

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>    </u>	

1 Committee/Subcommittee hearing bill: State Affairs Committee  
 2 Representatives Brodeur and Steube offered the following:

3

4 **Amendment (with directory and title amendments)**

5 Remove lines 800-1552 and insert:

6

7 disability benefits shall be transferred to the Florida  
 8 Retirement System Trust Fund.

9 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
 10 shall be administered by the state board and affected employers.  
 11 The state board may require oaths, by affidavit or otherwise,  
 12 and acknowledgments from persons in connection with the  
 13 administration of its statutory duties and responsibilities for  
 14 the investment plan. An oath, by affidavit or otherwise, may not  
 15 be required of a member at the time of enrollment. For members  
 16 initially enrolled before January 1, 2014, acknowledgment of an  
 17 employee's election to participate in the program shall be no  
 18 greater than necessary to confirm the employee's election. The  
 19 state board shall adopt rules to carry out its statutory duties  
 20 with respect to administering the investment plan, including

Amendment No. 1

21 establishing the roles and responsibilities of affected state,  
22 local government, and education-related employers, the state  
23 board, the department, and third-party contractors. The  
24 department shall adopt rules necessary to administer the  
25 investment plan in coordination with the pension plan and the  
26 disability benefits available under the investment plan.

27 (a)1. The state board shall select and contract with a  
28 third-party administrator to provide administrative services if  
29 those services cannot be competitively and contractually  
30 provided by the division. With the approval of the state board,  
31 the third-party administrator may subcontract to provide  
32 components of the administrative services. As a cost of  
33 administration, the state board may compensate any such  
34 contractor for its services, in accordance with the terms of the  
35 contract, as is deemed necessary or proper by the board. The  
36 third-party administrator may not be an approved provider or be  
37 affiliated with an approved provider.

38 2. These administrative services may include, but are not  
39 limited to, enrollment of eligible employees, collection of  
40 employer and employee contributions, disbursement of  
41 contributions to approved providers in accordance with the  
42 allocation directions of members; services relating to  
43 consolidated billing; individual and collective recordkeeping  
44 and accounting; asset purchase, control, and safekeeping; and  
45 direct disbursement of funds to and from the third-party  
46 administrator, the division, the state board, employers,  
47 members, approved providers, and beneficiaries. This section  
48 does not prevent or prohibit a bundled provider from providing

Amendment No. 1

49 any administrative or customer service, including accounting and  
50 administration of individual member benefits and contributions;  
51 individual member recordkeeping; asset purchase, control, and  
52 safekeeping; direct execution of the member's instructions as to  
53 asset and contribution allocation; calculation of daily net  
54 asset values; direct access to member account information; or  
55 periodic reporting to members, at least quarterly, on account  
56 balances and transactions, if these services are authorized by  
57 the state board as part of the contract.

58 (b)1. The state board shall select and contract with one  
59 or more organizations to provide educational services. With  
60 approval of the state board, the organizations may subcontract  
61 to provide components of the educational services. As a cost of  
62 administration, the state board may compensate any such  
63 contractor for its services in accordance with the terms of the  
64 contract, as is deemed necessary or proper by the board. The  
65 education organization may not be an approved provider or be  
66 affiliated with an approved provider.

67 2. Educational services shall be designed by the state  
68 board and department to assist employers, eligible employees,  
69 members, and beneficiaries in order to maintain compliance with  
70 United States Department of Labor regulations under s. 404(c) of  
71 the Employee Retirement Income Security Act of 1974 and to  
72 assist employees in their choice of pension plan or investment  
73 plan retirement alternatives. Educational services include, but  
74 are not limited to, disseminating educational materials;  
75 providing retirement planning education; explaining the pension  
76 plan and the investment plan; and offering financial planning

Amendment No. 1

77 guidance on matters such as investment diversification,  
78 investment risks, investment costs, and asset allocation. An  
79 approved provider may also provide educational information,  
80 including retirement planning and investment allocation  
81 information concerning its products and services.

82 (c)1. In evaluating and selecting a third-party  
83 administrator, the state board shall establish criteria for  
84 evaluating the relative capabilities and qualifications of each  
85 proposed administrator. In developing such criteria, the state  
86 board shall consider:

87 a. The administrator's demonstrated experience in  
88 providing administrative services to public or private sector  
89 retirement systems.

90 b. The administrator's demonstrated experience in  
91 providing daily valued recordkeeping to defined contribution  
92 programs.

93 c. The administrator's ability and willingness to  
94 coordinate its activities with employers, the state board, and  
95 the division, and to supply to such employers, the board, and  
96 the division the information and data they require, including,  
97 but not limited to, monthly management reports, quarterly member  
98 reports, and ad hoc reports requested by the department or state  
99 board.

100 d. The cost-effectiveness and levels of the administrative  
101 services provided.

102 e. The administrator's ability to interact with the  
103 members, the employers, the state board, the division, and the  
104 providers; the means by which members may access account

Amendment No. 1

105 information, direct investment of contributions, make changes to  
106 their accounts, transfer moneys between available investment  
107 vehicles, and transfer moneys between investment products; and  
108 any fees that apply to such activities.

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

110 2. In evaluating and selecting an educational provider,  
111 the state board shall establish criteria under which it shall  
112 consider the relative capabilities and qualifications of each  
113 proposed educational provider. In developing such criteria, the  
114 state board shall consider:

115 a. Demonstrated experience in providing educational  
116 services to public or private sector retirement systems.

117 b. Ability and willingness to coordinate its activities  
118 with the employers, the state board, and the division, and to  
119 supply to such employers, the board, and the division the  
120 information and data they require, including, but not limited  
121 to, reports on educational contacts.

122 c. The cost-effectiveness and levels of the educational  
123 services provided.

124 d. Ability to provide educational services via different  
125 media, including, but not limited to, the Internet, personal  
126 contact, seminars, brochures, and newsletters.

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

128 3. The establishment of the criteria shall be solely  
129 within the discretion of the state board.

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

## Amendment No. 1

133 1. The nature and extent of the rights and benefits to be  
134 afforded in relation to the contributions required under the  
135 plan.

136 2. The suitability of the rights and benefits provided and  
137 the interests of employers in the recruitment and retention of  
138 eligible employees.

139 (e)1. The state board may contract for professional  
140 services, including legal, consulting, accounting, and actuarial  
141 services, deemed necessary to implement and administer the  
142 investment plan. The state board may enter into a contract with  
143 one or more vendors to provide low-cost investment advice to  
144 members, supplemental to education provided by the third-party  
145 administrator. All fees under any such contract shall be paid by  
146 those members who choose to use the services of the vendor.

147 2. The department may contract for professional services,  
148 including legal, consulting, accounting, and actuarial services,  
149 deemed necessary to implement and administer the investment plan  
150 in coordination with the pension plan. The department, in  
151 coordination with the state board, may enter into a contract  
152 with the third-party administrator in order to coordinate  
153 services common to the various programs within the Florida  
154 Retirement System.

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

158 (g) The state board shall receive and resolve member  
159 complaints against the program, the third-party administrator,  
160 or any program vendor or provider; shall resolve any conflict

Amendment No. 1

161 between the third-party administrator and an approved provider  
162 if such conflict threatens the implementation or administration  
163 of the program or the quality of services to employees; and may  
164 resolve any other conflicts. The third-party administrator shall  
165 retain all member records for at least 5 years for use in  
166 resolving any member conflicts. The state board, the third-party  
167 administrator, or a provider is not required to produce  
168 documentation or an audio recording to justify action taken with  
169 regard to a member if the action occurred 5 or more years before  
170 the complaint is submitted to the state board. It is presumed  
171 that all action taken 5 or more years before the complaint is  
172 submitted was taken at the request of the member and with the  
173 member's full knowledge and consent. To overcome this  
174 presumption, the member must present documentary evidence or an  
175 audio recording demonstrating otherwise.

176 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.—

177 (a) The state board shall develop policy and procedures  
178 for selecting, evaluating, and monitoring the performance of  
179 approved providers and investment products under the investment  
180 plan. In accordance with such policy and procedures, the state  
181 board shall designate and contract for a number of investment  
182 products as determined by the board. The board shall also select  
183 one or more bundled providers, each of which may offer multiple  
184 investment options and related services, if such approach is  
185 determined by the board to provide value to the members  
186 otherwise not available through individual investment products.  
187 Each approved bundled provider may offer investment options that  
188 provide members with the opportunity to invest in each of the

Amendment No. 1

189 following asset classes, to be composed of individual options  
190 that represent a single asset class or a combination thereof:  
191 money markets, United States fixed income, United States  
192 equities, and foreign stock. The state board shall review and  
193 manage all educational materials, contract terms, fee schedules,  
194 and other aspects of the approved provider relationships to  
195 ensure that no provider is unduly favored or penalized by virtue  
196 of its status within the investment plan. Additionally, the  
197 state board, consistent with its fiduciary responsibilities,  
198 shall develop one or more investment products to be offered in  
199 the investment plan.

200 (h) A self-directed brokerage account shall be offered as  
201 a service to investment plan members.

202 1. Notwithstanding any other provision of this section,  
203 the state board shall select a provider to offer investment plan  
204 members additional investment alternatives by providing a self-  
205 directed brokerage account.

206 2. The state board shall contract with a provider to offer  
207 a self-directed brokerage account. In selecting the provider,  
208 the state board shall consider the following:

209 a. Financial strength and stability as evidenced by the  
210 highest ratings assigned by nationally recognized rating  
211 services when comparing proposed providers that are so rated.

212 b. Reasonableness of fees compared to other providers  
213 taking into consideration the quantity and quality of services  
214 being offered.

215 c. Compliance with the Internal Revenue Code and all  
216 applicable federal and state securities laws.



Amendment No. 1

217 d. Available methods for members to interact with the  
218 provider and the means by which members may access account  
219 information, direct investment of funds, transfer funds, and  
220 receive funds prospectuses and related investment materials as  
221 required by state and federal regulations.

222 e. The ability to provide prompt, efficient, and accurate  
223 responses to member directions, as well as providing  
224 confirmations and quarterly account statements in a timely  
225 fashion.

226 f. The process by which assets are invested, as well as  
227 any waiting periods when monies are transferred.

228 g. Organizational factors, including, but not limited to,  
229 financial solvency, organizational depth, and experience in  
230 providing self-directed brokerage account services to public  
231 defined contribution plans.

232 3. The provider of the self-directed brokerage account  
233 shall:

234 a. Make the self-directed brokerage account available  
235 under the most beneficial terms available to any customer.

236 b. Agree not to sell or distribute member lists generated  
237 through services rendered to the investment plan.

238 c. Not be a bundled provider.

239 d. Provide for an education component approved by the  
240 state board that is available in multimedia formats and that  
241 provides impartial and balanced information about investment  
242 options and fees associated with participation in the self-  
243 directed brokerage account.

Amendment No. 1

244 4. The provider, as well as any of its related entities,  
245 may not offer any proprietary products as investment  
246 alternatives in the self-directed brokerage account.

247 5. The state board shall monitor the selected provider to  
248 ensure continued compliance with established selection criteria,  
249 board policy and procedures, state and federal regulations, and  
250 any contractual provisions.

251 6. The provider shall ensure that a member opening a self-  
252 directed brokerage account is provided a quarterly statement  
253 that details member investments in the self-directed brokerage  
254 account. The statement shall be in lieu of, and satisfy the  
255 requirements of, subsection (11) with respect to the member  
256 investments in the self-directed brokerage account. The provider  
257 shall include in the statement the following details:

258 a. Account investment options.

259 b. The market value of the account at the close of the  
260 current quarter and the previous quarter.

261 c. Account gains and losses.

262 d. Transfers into and out of the account.

263 e. Any fees, charges, penalties, and deductions that apply  
264 to the account.

265 7. The self-directed brokerage account may include the  
266 following securities as investment alternatives:

267 a. Stocks listed on a Securities and Exchange Commission  
268 regulated national exchange.

269 b. Exchange traded funds.

270 c. Mutual funds.

Amendment No. 1

271 8. The self-directed brokerage account may not include the  
272 following as investment alternatives:

273 a. Illiquid investments.

274 b. Over-the-Counter Bulletin Board securities.

275 c. Pink Sheet securities.

276 d. Leveraged exchange traded funds.

277 e. Direct ownership of foreign securities.

278 f. Derivatives, including, but not limited to, futures and  
279 options contracts on securities, market indexes, and  
280 commodities.

281 g. Buying or trading on margin.

282 h. Investment plan products.

283 i. Any investment that would jeopardize the investment  
284 plan's tax qualified status.

285 9. A member may participate in the self-directed  
286 brokerage account if the member:

287 a. Maintains a minimum balance of \$5,000 in the products  
288 offered under the investment plan.

289 b. Makes a minimum initial transfer of funds into the  
290 self-directed brokerage account of \$1,000.

291 c. Makes subsequent transfers of funds into the self-  
292 directed brokerage account in amounts of \$1,000 or greater.

293 d. Pays all trading fees, commissions, administrative  
294 fees, and any other expenses associated with participating in  
295 the self-directed brokerage account from the funds in the self-  
296 directed brokerage account.

297 e. Does not violate any trading restrictions established  
298 by the provider, the investment plan, or state or federal law.

Amendment No. 1

299 10. Employer and employee contributions shall be initially  
300 deposited into investment plan products and may be transferred  
301 to the self-directed brokerage account.

302 11. Distributions are not permissible directly from assets  
303 in the self-directed brokerage account. Assets must first be  
304 transferred to investment plan products. A distribution may be  
305 requested after the transfer is completed and all investment  
306 plan distribution requirements are met.

307 12. The state board must notify members that:

308 a. The state board is not responsible for managing the  
309 self-directed brokerage account beyond administrative  
310 requirements as established between the state board and the  
311 provider of the self-directed brokerage account.

312 b. Investment alternatives available through the self-  
313 directed brokerage account have not been subjected to any  
314 selection process, are not monitored by the state board, require  
315 investment expertise to prudently buy, manage, or dispose of,  
316 and have a risk of substantial loss.

317 c. The member is responsible for all administrative,  
318 investment, and trading fees associated with participating in  
319 the self-directed brokerage account.

320 (10) EDUCATION COMPONENT.—

321 (a) The state board, in coordination with the department,  
322 shall provide for an education component for eligible employees  
323 ~~system members~~ in a manner consistent with the provisions of  
324 this subsection ~~section~~. ~~The education component must be~~  
325 ~~available to eligible employees at least 90 days prior to the~~

Amendment No. 1

326 ~~beginning date of the election period for the employees of the~~  
327 ~~respective types of employers.~~

328 (b) The education component must provide system members  
329 with impartial and balanced information about plan choices for  
330 members initially enrolled before January 1, 2014. The education  
331 component must involve multimedia formats. Program comparisons  
332 must, to the greatest extent possible, be based upon the  
333 retirement income that different retirement programs may provide  
334 to the member. The state board shall monitor the performance of  
335 the contract to ensure that the program is conducted in  
336 accordance with the contract, applicable law, and the rules of  
337 the state board.

338 (c) The state board, in coordination with the department,  
339 shall provide for an initial and ongoing transfer education  
340 component to provide system members initially enrolled before  
341 January 1, 2014, with information necessary to make informed  
342 plan choice decisions. The transfer education component must  
343 include, but is not limited to, information on:

344 1. The amount of money available to a member to transfer  
345 to the defined contribution program.

346 2. The features of and differences between the pension  
347 plan and the defined contribution program, both generally and  
348 specifically, as those differences may affect the member.

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

352 4. The rate of return from investments in the defined  
353 contribution program and the period of time over which such rate

Amendment No. 1

354 of return must be achieved to equal or exceed the expected  
355 monthly benefit payable to the member under the pension plan.

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

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

362 7. The program choices available to employees of the State  
363 University System and the comparative benefits of each available  
364 program, if applicable.

365 8. Payout options available in each of the retirement  
366 programs.

367 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
368 ~~System employers have an obligation to regularly communicate the~~  
369 ~~existence of the two Florida Retirement System plans and the~~  
370 ~~plan choice in the natural course of administering their~~  
371 ~~personnel functions, using the educational materials supplied by~~  
372 ~~the state board and the Department of Management Services.~~

373 (15) STATEMENT OF FIDUCIARY STANDARDS AND  
374 RESPONSIBILITIES.—

375 (a) Investment of investment ~~defined contribution~~ plan  
376 assets shall be made for the sole interest and exclusive purpose  
377 of providing benefits to members and beneficiaries and defraying  
378 reasonable expenses of administering the plan. The program's  
379 assets shall be invested on behalf of the program members with  
380 the care, skill, and diligence that a prudent person acting in a  
381 like manner would undertake. The performance of the investment

Amendment No. 1

382 duties set forth in this paragraph shall comply with the  
383 fiduciary standards set forth in the Employee Retirement Income  
384 Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). In case  
385 of conflict with other provisions of law authorizing  
386 investments, the investment and fiduciary standards set forth in  
387 this subsection shall prevail.

388 (c) Subparagraph (8)(b)2. and paragraph (b) incorporate  
389 the federal law concept of participant control, established by  
390 regulations of the United States Department of Labor under s.  
391 404(c) of the Employee Retirement Income Security Act of 1974  
392 (ERISA). The purpose of this paragraph is to assist employers  
393 and the state board in maintaining compliance with s. 404(c),  
394 while avoiding unnecessary costs and eroding member benefits  
395 under the investment plan. Pursuant to 29 C.F.R. s. 2550.404a-  
396 5(d)(4) ~~2550.404e-1(b)(2)(i)(B)(1)(viii)~~, the state board or its  
397 designated agents shall deliver to members of the investment  
398 plan a copy of the prospectus most recently provided to the  
399 plan, ~~and, pursuant to 29 C.F.R. s. 2550.404e-~~  
400 ~~1(b)(2)(i)(B)(2)(ii), shall provide such members an opportunity~~  
401 ~~to obtain this information~~, except that:

402 1. The requirement to deliver a prospectus shall be  
403 satisfied by delivery of a fund profile or summary profile that  
404 contains the information that would be included in a summary  
405 prospectus as described by Rule 498 under the Securities Act of  
406 1933, 17 C.F.R. s. 230.498. If the transaction fees, expense  
407 information or other information provided by a mutual fund in  
408 the prospectus does not reflect terms negotiated by the state  
409 board or its designated agents, the requirement is satisfied by

Amendment No. 1

410 delivery of a separate document described by Rule 498

411 substituting accurate information; and

412 2. Delivery shall be effected if delivery is through  
413 electronic means and the following standards are satisfied:

414 a. Electronically-delivered documents are prepared and  
415 provided consistent with style, format, and content requirements  
416 applicable to printed documents;

417 b. Each member is provided timely and adequate notice of  
418 the documents that are to be delivered, and their significance,  
419 and of the member's right to obtain a paper copy of such  
420 documents free of charge;

421 c. Members have adequate access to the electronic  
422 documents, at locations such as their worksites or public  
423 facilities, and have the ability to convert the documents to  
424 paper free of charge by the state board, and the board or its  
425 designated agents take appropriate and reasonable measures to  
426 ensure that the system for furnishing electronic documents  
427 results in actual receipt. Members have provided consent to  
428 receive information in electronic format, which consent may be  
429 revoked; and

430 d. The state board, or its designated agent, actually  
431 provides paper copies of the documents free of charge, upon  
432 request.

433 3. The state board is not required to deliver a prospectus  
434 or other information for the underlying investments available  
435 through the self-directed brokerage account authorized by  
436 paragraph (9) (h).



Amendment No. 1

437 Section 6. Subsection (3) of section 121.591, Florida  
438 Statutes, is amended to read:

439 121.591 Payment of benefits.—Benefits may not be paid  
440 under the Florida Retirement System Investment Plan unless the  
441 member has terminated employment as provided in s.  
442 121.021(39)(a) or is deceased and a proper application has been  
443 filed as prescribed by the state board or the department.  
444 Benefits, including employee contributions, are not payable  
445 under the investment plan for employee hardships, unforeseeable  
446 emergencies, loans, medical expenses, educational expenses,  
447 purchase of a principal residence, payments necessary to prevent  
448 eviction or foreclosure on an employee's principal residence, or  
449 any other reason except a requested distribution for retirement,  
450 a mandatory de minimis distribution authorized by the  
451 administrator, or a required minimum distribution provided  
452 pursuant to the Internal Revenue Code. The state board or  
453 department, as appropriate, may cancel an application for  
454 retirement benefits if the member or beneficiary fails to timely  
455 provide the information and documents required by this chapter  
456 and the rules of the state board and department. In accordance  
457 with their respective responsibilities, the state board and the  
458 department shall adopt rules establishing procedures for  
459 application for retirement benefits and for the cancellation of  
460 such application if the required information or documents are  
461 not received. The state board and the department, as  
462 appropriate, are authorized to cash out a de minimis account of  
463 a member who has been terminated from Florida Retirement System  
464 covered employment for a minimum of 6 calendar months. A de

## COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 7011 (2013)

Amendment No. 1

465 | minimis account is an account containing employer and employee  
466 | contributions and accumulated earnings of not more than \$5,000  
467 | made under the provisions of this chapter. Such cash-out must be  
468 | a complete lump-sum liquidation of the account balance, subject  
469 | to the provisions of the Internal Revenue Code, or a lump-sum  
470 | direct rollover distribution paid directly to the custodian of  
471 | an eligible retirement plan, as defined by the Internal Revenue  
472 | Code, on behalf of the member. Any nonvested accumulations and  
473 | associated service credit, including amounts transferred to the  
474 | suspense account of the Florida Retirement System Investment  
475 | Plan Trust Fund authorized under s. 121.4501(6), shall be  
476 | forfeited upon payment of any vested benefit to a member or  
477 | beneficiary, except for de minimis distributions or minimum  
478 | required distributions as provided under this section. If any  
479 | financial instrument issued for the payment of retirement  
480 | benefits under this section is not presented for payment within  
481 | 180 days after the last day of the month in which it was  
482 | originally issued, the third-party administrator or other duly  
483 | authorized agent of the state board shall cancel the instrument  
484 | and credit the amount of the instrument to the suspense account  
485 | of the Florida Retirement System Investment Plan Trust Fund  
486 | authorized under s. 121.4501(6). Any amounts transferred to the  
487 | suspense account are payable upon a proper application, not to  
488 | include earnings thereon, as provided in this section, within 10  
489 | years after the last day of the month in which the instrument  
490 | was originally issued, after which time such amounts and any  
491 | earnings attributable to employer contributions shall be  
492 | forfeited. Any forfeited amounts are assets of the trust fund

Amendment No. 1

493 and are not subject to chapter 717.

494 (3) DEATH BENEFITS.—Under the Florida Retirement System  
495 Investment Plan:

496 (a)1. Survivor benefits are payable in accordance with the  
497 following terms and conditions:

498 ~~a.1.~~ To the extent vested, benefits are payable only to a  
499 member's beneficiary or beneficiaries as designated by the  
500 member as provided in s. 121.4501(20).

501 ~~b.2.~~ Benefits shall be paid by the third-party  
502 administrator or designated approved providers in accordance  
503 with the law, the contracts, and any applicable state board rule  
504 or policy.

505 ~~c.3.~~ To receive benefits, the member must be deceased.

506 ~~2.(b)~~ In the event of a member's death, all vested  
507 accumulations as described in s. 121.4501(6), less withholding  
508 taxes remitted to the Internal Revenue Service, shall be  
509 distributed, as provided in paragraph (c) or as described in s.  
510 121.4501(20), as if the member retired on the date of death. No  
511 other death benefits are available for survivors of members,  
512 except for benefits, or coverage for benefits, as are otherwise  
513 provided by law or separately provided by the employer, at the  
514 employer's discretion.

515 ~~3.(e)~~ Upon receipt by the third-party administrator of a  
516 properly executed application for distribution of benefits, the  
517 total accumulated benefit is payable by the third-party  
518 administrator to the member's surviving beneficiary or  
519 beneficiaries, as:

520 ~~a.1.~~ A lump-sum distribution payable to the beneficiary or

Amendment No. 1

521 beneficiaries, or to the deceased member's estate;

522 ~~b.2.~~ An eligible rollover distribution, if permitted, on  
523 behalf of the surviving spouse of a deceased member, whereby all  
524 accrued benefits, plus interest and investment earnings, are  
525 paid from the deceased member's account directly to the  
526 custodian of an eligible retirement plan, as described in s.  
527 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
528 surviving spouse; or

529 ~~c.3.~~ A partial lump-sum payment whereby a portion of the  
530 accrued benefit is paid to the deceased member's surviving  
531 spouse or other designated beneficiaries, less withholding taxes  
532 remitted to the Internal Revenue Service, and the remaining  
533 amount is transferred directly to the custodian of an eligible  
534 retirement plan, if permitted, as described in s. 402(c)(8)(B)  
535 of the Internal Revenue Code, on behalf of the surviving spouse.  
536 The proportions must be specified by the member or the surviving  
537 beneficiary.

538 (b)1. Each employer participating in the Florida  
539 Retirement System shall purchase a life insurance policy from a  
540 state term contract for each member of the Special Risk Class of  
541 the investment plan who is initially enrolled in the Florida  
542 Retirement System on or after January 1, 2014.

543 2. The Department of Management Services shall procure a  
544 life insurance product on a state term contract with the  
545 following attributes:

546 a. The benefit must be limited to Special Risk Class  
547 members who are killed in-the-line-of-duty.

548 b. The benefit must be equal to 10 times the employee's

Amendment No. 1

549 annual salary.

550 c. The benefit must provide for monthly benefit payments,  
551 including interest, to be paid to the designated beneficiary or  
552 beneficiaries over a 20-year period.

553 d. The product must be guaranteed issue.

554 e. The product must provide level premium rates for the  
555 term of the policy.

556 f. Any administrative fees shall be the responsibility of  
557 the employer.

558 3. Survivor benefits provided by the life insurance policy  
559 are payable in addition to the survivor benefit provided under  
560 paragraph (a).

561  
562 This subsection ~~paragraph~~ does not abrogate other applicable  
563 provisions of state or federal law providing for payment of  
564 death benefits.

565 Section 7. Section 238.072, Florida Statutes, is amended  
566 to read:

567 238.072 Special service provisions for extension  
568 personnel.—All state and county cooperative extension personnel  
569 holding appointments by the United States Department of  
570 Agriculture for extension work in agriculture and home economics  
571 in this state who are joint representatives of the University of  
572 Florida and the United States Department of Agriculture, as  
573 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
574 Teachers' Retirement System, chapter 238, and who are prohibited  
575 from transferring to and participating in the Florida Retirement  
576 System, chapter 121, may retire with full benefits upon

Amendment No. 1

577 completion of 30 years of creditable service and shall be  
578 considered to have attained normal retirement age under this  
579 chapter, any law to the contrary notwithstanding. In order to  
580 comply with the provisions of s. 14, Art. X of the State  
581 Constitution, any liability accruing to the Florida Retirement  
582 System Trust Fund as a result of the provisions of this section  
583 shall be paid on an annual basis from the General Revenue Fund.

584 Section 8. Subsection (11) of section 413.051, Florida  
585 Statutes, is amended to read:

586 413.051 Eligible blind persons; operation of vending  
587 stands.—

588 (11) Effective July 1, 1996, blind licensees who remain  
589 members of the Florida Retirement System pursuant to s.  
590 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
591 retirement costs from their net profits or from program income.  
592 Within 30 days after the effective date of this act, each blind  
593 licensee who is eligible to maintain membership in the Florida  
594 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
595 who elects to withdraw from the system as provided in s.  
596 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
597 1996, notify the Division of Blind Services and the Department  
598 of Management Services in writing of his or her election to  
599 withdraw. Failure to timely notify the divisions shall be deemed  
600 a decision to remain a compulsory member of the Florida  
601 Retirement System. However, if, at any time after July 1, 1996,  
602 sufficient funds are not paid by a blind licensee to cover the  
603 required contribution to the Florida Retirement System, that  
604 blind licensee shall become ineligible to participate in the

Amendment No. 1

605 Florida Retirement System on the last day of the first month for  
606 which no contribution is made or the amount contributed is  
607 insufficient to cover the required contribution. For any blind  
608 licensee who becomes ineligible to participate in the Florida  
609 Retirement System as described in this subsection, no creditable  
610 service shall be earned under the Florida Retirement System for  
611 any period following the month that retirement contributions  
612 ceased to be reported. However, any such person may participate  
613 in the Florida Retirement System in the future if employed by a  
614 participating employer in a covered position.

615 Section 9. (1) Effective January 1, 2014, in order to  
616 fund the benefit changes provided in this act, the required  
617 employer contribution rates for the unfunded actuarial liability  
618 of the Florida Retirement System established in section  
619 121.71(5), Florida Statute, shall be adjusted as follows:

620 (a) Elected Officers' Class.—Legislators, the Governor,  
621 the Lieutenant Governor, Cabinet Officers, State Attorneys, and  
622 Public Defenders shall be increased by 0.02 percentage points.

623 (b) Elected Officers' Class.—County Elected Officers shall  
624 be increased by 0.02 percentage points.

625 (c) Senior Management Service Class.—The Senior Management  
626 Service Class shall be increased by 0.01 percentage points.

627

628

629

630

631

632

-----  
**D I R E C T O R Y   A M E N D M E N T**

Amendment No. 1

633 Remove lines 451-452 and insert:  
634 paragraphs (a), (b), (c), and (h) of subsection (10), and  
635 paragraphs (a) and (c) of subsection (15) of section  
636  
637  
638

639 -----

640 **T I T L E A M E N D M E N T**

641 Remove lines 51-54 and insert:  
642 amending s. 121.591, F.S.; providing an additional death benefit  
643 to specified members of the Special Risk Class; amending ss.  
644 238.072 and 413.051, F.S.;

645