public  
197 Community Colleges as:

198 (I) Instructional; or

199 (II) Executive Management, Instructional Management, or  
200 Institutional Management and the community college determines  
201 that recruiting to fill a vacancy in the position is to be  
202 conducted in the national or regional market, and the duties and  
203 responsibilities of the position include the formulation,

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204 interpretation, or implementation of policies, or the  
205 performance of functions that are unique or specialized within  
206 higher education and that frequently support the mission of the  
207 community college.

208 c. The employee is employed in a position not included in  
209 the Senior Management Service Class of the Florida Retirement  
210 System as described in s. 121.055.

211 5. Members of the program are subject to the same  
212 reemployment limitations, renewed membership provisions, and  
213 forfeiture provisions applicable to regular members of the  
214 Florida Retirement System under ss. 121.091(9), 121.122, and  
215 121.091(5), respectively. A member who receives a program  
216 distribution funded by employer and required employee  
217 contributions is deemed to be retired from a state-administered  
218 retirement system if the member is subsequently employed with an  
219 employer that participates in the Florida Retirement System.

220 6. Eligible community college employees are compulsory  
221 members of the Florida Retirement System until, pursuant to s.  
222 1012.875, a written election to withdraw from the system and  
223 participate in the optional retirement program is filed with the  
224 program administrator and received by the division.

225 a. A community college employee whose program eligibility  
226 results from initial employment shall be enrolled in the  
227 optional retirement program retroactive to the first day of  
228 eligible employment. The employer and employee retirement  
229 contributions paid through the month of the employee plan change  
230 shall be transferred to the community college to the employee's  
231 optional program account, and, effective the first day of the  
232 next month, the employer shall pay the applicable contributions



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233 based upon subparagraph 1.

234 b. A community college employee whose program eligibility  
235 is due to the subsequent designation of the employee's position  
236 as one of those specified in subparagraph 4., or due to the  
237 employee's appointment, promotion, transfer, or reclassification  
238 to a position specified in subparagraph 4., must be enrolled in  
239 the program on the first day of the first full calendar month  
240 that such change in status becomes effective. The employer and  
241 employee retirement contributions paid from the effective date  
242 through the month of the employee plan change must be  
243 transferred to the community college to the employee's optional  
244 program account, and, effective the first day of the next month,  
245 the employer shall pay the applicable contributions based upon  
246 subparagraph 1.

247 7. Effective July 1, 2003, through December 31, 2008, any  
248 member of the optional retirement program who has service credit  
249 in the pension plan of the Florida Retirement System for the  
250 period between his or her first eligibility to transfer from the  
251 pension plan to the optional retirement program and the actual  
252 date of transfer may, during employment, transfer to the  
253 optional retirement program a sum representing the present value  
254 of the accumulated benefit obligation under the defined benefit  
255 retirement program for the period of service credit. Upon  
256 transfer, all service credit previously earned under the pension  
257 plan during this period is nullified for purposes of entitlement  
258 to a future benefit under the pension plan.

259 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.-

260 (a) Employees initially enrolled on or after January 1,  
261 2014, in positions covered by the Elected Officers' Class or the

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262 Senior Management Service Class are compulsory members of the  
263 investment plan, except those eligible to withdraw from the  
264 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
265 eligible for optional retirement programs under paragraph  
266 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan  
267 membership continues if there is subsequent employment in a  
268 position covered by another membership class. Membership in the  
269 pension plan is not permitted except as provided in s.  
270 121.591(2). Employees initially enrolled in the Florida  
271 Retirement System prior to January 1, 2014, may retain their  
272 membership in the pension plan or investment plan and are  
273 eligible to use the election opportunity specified in s.  
274 121.4501(4)(f). Employees initially enrolled on or after January  
275 1, 2014, are not eligible to use the election opportunity  
276 specified in s. 121.4501(4)(f).

277 (b) Employees eligible to withdraw from the system under s.  
278 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from  
279 the system or to participate in the investment plan as provided  
280 in these sections. Employees eligible for optional retirement  
281 programs under paragraph (2)(c) or s. 121.35 may choose to  
282 participate in the optional retirement program or the investment  
283 plan as provided in this paragraph or this section. Eligible  
284 employees required to participate pursuant to (1)(a) in the  
285 optional retirement program as provided under s. 121.35 must  
286 participate in the investment plan when employed in a position  
287 not eligible for the optional retirement program.

288 Section 3. Paragraph (c) of subsection (3) of section  
289 121.052, Florida Statutes, is amended to read:

290 121.052 Membership class of elected officers.—

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291 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
292 1, 1990, participation in the Elected Officers' Class shall be  
293 compulsory for elected officers listed in paragraphs (2) (a)-(d)  
294 and (f) assuming office on or after said date, unless the  
295 elected officer elects membership in another class or withdraws  
296 from the Florida Retirement System as provided in paragraphs  
297 (3) (a)-(d):

298 (c) Before January 1, 2014, any elected officer may, within  
299 6 months after assuming office, or within 6 months after this  
300 act becomes a law for serving elected officers, elect membership  
301 in the Senior Management Service Class as provided in s. 121.055  
302 in lieu of membership in the Elected Officers' Class. Any such  
303 election made by a county elected officer shall have no effect  
304 upon the statutory limit on the number of nonelective full-time  
305 positions that may be designated by a local agency employer for  
306 inclusion in the Senior Management Service Class under s.  
307 121.055(1) (b)1.

308 Section 4. Paragraph (f) of subsection (1) and paragraph  
309 (c) of subsection (6) of section 121.055, Florida Statutes, are  
310 amended to read:

311 121.055 Senior Management Service Class.—There is hereby  
312 established a separate class of membership within the Florida  
313 Retirement System to be known as the "Senior Management Service  
314 Class," which shall become effective February 1, 1987.

315 (1)

316 (f) Effective July 1, 1997, through December 31, 2013:

317 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
318 4., an elected state officer eligible for membership in the  
319 Elected Officers' Class under s. 121.052(2) (a), (b), or (c) who

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320 elects membership in the Senior Management Service Class under  
321 s. 121.052(3)(c) may, within 6 months after assuming office or  
322 within 6 months after this act becomes a law for serving elected  
323 state officers, elect to participate in the Senior Management  
324 Service Optional Annuity Program, as provided in subsection (6),  
325 in lieu of membership in the Senior Management Service Class.

326 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
327 4., an elected officer of a local agency employer eligible for  
328 membership in the Elected Officers' Class under s. 121.052(2)(d)  
329 who elects membership in the Senior Management Service Class  
330 under s. 121.052(3)(c) may, within 6 months after assuming  
331 office, or within 6 months after this act becomes a law for  
332 serving elected officers of a local agency employer, elect to  
333 withdraw from the Florida Retirement System, as provided in  
334 subparagraph (b)2., in lieu of membership in the Senior  
335 Management Service Class.

336 3. A retiree of a state-administered retirement system who  
337 is initially reemployed in a regularly established position on  
338 or after July 1, 2010, as an elected official eligible for the  
339 Elected Officers' Class may not be enrolled in renewed  
340 membership in the Senior Management Service Class or in the  
341 Senior Management Service Optional Annuity Program as provided  
342 in subsection (6), and may not withdraw from the Florida  
343 Retirement System as a renewed member as provided in  
344 subparagraph (b)2., as applicable, in lieu of membership in the  
345 Senior Management Service Class.

346 4. On or after January 1, 2014, an elected officer eligible  
347 for membership in the Elected Officers' Class may not be  
348 enrolled in the Senior Management Service Class or in the Senior

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349 Management Service Optional Annuity Program as provided in  
350 subsection (6).

351 (6)

352 (c) *Participation.*—

353 1. An eligible employee who is employed on or before  
354 February 1, 1987, may elect to participate in the optional  
355 annuity program in lieu of participating in the Senior  
356 Management Service Class. Such election must be made in writing  
357 and filed with the department and the personnel officer of the  
358 employer on or before May 1, 1987. An eligible employee who is  
359 employed on or before February 1, 1987, and who fails to make an  
360 election to participate in the optional annuity program by May  
361 1, 1987, shall be deemed to have elected membership in the  
362 Senior Management Service Class.

363 2. Except as provided in subparagraph 6., an employee who  
364 becomes eligible to participate in the optional annuity program  
365 by reason of initial employment commencing after February 1,  
366 1987, may, within 90 days after the date of commencing  
367 employment, elect to participate in the optional annuity  
368 program. Such election must be made in writing and filed with  
369 the personnel officer of the employer. An eligible employee who  
370 does not within 90 days after commencing employment elect to  
371 participate in the optional annuity program shall be deemed to  
372 have elected membership in the Senior Management Service Class.

373 3. A person who is appointed to a position in the Senior  
374 Management Service Class and who is a member of an existing  
375 retirement system or the Special Risk or Special Risk  
376 Administrative Support Classes of the Florida Retirement System  
377 may elect to remain in such system or class in lieu of

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378 participating in the Senior Management Service Class or optional  
379 annuity program. Such election must be made in writing and filed  
380 with the department and the personnel officer of the employer  
381 within 90 days after such appointment. An eligible employee who  
382 fails to make an election to participate in the existing system,  
383 the Special Risk Class of the Florida Retirement System, the  
384 Special Risk Administrative Support Class of the Florida  
385 Retirement System, or the optional annuity program shall be  
386 deemed to have elected membership in the Senior Management  
387 Service Class.

388 4. Except as provided in subparagraph 5., an employee's  
389 election to participate in the optional annuity program is  
390 irrevocable if the employee continues to be employed in an  
391 eligible position and continues to meet the eligibility  
392 requirements set forth in this paragraph.

393 5. Effective from July 1, 2002, through September 30, 2002,  
394 an active employee in a regularly established position who has  
395 elected to participate in the Senior Management Service Optional  
396 Annuity Program has one opportunity to choose to move from the  
397 Senior Management Service Optional Annuity Program to the  
398 Florida Retirement System Pension Plan.

399 a. The election must be made in writing and must be filed  
400 with the department and the personnel officer of the employer  
401 before October 1, 2002, or, in the case of an active employee  
402 who is on a leave of absence on July 1, 2002, within 90 days  
403 after the conclusion of the leave of absence. This election is  
404 irrevocable.

405 b. The employee shall receive service credit under the  
406 pension plan equal to his or her years of service under the

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407 Senior Management Service Optional Annuity Program. The cost for  
408 such credit is the amount representing the present value of that  
409 employee's accumulated benefit obligation for the affected  
410 period of service.

411 c. The employee must transfer the total accumulated  
412 employer contributions and earnings on deposit in his or her  
413 Senior Management Service Optional Annuity Program account. If  
414 the transferred amount is not sufficient to pay the amount due,  
415 the employee must pay a sum representing the remainder of the  
416 amount due. The employee may not retain any employer  
417 contributions or earnings from the Senior Management Service  
418 Optional Annuity Program account.

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

423 7. Effective January 1, 2014, the Senior Management Service  
424 Optional Annuity Program is closed to new members. Members  
425 enrolled in the Senior Management Service Optional Annuity  
426 Program before January 1, 2014, may retain their membership in  
427 the annuity program.

428 Section 5. Paragraph (a) of subsection (4) of section  
429 121.091, Florida Statutes, is amended to read:

430 121.091 Benefits payable under the system.—Benefits may not  
431 be paid under this section unless the member has terminated  
432 employment as provided in s. 121.021(39)(a) or begun  
433 participation in the Deferred Retirement Option Program as  
434 provided in subsection (13), and a proper application has been  
435 filed in the manner prescribed by the department. The department

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436 may cancel an application for retirement benefits when the  
437 member or beneficiary fails to timely provide the information  
438 and documents required by this chapter and the department's  
439 rules. The department shall adopt rules establishing procedures  
440 for application for retirement benefits and for the cancellation  
441 of such application when the required information or documents  
442 are not received.

443 (4) DISABILITY RETIREMENT BENEFIT.—

444 (a) *Disability retirement; entitlement and effective date.*—

445 1.a. A member who becomes totally and permanently disabled,  
446 as defined in paragraph (b), after completing 5 years of  
447 creditable service, or a member who becomes totally and  
448 permanently disabled in the line of duty regardless of service,  
449 is entitled to a monthly disability benefit; except that any  
450 member with less than 5 years of creditable service on July 1,  
451 1980, or any person who becomes a member of the Florida  
452 Retirement System on or after such date must have completed 10  
453 years of creditable service before becoming totally and  
454 permanently disabled in order to receive disability retirement  
455 benefits for any disability which occurs other than in the line  
456 of duty. However, if a member employed on July 1, 1980, who has  
457 less than 5 years of creditable service as of that date becomes  
458 totally and permanently disabled after completing 5 years of  
459 creditable service and is found not to have attained fully  
460 insured status for benefits under the federal Social Security  
461 Act, such member is entitled to a monthly disability benefit.

462 b. Effective July 1, 2001, a member of the pension plan  
463 initially enrolled before January 1, 2014, who becomes totally  
464 and permanently disabled, as defined in paragraph (b), after



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465 completing 8 years of creditable service, or a member who  
466 becomes totally and permanently disabled in the line of duty  
467 regardless of service, is entitled to a monthly disability  
468 benefit.

469 c. Effective January 1, 2014, a member of the pension plan  
470 initially enrolled on or after January 1, 2014, who becomes  
471 totally and permanently disabled, as defined in paragraph (b),  
472 after completing 10 years of creditable service, or a member who  
473 becomes totally and permanently disabled in the line of duty  
474 regardless of service, is entitled to a monthly disability  
475 benefit.

476 2. If the division has received from the employer the  
477 required documentation of the member's termination of  
478 employment, the effective retirement date for a member who  
479 applies and is approved for disability retirement shall be  
480 established by rule of the division.

481 3. For a member who is receiving Workers' Compensation  
482 payments, the effective disability retirement date may not  
483 precede the date the member reaches Maximum Medical Improvement  
484 (MMI), unless the member terminates employment before reaching  
485 MMI.

486 Section 6. Subsection (1), paragraph (i) of subsection (2),  
487 paragraph (b) of subsection (3), subsection (4), paragraph (c)  
488 of subsection (5), subsection (8), and paragraphs (a), (b), (c),  
489 and (h) of subsection (10) of section 121.4501, Florida  
490 Statutes, are amended to read:

491 121.4501 Florida Retirement System Investment Plan.—

492 (1) The Trustees of the State Board of Administration shall  
493 establish a defined contribution program called the "Florida

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494 Retirement System Investment Plan" or "investment plan" for  
495 members of the Florida Retirement System under which retirement  
496 benefits will be provided for eligible employees who elect to  
497 participate in the program and for employees initially enrolled  
498 on or after January 1, 2014, in positions covered by the Elected  
499 Officers' Class or the Senior Management Service Class and are  
500 compulsory members of the investment plan unless otherwise  
501 eligible to withdraw from the system under s. 121.052(3)(d) or  
502 s. 121.055(1)(b)2., or to participate in an optional retirement  
503 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.  
504 Investment plan membership continues if there is subsequent  
505 employment in a position covered by another membership class.  
506 The retirement benefits shall be provided through member-  
507 directed investments, in accordance with s. 401(a) of the  
508 Internal Revenue Code and related regulations. The employer and  
509 employee shall make contributions, as provided in this section  
510 and ss. 121.571 and 121.71, to the Florida Retirement System  
511 Investment Plan Trust Fund toward the funding of benefits.

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

513 (i) "Member" or "employee" means an eligible employee who  
514 enrolls in or is defaulted into the investment plan as provided  
515 in subsection (4), a terminated Deferred Retirement Option  
516 Program member as described in subsection (21), or a beneficiary  
517 or alternate payee of a member or employee.

518 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

519 (b) Notwithstanding paragraph (a), an eligible employee who  
520 elects to participate in or is defaulted into the investment  
521 plan and establishes one or more individual member accounts may  
522 elect to transfer to the investment plan a sum representing the

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523 present value of the employee's accumulated benefit obligation  
524 under the pension plan, except as provided in paragraph (4) (b).  
525 Upon transfer, all service credit earned under the pension plan  
526 is nullified for purposes of entitlement to a future benefit  
527 under the pension plan. A member may not transfer the  
528 accumulated benefit obligation balance from the pension plan  
529 after the time period for enrolling in the investment plan has  
530 expired.

531 1. For purposes of this subsection, the present value of  
532 the member's accumulated benefit obligation is based upon the  
533 member's estimated creditable service and estimated average  
534 final compensation under the pension plan, subject to  
535 recomputation under subparagraph 2. For state employees, initial  
536 estimates shall be based upon creditable service and average  
537 final compensation as of midnight on June 30, 2002; for district  
538 school board employees, initial estimates shall be based upon  
539 creditable service and average final compensation as of midnight  
540 on September 30, 2002; and for local government employees,  
541 initial estimates shall be based upon creditable service and  
542 average final compensation as of midnight on December 31, 2002.  
543 The dates specified are the "estimate date" for these employees.  
544 The actuarial present value of the employee's accumulated  
545 benefit obligation shall be based on the following:

546 a. The discount rate and other relevant actuarial  
547 assumptions used to value the Florida Retirement System Trust  
548 Fund at the time the amount to be transferred is determined,  
549 consistent with the factors provided in sub-subparagraphs b. and  
550 c.

551 b. A benefit commencement age, based on the member's

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552 estimated creditable service as of the estimate date.

553 c. Except as provided under sub-subparagraph d., for a  
554 member initially enrolled:

555 (I) Before July 1, 2011, the benefit commencement age is  
556 the younger of the following, but may not be younger than the  
557 member's age as of the estimate date:

558 (A) Age 62; or

559 (B) The age the member would attain if the member completed  
560 30 years of service with an employer, assuming the member worked  
561 continuously from the estimate date, and disregarding any  
562 vesting requirement that would otherwise apply under the pension  
563 plan.

564 (II) On or after July 1, 2011, the benefit commencement age  
565 is the younger of the following, but may not be younger than the  
566 member's age as of the estimate date:

567 (A) Age 65; or

568 (B) The age the member would attain if the member completed  
569 33 years of service with an employer, assuming the member worked  
570 continuously from the estimate date, and disregarding any  
571 vesting requirement that would otherwise apply under the pension  
572 plan.

573 d. For members of the Special Risk Class and for members of  
574 the Special Risk Administrative Support Class entitled to retain  
575 the special risk normal retirement date:

576 (I) Initially enrolled before July 1, 2011, the benefit  
577 commencement age is the younger of the following, but may not be  
578 younger than the member's age as of the estimate date:

579 (A) Age 55; or

580 (B) The age the member would attain if the member completed

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581 25 years of service with an employer, assuming the member worked  
582 continuously from the estimate date, and disregarding any  
583 vesting requirement that would otherwise apply under the pension  
584 plan.

585 (II) Initially enrolled on or after July 1, 2011, the  
586 benefit commencement age is the younger of the following, but  
587 may not be younger than the member's age as of the estimate  
588 date:

589 (A) Age 60; or

590 (B) The age the member would attain if the member completed  
591 30 years of service with an employer, assuming the member worked  
592 continuously from the estimate date, and disregarding any  
593 vesting requirement that would otherwise apply under the pension  
594 plan.

595 e. The calculation must disregard vesting requirements and  
596 early retirement reduction factors that would otherwise apply  
597 under the pension plan.

598 2. For each member who elects to transfer moneys from the  
599 pension plan to his or her account in the investment plan, the  
600 division shall recompute the amount transferred under  
601 subparagraph 1. within 60 days after the actual transfer of  
602 funds based upon the member's actual creditable service and  
603 actual final average compensation as of the initial date of  
604 participation in the investment plan. If the recomputed amount  
605 differs from the amount transferred by \$10 or more, the division  
606 shall:

607 a. Transfer, or cause to be transferred, from the Florida  
608 Retirement System Trust Fund to the member's account the excess,  
609 if any, of the recomputed amount over the previously transferred

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610 amount together with interest from the initial date of transfer  
611 to the date of transfer under this subparagraph, based upon the  
612 effective annual interest equal to the assumed return on the  
613 actuarial investment which was used in the most recent actuarial  
614 valuation of the system, compounded annually.

615       b. Transfer, or cause to be transferred, from the member's  
616 account to the Florida Retirement System Trust Fund the excess,  
617 if any, of the previously transferred amount over the recomputed  
618 amount, together with interest from the initial date of transfer  
619 to the date of transfer under this subparagraph, based upon 6  
620 percent effective annual interest, compounded annually, pro rata  
621 based on the member's allocation plan.

622       3. If contribution adjustments are made as a result of  
623 employer errors or corrections, including plan corrections,  
624 following recomputation of the amount transferred under  
625 subparagraph 1., the member is entitled to the additional  
626 contributions or is responsible for returning any excess  
627 contributions resulting from the correction. However, any return  
628 of such erroneous excess pretax contribution by the plan must be  
629 made within the period allowed by the Internal Revenue Service.  
630 The present value of the member's accumulated benefit obligation  
631 shall not be recalculated.

632       4. As directed by the member, the state board shall  
633 transfer or cause to be transferred the appropriate amounts to  
634 the designated accounts within 30 days after the effective date  
635 of the member's participation in the investment plan unless the  
636 major financial markets for securities available for a transfer  
637 are seriously disrupted by an unforeseen event that causes the  
638 suspension of trading on any national securities exchange in the

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639 country where the securities were issued. In that event, the 30-  
640 day period may be extended by a resolution of the state board.  
641 Transfers are not commissionable or subject to other fees and  
642 may be in the form of securities or cash, as determined by the  
643 state board. Such securities are valued as of the date of  
644 receipt in the member's account.

645 5. If the state board or the division receives notification  
646 from the United States Internal Revenue Service that this  
647 paragraph or any portion of this paragraph will cause the  
648 retirement system, or a portion thereof, to be disqualified for  
649 tax purposes under the Internal Revenue Code, the portion that  
650 will cause the disqualification does not apply. Upon such  
651 notice, the state board and the division shall notify the  
652 presiding officers of the Legislature.

653 (4) PARTICIPATION; ENROLLMENT.—

654 (a)1. Effective June 1, 2002, through February 28, 2003, a  
655 90-day election period was provided to each eligible employee  
656 participating in the Florida Retirement System, preceded by a  
657 90-day education period, permitting each eligible employee to  
658 elect membership in the investment plan, and an employee who  
659 failed to elect the investment plan during the election period  
660 remained in the pension plan. An eligible employee who was  
661 employed in a regularly established position during the election  
662 period was granted the option to make one subsequent election,  
663 as provided in paragraph (f). With respect to ~~an~~ eligible  
664 employees who did not participate in the initial election period  
665 or who are initially ~~employee who is~~ employed in a regularly  
666 established position after the close of the initial election  
667 period but before January 1, 2014, ~~on June 1, 2002, by a state~~

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668 employer:

669 ~~a. Any such employee may elect to participate in the~~  
670 ~~investment plan in lieu of retaining his or her membership in~~  
671 ~~the pension plan. The election must be made in writing or by~~  
672 ~~electronic means and must be filed with the third-party~~  
673 ~~administrator by August 31, 2002, or, in the case of an active~~  
674 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
675 ~~last business day of the 5th month following the month the leave~~  
676 ~~of absence concludes. This election is irrevocable, except as~~  
677 ~~provided in paragraph (g). Upon making such election, the~~  
678 ~~employee shall be enrolled as a member of the investment plan,~~  
679 ~~the employee's membership in the Florida Retirement System is~~  
680 ~~governed by the provisions of this part, and the employee's~~  
681 ~~membership in the pension plan terminates. The employee's~~  
682 ~~enrollment in the investment plan is effective the first day of~~  
683 ~~the month for which a full month's employer contribution is made~~  
684 ~~to the investment plan.~~

685 ~~b. Any such employee who fails to elect to participate in~~  
686 ~~the investment plan within the prescribed time period is deemed~~  
687 ~~to have elected to retain membership in the pension plan, and~~  
688 ~~the employee's option to elect to participate in the investment~~  
689 ~~plan is forfeited.~~

690 ~~2. With respect to employees who become eligible to~~  
691 ~~participate in the investment plan by reason of employment in a~~  
692 ~~regularly established position with a state employer commencing~~  
693 ~~after April 1, 2002:~~

694 ~~a. Any such employee shall, by default, be enrolled in the~~  
695 ~~pension plan at the commencement of employment, and may, by the~~  
696 ~~last business day of the 5th month following the employee's~~



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697 month of hire, elect to participate in the investment plan. The  
698 employee's election must be made in writing or by electronic  
699 means and must be filed with the third-party administrator. The  
700 election to participate in the investment plan is irrevocable,  
701 except as provided in paragraph (f) ~~(g)~~.

702 a.b. If the employee files such election within the  
703 prescribed time period, enrollment in the investment plan is  
704 effective on the first day of employment. The retirement  
705 contributions paid through the month of the employee plan change  
706 shall be transferred to the investment program, and, effective  
707 the first day of the next month, the employer and employee must  
708 pay the applicable contributions based on the employee  
709 membership class in the program.

710 b.e. An employee who fails to elect to participate in the  
711 investment plan within the prescribed time period is deemed to  
712 have elected to retain membership in the pension plan, and the  
713 employee's option to elect to participate in the investment plan  
714 is forfeited.

715 2.3. With respect to employees who become eligible to  
716 participate in the investment plan pursuant to s.  
717 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
718 participate in the investment plan in lieu of retaining his or  
719 her membership in the State Community College System Optional  
720 Retirement Program or the State University System Optional  
721 Retirement Program. The election must be made in writing or by  
722 electronic means and must be filed with the third-party  
723 administrator. This election is irrevocable, except as provided  
724 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
725 shall be enrolled as a member in the investment plan, the

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726 employee's membership in the Florida Retirement System is  
727 governed by the provisions of this part, and the employee's  
728 participation in the State Community College System Optional  
729 Retirement Program or the State University System Optional  
730 Retirement Program terminates. The employee's enrollment in the  
731 investment plan is effective on the first day of the month for  
732 which a full month's employer and employee contribution is made  
733 to the investment plan.

734 (b)1. With respect to employees who become eligible to  
735 participate in the investment plan, except as provided in  
736 paragraph (g), by reason of employment in a regularly  
737 established position commencing on or after January 1, 2014, any  
738 such employee shall be enrolled in the pension plan at the  
739 commencement of employment and may, by the last business day of  
740 the 5th month following the employee's month of hire, elect to  
741 participate in the pension plan or the investment plan. Eligible  
742 employees may make a plan election only if they are earning  
743 service credit in an employer-employee relationship consistent  
744 with s. 121.021(17)(b), excluding leaves of absence without pay.

745 2. The employee's election must be made in writing or by  
746 electronic means and must be filed with the third-party  
747 administrator. The election to participate in the pension plan  
748 or investment plan is irrevocable, except as provided in  
749 paragraph (f).

750 3. If the employee fails to make an election of the pension  
751 plan or investment plan within 5 months following the month of  
752 hire, the employee is deemed to have elected the investment plan  
753 and will be defaulted into the investment plan retroactively to  
754 the employee's date of employment. The employee's option to

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755 participate in the pension plan is forfeited, except as provided  
756 in paragraph (f).

757 4. The amount of the employee and employer contributions  
758 paid before the default to the investment plan shall be  
759 transferred to the investment plan and shall be placed in a  
760 default fund as designated by the State Board of Administration.  
761 The employee may move the contributions once an account is  
762 activated in the investment plan.

763 5. Effective the first day of the month after an eligible  
764 employee makes a plan election of the pension plan or investment  
765 plan, or after the month of default to the investment plan, the  
766 employee and employer shall pay the applicable contributions  
767 based on the employee membership class in the pension plan or  
768 investment plan.

769 ~~4. For purposes of this paragraph, "state employer" means~~  
770 ~~any agency, board, branch, commission, community college,~~  
771 ~~department, institution, institution of higher education, or~~  
772 ~~water management district of the state, which participates in~~  
773 ~~the Florida Retirement System for the benefit of certain~~  
774 ~~employees.~~

775 ~~(b)1. With respect to an eligible employee who is employed~~  
776 ~~in a regularly established position on September 1, 2002, by a~~  
777 ~~district school board employer:~~

778 ~~a. Any such employee may elect to participate in the~~  
779 ~~investment plan in lieu of retaining his or her membership in~~  
780 ~~the pension plan. The election must be made in writing or by~~  
781 ~~electronic means and must be filed with the third-party~~  
782 ~~administrator by November 30, or, in the case of an active~~  
783 ~~employee who is on a leave of absence on July 1, 2002, by the~~

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784 ~~last business day of the 5th month following the month the leave~~  
785 ~~of absence concludes. This election is irrevocable, except as~~  
786 ~~provided in paragraph (g). Upon making such election, the~~  
787 ~~employee shall be enrolled as a member of the investment plan,~~  
788 ~~the employee's membership in the Florida Retirement System is~~  
789 ~~governed by the provisions of this part, and the employee's~~  
790 ~~membership in the pension plan terminates. The employee's~~  
791 ~~enrollment in the investment plan is effective the first day of~~  
792 ~~the month for which a full month's employer contribution is made~~  
793 ~~to the investment program.~~

794 ~~b. Any such employee who fails to elect to participate in~~  
795 ~~the investment plan within the prescribed time period is deemed~~  
796 ~~to have elected to retain membership in the pension plan, and~~  
797 ~~the employee's option to elect to participate in the investment~~  
798 ~~plan is forfeited.~~

799 ~~2. With respect to employees who become eligible to~~  
800 ~~participate in the investment plan by reason of employment in a~~  
801 ~~regularly established position with a district school board~~  
802 ~~employer commencing after July 1, 2002:~~

803 ~~a. Any such employee shall, by default, be enrolled in the~~  
804 ~~pension plan at the commencement of employment, and may, by the~~  
805 ~~last business day of the 5th month following the employee's~~  
806 ~~month of hire, elect to participate in the investment plan. The~~  
807 ~~employee's election must be made in writing or by electronic~~  
808 ~~means and must be filed with the third party administrator. The~~  
809 ~~election to participate in the investment plan is irrevocable,~~  
810 ~~except as provided in paragraph (g).~~

811 ~~b. If the employee files such election within the~~  
812 ~~prescribed time period, enrollment in the investment plan is~~

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813 ~~effective on the first day of employment. The employer~~  
814 ~~retirement contributions paid through the month of the employee~~  
815 ~~plan change shall be transferred to the investment plan, and,~~  
816 ~~effective the first day of the next month, the employer shall~~  
817 ~~pay the applicable contributions based on the employee~~  
818 ~~membership class in the investment plan.~~

819 ~~e. Any such employee who fails to elect to participate in~~  
820 ~~the investment plan within the prescribed time period is deemed~~  
821 ~~to have elected to retain membership in the pension plan, and~~  
822 ~~the employee's option to elect to participate in the investment~~  
823 ~~plan is forfeited.~~

824 ~~3. For purposes of this paragraph, "district school board~~  
825 ~~employer" means any district school board that participates in~~  
826 ~~the Florida Retirement System for the benefit of certain~~  
827 ~~employees, or a charter school or charter technical career~~  
828 ~~center that participates in the Florida Retirement System as~~  
829 ~~provided in s. 121.051(2) (d).~~

830 ~~(c)1. With respect to an eligible employee who is employed~~  
831 ~~in a regularly established position on December 1, 2002, by a~~  
832 ~~local employer:~~

833 ~~a. Any such employee may elect to participate in the~~  
834 ~~investment plan in lieu of retaining his or her membership in~~  
835 ~~the pension plan. The election must be made in writing or by~~  
836 ~~electronic means and must be filed with the third party~~  
837 ~~administrator by February 28, 2003, or, in the case of an active~~  
838 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
839 ~~last business day of the 5th month following the month the leave~~  
840 ~~of absence concludes. This election is irrevocable, except as~~  
841 ~~provided in paragraph (g). Upon making such election, the~~

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842 ~~employee shall be enrolled as a participant of the investment~~  
843 ~~plan, the employee's membership in the Florida Retirement System~~  
844 ~~is governed by the provisions of this part, and the employee's~~  
845 ~~membership in the pension plan terminates. The employee's~~  
846 ~~enrollment in the investment plan is effective the first day of~~  
847 ~~the month for which a full month's employer contribution is made~~  
848 ~~to the investment plan.~~

849 ~~b. Any such employee who fails to elect to participate in~~  
850 ~~the investment plan within the prescribed time period is deemed~~  
851 ~~to have elected to retain membership in the pension plan, and~~  
852 ~~the employee's option to elect to participate in the investment~~  
853 ~~plan is forfeited.~~

854 ~~2. With respect to employees who become eligible to~~  
855 ~~participate in the investment plan by reason of employment in a~~  
856 ~~regularly established position with a local employer commencing~~  
857 ~~after October 1, 2002:~~

858 ~~a. Any such employee shall, by default, be enrolled in the~~  
859 ~~pension plan at the commencement of employment, and may, by the~~  
860 ~~last business day of the 5th month following the employee's~~  
861 ~~month of hire, elect to participate in the investment plan. The~~  
862 ~~employee's election must be made in writing or by electronic~~  
863 ~~means and must be filed with the third party administrator. The~~  
864 ~~election to participate in the investment plan is irrevocable,~~  
865 ~~except as provided in paragraph (g).~~

866 ~~b. If the employee files such election within the~~  
867 ~~prescribed time period, enrollment in the investment plan is~~  
868 ~~effective on the first day of employment. The employer~~  
869 ~~retirement contributions paid through the month of the employee~~  
870 ~~plan change shall be transferred to the investment plan, and,~~

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871 ~~effective the first day of the next month, the employer shall~~  
872 ~~pay the applicable contributions based on the employee~~  
873 ~~membership class in the investment plan.~~

874 ~~e. Any such employee who fails to elect to participate in~~  
875 ~~the investment plan within the prescribed time period is deemed~~  
876 ~~to have elected to retain membership in the pension plan, and~~  
877 ~~the employee's option to elect to participate in the investment~~  
878 ~~plan is forfeited.~~

879 ~~3. For purposes of this paragraph, "local employer" means~~  
880 ~~any employer not included in paragraph (a) or paragraph (b).~~

881 (c) ~~(d)~~ Contributions available for self-direction by a  
882 member who has not selected one or more specific investment  
883 products shall be allocated as prescribed by the state board.  
884 The third-party administrator shall notify the member at least  
885 quarterly that the member should take an affirmative action to  
886 make an asset allocation among the investment products.

887 (d) ~~(e)~~ On or after July 1, 2011, a member of the pension  
888 plan who obtains a refund of employee contributions retains his  
889 or her prior plan choice upon return to employment in a  
890 regularly established position with a participating employer.

891 (e) ~~(f)~~ A member of the investment plan who takes a  
892 distribution of any contributions from his or her investment  
893 plan account is considered a retiree. A retiree who is initially  
894 reemployed in a regularly established position on or after July  
895 1, 2010, is not eligible to be enrolled in renewed membership.

896 (f) ~~(g)~~ After the period during which an eligible employee  
897 had the choice to elect the pension plan or the investment plan,  
898 or the month following the receipt of the eligible employee's  
899 plan election, if sooner, the employee shall have one

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900 opportunity, at the employee's discretion, to choose to move  
901 from the pension plan to the investment plan or from the  
902 investment plan to the pension plan. Eligible employees may  
903 elect to move between plans only if they are earning service  
904 credit in an employer-employee relationship consistent with s.  
905 121.021(17)(b), excluding leaves of absence without pay.  
906 Effective July 1, 2005, such elections are effective on the  
907 first day of the month following the receipt of the election by  
908 the third-party administrator and are not subject to the  
909 requirements regarding an employer-employee relationship or  
910 receipt of contributions for the eligible employee in the  
911 effective month, except when the election is received by the  
912 third-party administrator. This paragraph is contingent upon  
913 approval by the Internal Revenue Service. This paragraph is not  
914 applicable to compulsory investment plan members under paragraph  
915 (g).

916 1. If the employee chooses to move to the investment plan,  
917 the provisions of subsection (3) govern the transfer.

918 2. If the employee chooses to move to the pension plan, the  
919 employee must transfer from his or her investment plan account,  
920 and from other employee moneys as necessary, a sum representing  
921 the present value of that employee's accumulated benefit  
922 obligation immediately following the time of such movement,  
923 determined assuming that attained service equals the sum of  
924 service in the pension plan and service in the investment plan.  
925 Benefit commencement occurs on the first date the employee is  
926 eligible for unreduced benefits, using the discount rate and  
927 other relevant actuarial assumptions that were used to value the  
928 pension plan liabilities in the most recent actuarial valuation.



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929 For any employee who, at the time of the second election,  
930 already maintains an accrued benefit amount in the pension plan,  
931 the then-present value of the accrued benefit is deemed part of  
932 the required transfer amount. The division must ensure that the  
933 transfer sum is prepared using a formula and methodology  
934 certified by an enrolled actuary. A refund of any employee  
935 contributions or additional member payments made which exceed  
936 the employee contributions that would have accrued had the  
937 member remained in the pension plan and not transferred to the  
938 investment plan is not permitted.

939 3. Notwithstanding subparagraph 2., an employee who chooses  
940 to move to the pension plan and who became eligible to  
941 participate in the investment plan by reason of employment in a  
942 regularly established position with a state employer after June  
943 1, 2002; a district school board employer after September 1,  
944 2002; or a local employer after December 1, 2002, must transfer  
945 from his or her investment plan account, and from other employee  
946 moneys as necessary, a sum representing the employee's actuarial  
947 accrued liability. A refund of any employee contributions or  
948 additional member ~~participant~~ payments made which exceed the  
949 employee contributions that would have accrued had the member  
950 remained in the pension plan and not transferred to the  
951 investment plan is not permitted.

952 4. An employee's ability to transfer from the pension plan  
953 to the investment plan pursuant to paragraphs (a) and (b)  
954 ~~paragraphs (a) - (d)~~, and the ability of a current employee to  
955 have an option to later transfer back into the pension plan  
956 under subparagraph 2., shall be deemed a significant system  
957 amendment. Pursuant to s. 121.031(4), any resulting unfunded

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958 liability arising from actual original transfers from the  
959 pension plan to the investment plan must be amortized within 30  
960 plan years as a separate unfunded actuarial base independent of  
961 the reserve stabilization mechanism defined in s. 121.031(3)(f).  
962 For the first 25 years, a direct amortization payment may not be  
963 calculated for this base. During this 25-year period, the  
964 separate base shall be used to offset the impact of employees  
965 exercising their second program election under this paragraph.  
966 The actuarial funded status of the pension plan will not be  
967 affected by such second program elections in any significant  
968 manner, after due recognition of the separate unfunded actuarial  
969 base. Following the initial 25-year period, any remaining  
970 balance of the original separate base shall be amortized over  
971 the remaining 5 years of the required 30-year amortization  
972 period.

973 5. If the employee chooses to transfer from the investment  
974 plan to the pension plan and retains an excess account balance  
975 in the investment plan after satisfying the buy-in requirements  
976 under this paragraph, the excess may not be distributed until  
977 the member retires from the pension plan. The excess account  
978 balance may be rolled over to the pension plan and used to  
979 purchase service credit or upgrade creditable service in the  
980 pension plan.

981 (g)1. All employees initially enrolled on or after January  
982 1, 2014, in positions covered by the Elected Officers' Class or  
983 the Senior Management Service Class are compulsory members of  
984 the investment plan, except those eligible to withdraw from the  
985 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
986 eligible for optional retirement programs under s.

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987 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees  
988 eligible to withdraw from the system under s. 121.052(3)(d) or  
989 s. 121.055(1)(b)2. may choose to withdraw from the system or to  
990 participate in the investment plan as provided in those  
991 sections. Employees eligible for optional retirement programs  
992 under s. 121.051(2)(c) or s. 121.35, except as provided in s.  
993 121.051(1)(a), may choose to participate in the optional  
994 retirement program or the investment plan as provided in those  
995 sections. Investment plan membership continues if there is  
996 subsequent employment in a position covered by another  
997 membership class. Membership in the pension plan is not  
998 permitted except as provided in s. 121.591(2). Employees  
999 initially enrolled in the Florida Retirement System prior to  
1000 January 1, 2014, may retain their membership in the pension plan  
1001 or investment plan and are eligible to use the election  
1002 opportunity specified in s. 121.4501(4)(f).

1003 2. Employees initially enrolled on or after January 1,  
1004 2014, are not permitted to use the election opportunity  
1005 specified in paragraph (f).

1006 3. The amount of retirement contributions paid by the  
1007 employee and employer, as required under s. 121.72, shall be  
1008 placed in a default fund as designated by the state board, until  
1009 an account is activated in the investment plan, at which time  
1010 the member may move the contributions from the default fund to  
1011 other funds provided in the investment plan.

1012 (5) CONTRIBUTIONS.—

1013 (c) The state board, acting as plan fiduciary, must ensure  
1014 that all plan assets are held in a trust, pursuant to s. 401 of  
1015 the Internal Revenue Code. The fiduciary must ensure that such

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1016 contributions are allocated as follows:

1017 1. The employer and employee contribution portion earmarked  
1018 for member accounts shall be used to purchase interests in the  
1019 appropriate investment vehicles as specified by the member, or  
1020 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1021 2. The employer contribution portion earmarked for  
1022 administrative and educational expenses shall be transferred to  
1023 the Florida Retirement System Investment Plan Trust Fund.

1024 3. The employer contribution portion earmarked for  
1025 disability benefits shall be transferred to the Florida  
1026 Retirement System Trust Fund.

1027 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
1028 shall be administered by the state board and affected employers.  
1029 The state board may require oaths, by affidavit or otherwise,  
1030 and acknowledgments from persons in connection with the  
1031 administration of its statutory duties and responsibilities for  
1032 the investment plan. An oath, by affidavit or otherwise, may not  
1033 be required of a member at the time of enrollment.

1034 Acknowledgment of an employee's election to participate in the  
1035 program shall be no greater than necessary to confirm the  
1036 employee's election except for members initially enrolled on or  
1037 after January 1, 2014, as provided in paragraph (4) (g). The  
1038 state board shall adopt rules to carry out its statutory duties  
1039 with respect to administering the investment plan, including  
1040 establishing the roles and responsibilities of affected state,  
1041 local government, and education-related employers, the state  
1042 board, the department, and third-party contractors. The  
1043 department shall adopt rules necessary to administer the  
1044 investment plan in coordination with the pension plan and the

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1045 disability benefits available under the investment plan.

1046 (a)1. The state board shall select and contract with a  
1047 third-party administrator to provide administrative services if  
1048 those services cannot be competitively and contractually  
1049 provided by the division. With the approval of the state board,  
1050 the third-party administrator may subcontract to provide  
1051 components of the administrative services. As a cost of  
1052 administration, the state board may compensate any such  
1053 contractor for its services, in accordance with the terms of the  
1054 contract, as is deemed necessary or proper by the board. The  
1055 third-party administrator may not be an approved provider or be  
1056 affiliated with an approved provider.

1057 2. These administrative services may include, but are not  
1058 limited to, enrollment of eligible employees, collection of  
1059 employer and employee contributions, disbursement of  
1060 contributions to approved providers in accordance with the  
1061 allocation directions of members; services relating to  
1062 consolidated billing; individual and collective recordkeeping  
1063 and accounting; asset purchase, control, and safekeeping; and  
1064 direct disbursement of funds to and from the third-party  
1065 administrator, the division, the state board, employers,  
1066 members, approved providers, and beneficiaries. This section  
1067 does not prevent or prohibit a bundled provider from providing  
1068 any administrative or customer service, including accounting and  
1069 administration of individual member benefits and contributions;  
1070 individual member recordkeeping; asset purchase, control, and  
1071 safekeeping; direct execution of the member's instructions as to  
1072 asset and contribution allocation; calculation of daily net  
1073 asset values; direct access to member account information; or

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1074 periodic reporting to members, at least quarterly, on account  
1075 balances and transactions, if these services are authorized by  
1076 the state board as part of the contract.

1077 (b)1. The state board shall select and contract with one or  
1078 more organizations to provide educational services. With  
1079 approval of the state board, the organizations may subcontract  
1080 to provide components of the educational services. As a cost of  
1081 administration, the state board may compensate any such  
1082 contractor for its services in accordance with the terms of the  
1083 contract, as is deemed necessary or proper by the board. The  
1084 education organization may not be an approved provider or be  
1085 affiliated with an approved provider.

1086 2. Educational services shall be designed by the state  
1087 board and department to assist employers, eligible employees,  
1088 members, and beneficiaries in order to maintain compliance with  
1089 United States Department of Labor regulations under s. 404(c) of  
1090 the Employee Retirement Income Security Act of 1974 and to  
1091 assist employees in their choice of pension plan or investment  
1092 plan retirement alternatives. Educational services include, but  
1093 are not limited to, disseminating educational materials;  
1094 providing retirement planning education; explaining the pension  
1095 plan and the investment plan; and offering financial planning  
1096 guidance on matters such as investment diversification,  
1097 investment risks, investment costs, and asset allocation. An  
1098 approved provider may also provide educational information,  
1099 including retirement planning and investment allocation  
1100 information concerning its products and services.

1101 (c)1. In evaluating and selecting a third-party  
1102 administrator, the state board shall establish criteria for

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1103 evaluating the relative capabilities and qualifications of each  
1104 proposed administrator. In developing such criteria, the state  
1105 board shall consider:

1106 a. The administrator's demonstrated experience in providing  
1107 administrative services to public or private sector retirement  
1108 systems.

1109 b. The administrator's demonstrated experience in providing  
1110 daily valued recordkeeping to defined contribution programs.

1111 c. The administrator's ability and willingness to  
1112 coordinate its activities with employers, the state board, and  
1113 the division, and to supply to such employers, the board, and  
1114 the division the information and data they require, including,  
1115 but not limited to, monthly management reports, quarterly member  
1116 reports, and ad hoc reports requested by the department or state  
1117 board.

1118 d. The cost-effectiveness and levels of the administrative  
1119 services provided.

1120 e. The administrator's ability to interact with the  
1121 members, the employers, the state board, the division, and the  
1122 providers; the means by which members may access account  
1123 information, direct investment of contributions, make changes to  
1124 their accounts, transfer moneys between available investment  
1125 vehicles, and transfer moneys between investment products; and  
1126 any fees that apply to such activities.

1127 f. Any other factor deemed necessary by the state board.

1128 2. In evaluating and selecting an educational provider, the  
1129 state board shall establish criteria under which it shall  
1130 consider the relative capabilities and qualifications of each  
1131 proposed educational provider. In developing such criteria, the

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1132 state board shall consider:

1133 a. Demonstrated experience in providing educational  
1134 services to public or private sector retirement systems.

1135 b. Ability and willingness to coordinate its activities  
1136 with the employers, the state board, and the division, and to  
1137 supply to such employers, the board, and the division the  
1138 information and data they require, including, but not limited  
1139 to, reports on educational contacts.

1140 c. The cost-effectiveness and levels of the educational  
1141 services provided.

1142 d. Ability to provide educational services via different  
1143 media, including, but not limited to, the Internet, personal  
1144 contact, seminars, brochures, and newsletters.

1145 e. Any other factor deemed necessary by the state board.

1146 3. The establishment of the criteria shall be solely within  
1147 the discretion of the state board.

1148 (d) The state board shall develop the form and content of  
1149 any contracts to be offered under the investment plan. In  
1150 developing the contracts, the board shall consider:

1151 1. The nature and extent of the rights and benefits to be  
1152 afforded in relation to the contributions required under the  
1153 plan.

1154 2. The suitability of the rights and benefits provided and  
1155 the interests of employers in the recruitment and retention of  
1156 eligible employees.

1157 (e)1. The state board may contract for professional  
1158 services, including legal, consulting, accounting, and actuarial  
1159 services, deemed necessary to implement and administer the  
1160 investment plan. The state board may enter into a contract with



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1161 one or more vendors to provide low-cost investment advice to  
1162 members, supplemental to education provided by the third-party  
1163 administrator. All fees under any such contract shall be paid by  
1164 those members who choose to use the services of the vendor.

1165 2. The department may contract for professional services,  
1166 including legal, consulting, accounting, and actuarial services,  
1167 deemed necessary to implement and administer the investment plan  
1168 in coordination with the pension plan. The department, in  
1169 coordination with the state board, may enter into a contract  
1170 with the third-party administrator in order to coordinate  
1171 services common to the various programs within the Florida  
1172 Retirement System.

1173 (f) The third-party administrator may not receive direct or  
1174 indirect compensation from an approved provider, except as  
1175 specifically provided for in the contract with the state board.

1176 (g) The state board shall receive and resolve member  
1177 complaints against the program, the third-party administrator,  
1178 or any program vendor or provider; shall resolve any conflict  
1179 between the third-party administrator and an approved provider  
1180 if such conflict threatens the implementation or administration  
1181 of the program or the quality of services to employees; and may  
1182 resolve any other conflicts. The third-party administrator shall  
1183 retain all member records for at least 5 years for use in  
1184 resolving any member conflicts. The state board, the third-party  
1185 administrator, or a provider is not required to produce  
1186 documentation or an audio recording to justify action taken with  
1187 regard to a member if the action occurred 5 or more years before  
1188 the complaint is submitted to the state board. It is presumed  
1189 that all action taken 5 or more years before the complaint is

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1190 submitted was taken at the request of the member and with the  
1191 member's full knowledge and consent. To overcome this  
1192 presumption, the member must present documentary evidence or an  
1193 audio recording demonstrating otherwise.

1194 (10) EDUCATION COMPONENT.—

1195 (a) The state board, in coordination with the department,  
1196 shall provide for an education component for eligible employees  
1197 ~~system members~~ in a manner consistent with the provisions of  
1198 this subsection ~~section~~. ~~The education component must be~~  
1199 ~~available to eligible employees at least 90 days prior to the~~  
1200 ~~beginning date of the election period for the employees of the~~  
1201 ~~respective types of employers.~~

1202 (b) The education component must provide system members  
1203 with impartial and balanced information about plan choices  
1204 except for members initially enrolled on or after January 1,  
1205 2014, as provided in paragraph (4) (g). The education component  
1206 must involve multimedia formats. Program comparisons must, to  
1207 the greatest extent possible, be based upon the retirement  
1208 income that different retirement programs may provide to the  
1209 member. The state board shall monitor the performance of the  
1210 contract to ensure that the program is conducted in accordance  
1211 with the contract, applicable law, and the rules of the state  
1212 board.

1213 (c) The state board, in coordination with the department,  
1214 shall provide for an initial and ongoing transfer education  
1215 component to provide system members except for those members  
1216 initially enrolled on or after January 1, 2014, as provided in  
1217 paragraph (4) (g), with information necessary to make informed  
1218 plan choice decisions. The transfer education component must

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1219 include, but is not limited to, information on:

1220 1. The amount of money available to a member to transfer to  
1221 the defined contribution program.

1222 2. The features of and differences between the pension plan  
1223 and the defined contribution program, both generally and  
1224 specifically, as those differences may affect the member.

1225 3. The expected benefit available if the member were to  
1226 retire under each of the retirement programs, based on  
1227 appropriate alternative sets of assumptions.

1228 4. The rate of return from investments in the defined  
1229 contribution program and the period of time over which such rate  
1230 of return must be achieved to equal or exceed the expected  
1231 monthly benefit payable to the member under the pension plan.

1232 5. The historical rates of return for the investment  
1233 alternatives available in the defined contribution programs.

1234 6. The benefits and historical rates of return on  
1235 investments available in a typical deferred compensation plan or  
1236 a typical plan under s. 403(b) of the Internal Revenue Code for  
1237 which the employee may be eligible.

1238 7. The program choices available to employees of the State  
1239 University System and the comparative benefits of each available  
1240 program, if applicable.

1241 8. Payout options available in each of the retirement  
1242 programs.

1243 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
1244 ~~System employers have an obligation to regularly communicate the~~  
1245 ~~existence of the two Florida Retirement System plans and the~~  
1246 ~~plan choice in the natural course of administering their~~  
1247 ~~personnel functions, using the educational materials supplied by~~

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1248 ~~the state board and the Department of Management Services.~~

1249 Section 7. Paragraph (b) of subsection (2) of section  
1250 121.591, Florida Statutes, is amended to read:

1251 121.591 Payment of benefits.—Benefits may not be paid under  
1252 the Florida Retirement System Investment Plan unless the member  
1253 has terminated employment as provided in s. 121.021(39)(a) or is  
1254 deceased and a proper application has been filed as prescribed  
1255 by the state board or the department. Benefits, including  
1256 employee contributions, are not payable under the investment  
1257 plan for employee hardships, unforeseeable emergencies, loans,  
1258 medical expenses, educational expenses, purchase of a principal  
1259 residence, payments necessary to prevent eviction or foreclosure  
1260 on an employee's principal residence, or any other reason except  
1261 a requested distribution for retirement, a mandatory de minimis  
1262 distribution authorized by the administrator, or a required  
1263 minimum distribution provided pursuant to the Internal Revenue  
1264 Code. The state board or department, as appropriate, may cancel  
1265 an application for retirement benefits if the member or  
1266 beneficiary fails to timely provide the information and  
1267 documents required by this chapter and the rules of the state  
1268 board and department. In accordance with their respective  
1269 responsibilities, the state board and the department shall adopt  
1270 rules establishing procedures for application for retirement  
1271 benefits and for the cancellation of such application if the  
1272 required information or documents are not received. The state  
1273 board and the department, as appropriate, are authorized to cash  
1274 out a de minimis account of a member who has been terminated  
1275 from Florida Retirement System covered employment for a minimum  
1276 of 6 calendar months. A de minimis account is an account

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1277 containing employer and employee contributions and accumulated  
1278 earnings of not more than \$5,000 made under the provisions of  
1279 this chapter. Such cash-out must be a complete lump-sum  
1280 liquidation of the account balance, subject to the provisions of  
1281 the Internal Revenue Code, or a lump-sum direct rollover  
1282 distribution paid directly to the custodian of an eligible  
1283 retirement plan, as defined by the Internal Revenue Code, on  
1284 behalf of the member. Any nonvested accumulations and associated  
1285 service credit, including amounts transferred to the suspense  
1286 account of the Florida Retirement System Investment Plan Trust  
1287 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1288 payment of any vested benefit to a member or beneficiary, except  
1289 for de minimis distributions or minimum required distributions  
1290 as provided under this section. If any financial instrument  
1291 issued for the payment of retirement benefits under this section  
1292 is not presented for payment within 180 days after the last day  
1293 of the month in which it was originally issued, the third-party  
1294 administrator or other duly authorized agent of the state board  
1295 shall cancel the instrument and credit the amount of the  
1296 instrument to the suspense account of the Florida Retirement  
1297 System Investment Plan Trust Fund authorized under s.  
1298 121.4501(6). Any amounts transferred to the suspense account are  
1299 payable upon a proper application, not to include earnings  
1300 thereon, as provided in this section, within 10 years after the  
1301 last day of the month in which the instrument was originally  
1302 issued, after which time such amounts and any earnings  
1303 attributable to employer contributions shall be forfeited. Any  
1304 forfeited amounts are assets of the trust fund and are not  
1305 subject to chapter 717.

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1306 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under  
1307 this subsection are payable in lieu of the benefits that would  
1308 otherwise be payable under the provisions of subsection (1).  
1309 Such benefits must be funded from employer contributions made  
1310 under s. 121.571, transferred employee contributions and funds  
1311 accumulated pursuant to paragraph (a), and interest and earnings  
1312 thereon.

1313 (b) *Disability retirement; entitlement.*—

1314 1.a. A member of the investment plan initially enrolled  
1315 before January 1, 2014, who becomes totally and permanently  
1316 disabled, as defined in paragraph (d), after completing 8 years  
1317 of creditable service, or a member who becomes totally and  
1318 permanently disabled in the line of duty regardless of length of  
1319 service, is entitled to a monthly disability benefit.

1320 b. A member of the investment plan initially enrolled on or  
1321 after January 1, 2014, who becomes totally and permanently  
1322 disabled, as defined in paragraph (d), after completing 10 years  
1323 of creditable service, or a member who becomes totally and  
1324 permanently disabled in the line of duty regardless of service,  
1325 is entitled to a monthly disability benefit.

1326 2. In order for service to apply toward the ~~8~~ years of  
1327 creditable service required for regular disability benefits, or  
1328 toward the creditable service used in calculating a service-  
1329 based benefit as provided under paragraph (g), the service must  
1330 be creditable service as described below:

1331 a. The member's period of service under the investment plan  
1332 shall be considered creditable service, except as provided in  
1333 subparagraph d.

1334 b. If the member has elected to retain credit for service

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1335 under the pension plan as provided under s. 121.4501(3), all  
 1336 such service shall be considered creditable service.

1337 c. If the member elects to transfer to his or her member  
 1338 accounts a sum representing the present value of his or her  
 1339 retirement credit under the pension plan as provided under s.  
 1340 121.4501(3), the period of service under the pension plan  
 1341 represented in the present value amounts transferred shall be  
 1342 considered creditable service, except as provided in  
 1343 subparagraph d.

1344 d. If a member has terminated employment and has taken  
 1345 distribution of his or her funds as provided in subsection (1),  
 1346 all creditable service represented by such distributed funds is  
 1347 forfeited for purposes of this subsection.

1348 Section 8. Subsection (3) of section 121.71, Florida  
 1349 Statutes, is amended to read:

1350 121.71 Uniform rates; process; calculations; levy.—

1351 (3) (a) Required employee retirement contribution rates for  
 1352 each membership class and subclass of the Florida Retirement  
 1353 System for the pension plan ~~both retirement plans~~ are as  
 1354 follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
Regular Class	3.00%

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1357	Special Risk Class	3.00%
1358	Special Risk Administrative Support Class	3.00%
1359	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
1360	Elected Officers' Class— Justices, Judges	3.00%
1361	Elected Officers' Class— County Elected Officers	3.00%
1362	Senior Management Service Class	3.00%
1363	DROP	0.00%

1364

1365 (b) Required employee retirement contribution rates for

1366 each membership class and subclass of the Florida Retirement

1367 System for the investment plan are as follows:

<u>Membership Class</u>	<u>Percentage of</u>	<u>Percentage of</u>
	<u>Gross</u>	<u>Gross</u>



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<u>Compensation,</u>	<u>Compensation,</u>
<u>Effective</u>	<u>Effective</u>
<u>July 1, 2011</u>	<u>January 1,</u>
	<u>2014</u>

1368

1369

<u>Regular Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1370

<u>Special Risk</u> <u>Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1371

<u>Special Risk</u> <u>Administrative</u> <u>Support Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1372

<u>Elected Officers'</u> <u>Class—</u> <u>Legislators,</u> <u>Governor,</u> <u>Lt. Governor,</u> <u>Cabinet</u> <u>Officers,</u> <u>State Attorneys,</u> <u>Public Defenders</u>	<u>3.00%</u>	<u>2.00%</u>
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1373

<u>Elected Officers'</u> <u>Class—</u> <u>Justices, Judges</u>	<u>3.00%</u>	<u>2.00%</u>
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1374

Elected Officers'            3.00%            2.00%  
Class-  
County Elected  
Officers

1375

Senior Management            3.00%            2.00%  
Service Class

1376

1377            Section 9. Paragraph (a) of subsection (4) of section  
1378 121.35, Florida Statutes, is amended to read:

1379            121.35 Optional retirement program for the State University  
1380 System.-

1381            (4) CONTRIBUTIONS.-

1382            (a)1. Through June 30, 2001, each employer shall contribute  
1383 on behalf of each member of the optional retirement program an  
1384 amount equal to the normal cost portion of the employer  
1385 retirement contribution which would be required if the employee  
1386 were a regular member of the Florida Retirement System Pension  
1387 Plan, plus the portion of the contribution rate required in s.  
1388 112.363(8) that would otherwise be assigned to the Retiree  
1389 Health Insurance Subsidy Trust Fund.

1390            2. Effective July 1, 2001, through June 30, 2011, each  
1391 employer shall contribute on behalf of each member of the  
1392 optional retirement program an amount equal to 10.43 percent of  
1393 the employee's gross monthly compensation.

1394            3. Effective July 1, 2011, through June 30, 2012, each  
1395 member of the optional retirement program shall contribute an  
1396 amount equal to the employee contribution required in s.

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1397 121.71(3)(a). The employer shall contribute on behalf of each  
1398 such member an amount equal to the difference between 10.43  
1399 percent of the employee's gross monthly compensation and the  
1400 amount equal to the employee's required contribution based on  
1401 the employee's gross monthly compensation.

1402 4. Effective July 1, 2012, each member of the optional  
1403 retirement program shall contribute an amount equal to the  
1404 employee contribution required in s. 121.71(3)(a). The employer  
1405 shall contribute on behalf of each such member an amount equal  
1406 to the difference between 8.15 percent of the employee's gross  
1407 monthly compensation and the amount equal to the employee's  
1408 required contribution based on the employee's gross monthly  
1409 compensation.

1410 5. The payment of the contributions, including  
1411 contributions by the employee, shall be made by the employer to  
1412 the department, which shall forward the contributions to the  
1413 designated company or companies contracting for payment of  
1414 benefits for members of the program. However, such contributions  
1415 paid on behalf of an employee described in paragraph (3)(c) may  
1416 not be forwarded to a company and do not begin to accrue  
1417 interest until the employee has executed a contract and notified  
1418 the department. The department shall deduct an amount from the  
1419 contributions to provide for the administration of this program.

1420 Section 10. Section 238.072, Florida Statutes, is amended  
1421 to read:

1422 238.072 Special service provisions for extension  
1423 personnel.—All state and county cooperative extension personnel  
1424 holding appointments by the United States Department of  
1425 Agriculture for extension work in agriculture and home economics

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1426 in this state who are joint representatives of the University of  
1427 Florida and the United States Department of Agriculture, as  
1428 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
1429 Teachers' Retirement System, chapter 238, and who are prohibited  
1430 from transferring to and participating in the Florida Retirement  
1431 System, chapter 121, may retire with full benefits upon  
1432 completion of 30 years of creditable service and shall be  
1433 considered to have attained normal retirement age under this  
1434 chapter, any law to the contrary notwithstanding. In order to  
1435 comply with the provisions of s. 14, Art. X of the State  
1436 Constitution, any liability accruing to the Florida Retirement  
1437 System Trust Fund as a result of the provisions of this section  
1438 shall be paid on an annual basis from the General Revenue Fund.

1439 Section 11. Subsection (11) of section 413.051, Florida  
1440 Statutes, is amended to read:

1441 413.051 Eligible blind persons; operation of vending  
1442 stands.-

1443 (11) Effective July 1, 1996, blind licensees who remain  
1444 members of the Florida Retirement System pursuant to s.  
1445 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1446 retirement costs from their net profits or from program income.  
1447 Within 30 days after the effective date of this act, each blind  
1448 licensee who is eligible to maintain membership in the Florida  
1449 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1450 who elects to withdraw from the system as provided in s.  
1451 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
1452 1996, notify the Division of Blind Services and the Department  
1453 of Management Services in writing of his or her election to  
1454 withdraw. Failure to timely notify the divisions shall be deemed

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1455 a decision to remain a compulsory member of the Florida  
1456 Retirement System. However, if, at any time after July 1, 1996,  
1457 sufficient funds are not paid by a blind licensee to cover the  
1458 required contribution to the Florida Retirement System, that  
1459 blind licensee shall become ineligible to participate in the  
1460 Florida Retirement System on the last day of the first month for  
1461 which no contribution is made or the amount contributed is  
1462 insufficient to cover the required contribution. For any blind  
1463 licensee who becomes ineligible to participate in the Florida  
1464 Retirement System as described in this subsection, no creditable  
1465 service shall be earned under the Florida Retirement System for  
1466 any period following the month that retirement contributions  
1467 ceased to be reported. However, any such person may participate  
1468 in the Florida Retirement System in the future if employed by a  
1469 participating employer in a covered position.

1470 Section 12. Paragraph (a) of subsection (4) of section  
1471 1012.875, Florida Statutes, is amended to read:

1472 1012.875 State Community College System Optional Retirement  
1473 Program.—Each Florida College System institution may implement  
1474 an optional retirement program, if such program is established  
1475 therefor pursuant to s. 1001.64(20), under which annuity or  
1476 other contracts providing retirement and death benefits may be  
1477 purchased by, and on behalf of, eligible employees who  
1478 participate in the program, in accordance with s. 403(b) of the  
1479 Internal Revenue Code. Except as otherwise provided herein, this  
1480 retirement program, which shall be known as the State Community  
1481 College System Optional Retirement Program, may be implemented  
1482 and administered only by an individual Florida College System  
1483 institution or by a consortium of Florida College System

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1484 institutions.

1485 (4) (a) 1. Through June 30, 2011, each college must  
1486 contribute on behalf of each program member an amount equal to  
1487 10.43 percent of the employee's gross monthly compensation.

1488 2. Effective July 1, 2011, through June 30, 2012, each  
1489 member shall contribute an amount equal to the employee  
1490 contribution required under s. 121.71(3) (a). The employer shall  
1491 contribute on behalf of each program member an amount equal to  
1492 the difference between 10.43 percent of the employee's gross  
1493 monthly compensation and the employee's required contribution  
1494 based on the employee's gross monthly compensation.

1495 3. Effective July 1, 2012, each member shall contribute an  
1496 amount equal to the employee contribution required under s.  
1497 121.71(3) (a). The employer shall contribute on behalf of each  
1498 program member an amount equal to the difference between 8.15  
1499 percent of the employee's gross monthly compensation and the  
1500 employee's required contribution based on the employee's gross  
1501 monthly compensation.

1502 4. The college shall deduct an amount approved by the  
1503 district board of trustees of the college to provide for the  
1504 administration of the optional retirement program. Payment of  
1505 this contribution must be made directly by the college or  
1506 through the program administrator to the designated company  
1507 contracting for payment of benefits to the program member.

1508 Section 13. (1) In order to fund the benefit changes  
1509 provided for in this act, the required employer contribution  
1510 rates of the Florida Retirement System established in 121.71(4),  
1511 Florida Statutes, shall be adjusted as follows:

1512 (a) The Regular Class is increased by X.XX percentage

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1513 points.

1514 (b) The Special Risk Class is increased by X.XX percentage  
1515 points.

1516 (c) The Special Risk Administrative Support Class is  
1517 increased by X.XX percentage points.

1518 (d) The Elected Officers' Class—Legislators, Governor, Lt.  
1519 Governor, Cabinet Officers, State Attorneys, Public Defenders is  
1520 increased by X.XX percentage points.

1521 (e) The Elected Officers' Class—Justices, Judges is  
1522 increased by X.XX percentage points.

1523 (f) The Elected Officer's Class—County Elected Officers is  
1524 increased by X.XX percentage points.

1525 (g) The Senior Management Service Class is increased by  
1526 X.XX percentage points.

1527 (h) The DROP class is increased by X.XX percentage points.

1528 (2) In order to fund for the benefit changes provided for  
1529 in this act, the required employer contribution rates for the  
1530 unfunded actuarial liability of the Florida Retirement System  
1531 established in s. 121.71(5), Florida Statutes, shall be adjusted  
1532 as follows:

1533 (a) The Regular Class is increased by X.XX percentage  
1534 points.

1535 (b) The Special Risk Class is increased by X.XX percentage  
1536 points.

1537 (c) The Special Risk Administrative Support Class is  
1538 increased by X.XX percentage points.

1539 (d) The Elected Officers' Class—Legislators, Governor, Lt.  
1540 Governor, Cabinet Officers, State Attorneys, Public Defenders is  
1541 increased by X.XX percentage points.

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1542 (e) The Elected Officers' Class—Justices, Judges is  
1543 increased by X.XX percentage points.

1544 (f) The Elected Officer's Class—County Elected Officers is  
1545 increased by X.XX percentage points.

1546 (g) The Senior Management Service Class is increased by  
1547 X.XX percentage points.

1548 (h) The DROP class is increased by X.XX percentage points.

1549 (3) The adjustments provided in subsections (1) and (2)  
1550 shall be made in addition to other changes to such contribution  
1551 rates which may be enacted into law to take effect on July 1,  
1552 2013, and July 1, 2014. The Division of Law Revision and  
1553 Information is requested to adjust accordingly the contribution  
1554 rates provided in s. 121.71, Florida Statutes.

1555 Section 14. The Legislature finds that a proper and  
1556 legitimate state purpose is served when employees and retirees  
1557 of the state and its political subdivisions, and the dependents,  
1558 survivors, and beneficiaries of such employees and retirees, are  
1559 extended the basic protections afforded by governmental  
1560 retirement systems. These persons must be provided benefits that  
1561 are fair and adequate and that are managed, administered, and  
1562 funded in an actuarially sound manner, as required by s. 14,  
1563 Article X of the State Constitution and part VII of chapter 112,  
1564 Florida Statutes. Therefore, the Legislature determines and  
1565 declares that this act fulfills an important state interest.

1566 Section 15. This act shall take effect January 1, 2014.