

**By** the Committees on Governmental Oversight and Accountability;  
and Community Affairs

585-04191-14

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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 "vesting"  
4       to provide that a member initially enrolled in the  
5       Florida Retirement System after a certain date is  
6       vested in the pension plan after completing 10 years  
7       of creditable service; amending s. 121.051, F.S.;  
8       conforming cross-references; providing for compulsory  
9       membership in the Florida Retirement System Investment  
10      Plan for certain employees in the Elected Officers'  
11      Class or the Senior Management Service Class initially  
12      enrolled after a specified date; amending s. 121.052,  
13      F.S.; prohibiting members of the Elected Officers'  
14      Class from joining the Senior Management Service Class  
15      after a specified date; amending s. 121.053, F.S.;  
16      authorizing renewed membership in the retirement  
17      system for retirees who are reemployed in a position  
18      eligible for the Elected Officers' Class under certain  
19      circumstances; amending s. 121.055, F.S., relating to  
20      the Senior Management Service Class; limiting the  
21      options of elected officers employed after a certain  
22      date to enroll in the class or in the Senior  
23      Management Service Optional Annuity Program; closing  
24      the Senior Management Optional Annuity Program to new  
25      members after a specified date; amending s. 121.091,  
26      F.S.; providing that certain members are entitled to a  
27      monthly disability benefit; revising provisions to  
28      conform to changes made by the act; amending s.  
29      121.122, F.S.; requiring that certain retirees who are

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30 employed on or after a specified date be renewed  
31 members in the investment plan; providing exceptions;  
32 providing that creditable service does not accrue for  
33 a reemployed retiree during a specified period;  
34 prohibiting certain funds from being paid into a  
35 renewed member's investment plan account for a  
36 specified period of employment; requiring the renewed  
37 member to satisfy vesting requirements; prohibiting a  
38 renewed member from receiving disability benefits;  
39 specifying requirements and limitations; requiring the  
40 employer and the retiree to make applicable  
41 contributions to the member's investment plan account;  
42 providing for the administration of the employer and  
43 employee contributions; prohibiting the purchase of  
44 past service in the investment plan during certain  
45 dates; authorizing a renewed member to receive  
46 additional credit toward the health insurance subsidy  
47 under certain circumstances; providing that a retiree  
48 employed on or after a specified date in a regularly  
49 established position eligible for the State University  
50 System Optional Retirement Program is a renewed member  
51 of that program; specifying requirements and  
52 limitations; requiring the employer and the retiree to  
53 make applicable contributions; prohibiting the  
54 purchase of past service in the program during certain  
55 dates; providing that a retiree employed on or after a  
56 specified date in a regularly established position  
57 eligible for the State Community College System  
58 Optional Retirement Program is a renewed member of

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59 that program; specifying requirements and limitations;  
60 requiring the employer and the retiree to make  
61 applicable contributions; prohibiting the purchase of  
62 past service in the program for certain dates;  
63 amending s. 121.35, F.S.; providing that certain  
64 participants in the optional retirement program for  
65 the State University System have a choice between the  
66 optional retirement program and the Florida Retirement  
67 System Investment Plan; conforming cross-references;  
68 amending s. 121.4501, F.S.; requiring certain  
69 employees initially enrolled in the Florida Retirement  
70 System on or after a specified date to be compulsory  
71 members of the investment plan; revising the  
72 definition of "eligible employee" and "member" or  
73 "employee"; revising a provision relating to  
74 acknowledgement of an employee's election to  
75 participate in the investment plan; placing certain  
76 employees in the pension plan from his or her date of  
77 hire until they are automatically enrolled in the  
78 investment plan or timely elect enrollment in the  
79 pension plan; authorizing certain employees to elect  
80 to participate in the pension plan, rather than the  
81 default investment plan, within a specified time;  
82 specifying that a retiree who has returned to covered  
83 employment before a specified date may continue  
84 membership in his or her selected retirement plan;  
85 conforming a provision to changes made by the act;  
86 providing for the transfer of certain contributions;  
87 revising the education component; deleting the

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88 obligation of system employers to communicate the  
89 existence of both retirement plans; conforming  
90 provisions and cross-references to changes made by the  
91 act; amending s. 121.591, F.S.; revising provisions  
92 relating to disability retirement benefits; amending  
93 s. 121.71, F.S.; decreasing the employee retirement  
94 contribution rates for investment plan members;  
95 amending ss. 238.072, 413.051, and 1012.875, F.S.;  
96 conforming cross-references; providing that the act  
97 fulfills an important state interest; providing an  
98 effective date.

99

100 Be It Enacted by the Legislature of the State of Florida:

101

102 Section 1. Subsection (45) of section 121.021, Florida  
103 Statutes, is amended to read:

104 121.021 Definitions.—The following words and phrases as  
105 used in this chapter have the respective meanings set forth  
106 unless a different meaning is plainly required by the context:

107 (45) "Vested" or "vesting" means the guarantee that a  
108 member is eligible to receive a future retirement benefit upon  
109 completion of the required years of creditable service for the  
110 employee's class of membership, even though the member may have  
111 terminated covered employment before reaching normal or early  
112 retirement date. Being vested does not entitle a member to a  
113 disability benefit. Provisions governing entitlement to  
114 disability benefits are set forth under s. 121.091(4).

115 (a) Effective July 1, 2001, through June 30, 2011, a 6-year  
116 vesting requirement shall be implemented for the Florida

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117 Retirement System Pension Plan:

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

121 2. Any member initially enrolled in the Florida Retirement  
122 System before July 1, 2001, but not employed in a regularly  
123 established position on July 1, 2001, shall be deemed vested  
124 upon completion of 6 years of creditable service if such member  
125 is employed in a covered position for at least 1 work year after  
126 July 1, 2001. However, a member is not required to complete more  
127 years of creditable service than would have been required for  
128 that member to vest under retirement laws in effect before July  
129 1, 2001.

130 3. Any member initially enrolled in the Florida Retirement  
131 System on July 1, 2001, through June 30, 2011, shall be deemed  
132 vested upon completion of 6 years of creditable service.

133 (b) Any member initially enrolled in the Florida Retirement  
134 System on ~~or after~~ July 1, 2011, through June 30, 2015, shall be  
135 vested in the pension plan upon completion of 8 years of  
136 creditable service.

137 (c) Any member initially enrolled in the Florida Retirement  
138 System on or after July 1, 2015, shall be vested in the pension  
139 plan upon completion of 10 years of creditable service.

140 Section 2. Paragraph (c) of subsection (2) of section  
141 121.051, Florida Statutes, is amended, present subsections (3)  
142 through (9) of that section are renumbered as subsections (4)  
143 through (10), respectively, and a new subsection (3) is added to  
144 that section, to read:

145 121.051 Participation in the system.-

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## 146 (2) OPTIONAL PARTICIPATION.—

147 (c) Employees of public community colleges or charter  
148 technical career centers sponsored by public community colleges,  
149 designated in s. 1000.21(3), who are members of the Regular  
150 Class of the Florida Retirement System and who comply with the  
151 criteria set forth in this paragraph and s. 1012.875 may, in  
152 lieu of participating in the Florida Retirement System, elect to  
153 withdraw from the system altogether and participate in the State  
154 Community College System Optional Retirement Program provided by  
155 the employing agency under s. 1012.875.

156 1.a. Through June 30, 2001, the cost to the employer for  
157 benefits under the optional retirement program is equal to  
158 ~~equals~~ the normal cost portion of the employer retirement  
159 contribution which would be required if the employee were a  
160 member of the pension plan's Regular Class, plus the portion of  
161 the contribution rate required by s. 112.363(8) which would  
162 otherwise be assigned to the Retiree Health Insurance Subsidy  
163 Trust Fund.

164 b. Effective July 1, 2001, through June 30, 2011, each  
165 employer shall contribute on behalf of each member of the  
166 optional program an amount equal to 10.43 percent of the  
167 employee's gross monthly compensation. The employer shall deduct  
168 an amount for the administration of the program.

169 c. Effective July 1, 2011, through June 30, 2012, each  
170 member shall contribute an amount equal to the employee  
171 contribution required under s. 121.71(3) (a). The employer shall  
172 contribute on behalf of each program member an amount equal to  
173 the difference between 10.43 percent of the employee's gross  
174 monthly compensation and the employee's required contribution

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175 based on the employee's gross monthly compensation.

176 d. Effective July 1, 2012, each member shall contribute an  
177 amount equal to the employee contribution required under s.  
178 121.71(3) (a). The employer shall contribute on behalf of each  
179 program member an amount equal to the difference between 8.15  
180 percent of the employee's gross monthly compensation and the  
181 employee's required contribution based on the employee's gross  
182 monthly compensation.

183 e. The employer shall contribute an additional amount to  
184 the Florida Retirement System Trust Fund equal to the unfunded  
185 actuarial accrued liability portion of the Regular Class  
186 contribution rate.

187 2. The decision to participate in the optional retirement  
188 program is irrevocable as long as the employee holds a position  
189 eligible for participation, except as provided in subparagraph  
190 3. Any service creditable under the Florida Retirement System is  
191 retained after the member withdraws from the system; however,  
192 additional service credit in the system may not be earned while  
193 the employee is a member of the optional retirement program.

194 3. An employee who has elected to participate in the  
195 optional retirement program shall have one opportunity, at the  
196 employee's discretion, to transfer from the optional retirement  
197 program to the pension plan of the Florida Retirement System or  
198 to the investment plan established under part II of this  
199 chapter, subject to the terms of the applicable optional  
200 retirement program contracts.

201 a. If the employee chooses to move to the investment plan,  
202 any contributions, interest, and earnings creditable to the  
203 employee under the optional retirement program are retained by

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204 the employee in the optional retirement program, and the  
205 applicable provisions of s. 121.4501(4) govern the election.

206 b. If the employee chooses to move to the pension plan of  
207 the Florida Retirement System, the employee shall receive  
208 service credit equal to his or her years of service under the  
209 optional retirement program.

210 (I) The cost for such credit is the amount representing the  
211 present value of the employee's accumulated benefit obligation  
212 for the affected period of service. The cost shall be calculated  
213 as if the benefit commencement occurs on the first date the  
214 employee becomes eligible for unreduced benefits, using the  
215 discount rate and other relevant actuarial assumptions that were  
216 used to value the Florida Retirement System Pension Plan  
217 liabilities in the most recent actuarial valuation. The  
218 calculation must include any service already maintained under  
219 the pension plan in addition to the years under the optional  
220 retirement program. The present value of any service already  
221 maintained must be applied as a credit to total cost resulting  
222 from the calculation. The division must ensure that the transfer  
223 sum is prepared using a formula and methodology certified by an  
224 enrolled actuary.

225 (II) The employee must transfer from his or her optional  
226 retirement program account and from other employee moneys as  
227 necessary, a sum representing the present value of the  
228 employee's accumulated benefit obligation immediately following  
229 the time of such movement, determined assuming that attained  
230 service equals the sum of service in the pension plan and  
231 service in the optional retirement program.

232 4. Participation in the optional retirement program is

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233 limited to employees who satisfy the following eligibility  
234 criteria:

235 a. The employee is otherwise eligible for membership or  
236 renewed membership in the Regular Class of the Florida  
237 Retirement System, as provided in s. 121.021(11) and (12) or s.  
238 121.122.

239 b. The employee is employed in a full-time position  
240 classified in the Accounting Manual for Florida's College System  
241 ~~Public Community Colleges~~ as:

242 (I) Instructional; or

243 (II) Executive Management, Instructional Management, or  
244 Institutional Management and the community college determines  
245 that recruiting to fill a vacancy in the position is to be  
246 conducted in the national or regional market, and the duties and  
247 responsibilities of the position include the formulation,  
248 interpretation, or implementation of policies, or the  
249 performance of functions that are unique or specialized within  
250 higher education and that frequently support the mission of the  
251 community college.

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

255 5. Members of the program are subject to the same  
256 reemployment limitations, renewed membership provisions, and  
257 forfeiture provisions applicable to regular members of the  
258 Florida Retirement System under ss. 121.091(9), 121.122, and  
259 121.091(5), respectively. A member who receives a program  
260 distribution funded by employer and required employee  
261 contributions is deemed to be retired from a state-administered

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262 retirement system if the member is subsequently employed with an  
263 employer that participates in the Florida Retirement System.

264 6. Eligible community college employees are compulsory  
265 members of the Florida Retirement System until, pursuant to s.  
266 1012.875, a written election to withdraw from the system and  
267 participate in the optional retirement program is filed with the  
268 program administrator and received by the division.

269 a. A community college employee whose program eligibility  
270 results from initial employment shall be enrolled in the  
271 optional retirement program retroactive to the first day of  
272 eligible employment. The employer and employee retirement  
273 contributions paid through the month of the employee plan change  
274 shall be transferred to the community college to the employee's  
275 optional program account, and, effective the first day of the  
276 next month, the employer shall pay the applicable contributions  
277 based upon subparagraph 1.

278 b. A community college employee whose program eligibility  
279 is due to the subsequent designation of the employee's position  
280 as one of those specified in subparagraph 4., or due to the  
281 employee's appointment, promotion, transfer, or reclassification  
282 to a position specified in subparagraph 4., must be enrolled in  
283 the program on the first day of the first full calendar month  
284 that such change in status becomes effective. The employer and  
285 employee retirement contributions paid from the effective date  
286 through the month of the employee plan change must be  
287 transferred to the community college to the employee's optional  
288 program account, and, effective the first day of the next month,  
289 the employer shall pay the applicable contributions based upon  
290 subparagraph 1.

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291 7. Effective July 1, 2003, through December 31, 2008, a ~~any~~  
292 member of the optional retirement program who has service credit  
293 in the pension plan of the Florida Retirement System for the  
294 period between his or her first eligibility to transfer from the  
295 pension plan to the optional retirement program and the actual  
296 date of transfer may, during employment, transfer to the  
297 optional retirement program a sum representing the present value  
298 of the accumulated benefit obligation under the defined benefit  
299 retirement program for the period of service credit. Upon  
300 transfer, all service credit previously earned under the pension  
301 plan during this period is nullified for purposes of entitlement  
302 to a future benefit under the pension plan.

303 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.-

304 (a) Employees initially enrolled on or after July 1, 2015,  
305 in positions covered by the Elected Officers' Class or the  
306 Senior Management Service Class are compulsory members of the  
307 investment plan, except those eligible to withdraw from the  
308 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
309 eligible for optional retirement programs under paragraph  
310 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan  
311 membership continues if there is subsequent employment in a  
312 position covered by another membership class. Membership in the  
313 pension plan is not permitted except as provided in s.  
314 121.591(2). Employees initially enrolled in the Florida  
315 Retirement System before July 1, 2015, may retain their  
316 membership in the pension plan or investment plan and are  
317 eligible to use the election opportunity specified in s.  
318 121.4501(4)(f); employees initially enrolled on or after July 1,  
319 2015, are not eligible to use the election opportunity.

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320 (b) Employees eligible to withdraw from the system under s.  
321 121.052(3)(d) or s. 121.055(1)(b)2. may withdraw from the system  
322 or participate in the investment plan as provided under those  
323 provisions. Employees eligible for optional retirement programs  
324 under paragraph (2)(c) or s. 121.35 may participate in the  
325 optional retirement program or the investment plan as provided  
326 in those provisions. Eligible employees required to participate  
327 pursuant to paragraph (1)(a) in the optional retirement program  
328 as provided under s. 121.35 must participate in the investment  
329 plan if employed in a position not eligible for the optional  
330 retirement program.

331 Section 3. Paragraph (c) of subsection (3) of section  
332 121.052, Florida Statutes, is amended to read:

333 121.052 Membership class of elected officers.—

334 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
335 1, 1990, participation in the Elected Officers' Class shall be  
336 compulsory for elected officers listed in paragraphs (2)(a)-(d)  
337 and (f) assuming office on or after said date, unless the  
338 elected officer elects membership in another class or withdraws  
339 from the Florida Retirement System as provided in paragraphs  
340 (3)(a)-(d):

341 (c) Before July 1, 2015, an ~~any~~ elected officer may, within  
342 6 months after assuming office, or within 6 months after this  
343 act becomes a law for serving elected officers, elect membership  
344 in the Senior Management Service Class as provided in s. 121.055  
345 in lieu of membership in the Elected Officers' Class. ~~Any~~ Such  
346 election made by a county elected officer has ~~shall have~~ no  
347 effect upon the statutory limit on the number of nonelective  
348 full-time positions that may be designated by a local agency

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349 employer for inclusion in the Senior Management Service Class  
350 under s. 121.055(1)(b)1.

351 Section 4. Subsections (3) and (5) of section 121.053,  
352 Florida Statutes, are amended to read:

353 121.053 Participation in the Elected Officers' Class for  
354 retired members.—

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

356 (a) A retiree of a state-administered retirement system who  
357 is initially reemployed in ~~elected or appointed for the first~~  
358 ~~time to~~ an elective office in a regularly established position  
359 with a covered employer may not reenroll in the Florida  
360 Retirement System, except as provided in s. 121.122.

361 (b) An elected officer who is elected or appointed to an  
362 elective office and is participating in the Deferred Retirement  
363 Option Program is subject to termination as defined in s.  
364 121.021 upon completion of his or her DROP participation period.  
365 An elected official may defer termination as provided in  
366 subsection (7).

367 (5) A ~~Any~~ renewed member, as described in s. 121.122(1),  
368 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
369 receiving the maximum health insurance subsidy provided in s.  
370 112.363 is entitled to earn additional credit toward the maximum  
371 health insurance subsidy. Any additional subsidy due because of  
372 such additional credit may be received only at the time of  
373 payment of the second career retirement benefit. The total  
374 health insurance subsidy received from initial and renewed  
375 membership may not exceed the maximum allowed in s. 112.363.

376 Section 5. Paragraph (f) of subsection (1) and paragraph  
377 (c) of subsection (6) of section 121.055, Florida Statutes, are

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378 amended to read:

379 121.055 Senior Management Service Class.—There is hereby  
380 established a separate class of membership within the Florida  
381 Retirement System to be known as the “Senior Management Service  
382 Class,” which shall become effective February 1, 1987.

383 (1)

384 (f) Effective July 1, 1997, through June 30, 2015:

385 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
386 4., an elected state officer eligible for membership in the  
387 Elected Officers’ Class under s. 121.052(2)(a), (b), or (c) who  
388 elects membership in the Senior Management Service Class under  
389 s. 121.052(3)(c) may, within 6 months after assuming office or  
390 within 6 months after this act becomes a law for serving elected  
391 state officers, elect to participate in the Senior Management  
392 Service Optional Annuity Program, as provided in subsection (6),  
393 in lieu of membership in the Senior Management Service Class.

394 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
395 4., an elected officer of a local agency employer eligible for  
396 membership in the Elected Officers’ Class under s. 121.052(2)(d)  
397 who elects membership in the Senior Management Service Class  
398 under s. 121.052(3)(c) may, within 6 months after assuming  
399 office, or within 6 months after this act becomes a law for  
400 serving elected officers of a local agency employer, elect to  
401 withdraw from the Florida Retirement System, as provided in  
402 subparagraph (b)2., in lieu of membership in the Senior  
403 Management Service Class.

404 3. A retiree of a state-administered retirement system who  
405 is initially reemployed in a regularly established position on  
406 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected

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407 official eligible for the Elected Officers' Class may not be  
 408 enrolled in renewed membership in the Senior Management Service  
 409 Class or in the Senior Management Service Optional Annuity  
 410 Program as provided in subsection (6), and may not withdraw from  
 411 the Florida Retirement System as a renewed member as provided in  
 412 subparagraph (b)2., as applicable, in lieu of membership in the  
 413 Senior Management Service Class. Effective January 1, 2015, a  
 414 retiree of the Senior Management Service Optional Annuity  
 415 Program who retired before July 1, 2010, and is reemployed in a  
 416 regularly established position with a covered employer shall be  
 417 enrolled as a renewed member as provided in s. 121.122.

418 4. On or after July 1, 2015, an elected officer eligible  
 419 for membership in the Elected Officers' Class may not be  
 420 enrolled in the Senior Management Service Class or in the Senior  
 421 Management Service Optional Annuity Program as provided in  
 422 subsection (6).

423 (6)

424 (c) *Participation.*—

425 1. An eligible employee who is employed on or before  
 426 February 1, 1987, may elect to participate in the optional  
 427 annuity program in lieu of participating in the Senior  
 428 Management Service Class. Such election must be ~~made~~ in writing  
 429 and filed with the department and the personnel officer of the  
 430 employer on or before May 1, 1987. An eligible employee who is  
 431 employed on or before February 1, 1987, and who fails to make an  
 432 election to participate in the optional annuity program by May  
 433 1, 1987, shall be deemed to have elected membership in the  
 434 Senior Management Service Class.

435 2. Except as provided in subparagraph 6., an employee who

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436 becomes eligible to participate in the optional annuity program  
437 by reason of initial employment commencing after February 1,  
438 1987, may, within 90 days after the date of commencing  
439 employment, elect to participate in the optional annuity  
440 program. Such election must be ~~made~~ in writing and filed with  
441 the personnel officer of the employer. An eligible employee who  
442 does not within 90 days after commencing employment elect to  
443 participate in the optional annuity program shall be deemed to  
444 have elected membership in the Senior Management Service Class.

445 3. A person who is appointed to a position in the Senior  
446 Management Service Class and who is a member of an existing  
447 retirement system or the Special Risk or Special Risk  
448 Administrative Support Classes of the Florida Retirement System  
449 may elect to remain in such system or class in lieu of  
450 participating in the Senior Management Service Class or optional  
451 annuity program. Such election must be ~~made~~ in writing and filed  
452 with the department and the personnel officer of the employer  
453 within 90 days after such appointment. An eligible employee who  
454 fails to make an election to participate in the existing system,  
455 the Special Risk Class of the Florida Retirement System, the  
456 Special Risk Administrative Support Class of the Florida  
457 Retirement System, or the optional annuity program shall be  
458 deemed to have elected membership in the Senior Management  
459 Service Class.

460 4. Except as provided in subparagraph 5., an employee's  
461 election to participate in the optional annuity program is  
462 irrevocable if the employee continues to be employed in an  
463 eligible position and continues to meet the eligibility  
464 requirements set forth in this paragraph.

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465           5. Effective from July 1, 2002, through September 30, 2002,  
466 an active employee in a regularly established position who has  
467 elected to participate in the Senior Management Service Optional  
468 Annuity Program has one opportunity to choose to move from the  
469 Senior Management Service Optional Annuity Program to the  
470 Florida Retirement System Pension Plan.

471           a. The election must be ~~made~~ in writing and must be filed  
472 with the department and the personnel officer of the employer  
473 before October 1, 2002, or, in the case of an active employee  
474 who is on a leave of absence on July 1, 2002, within 90 days  
475 after the conclusion of the leave of absence. This election is  
476 irrevocable.

477           b. The employee shall receive service credit under the  
478 pension plan equal to his or her years of service under the  
479 Senior Management Service Optional Annuity Program. The cost for  
480 such credit is the amount representing the present value of that  
481 employee's accumulated benefit obligation for the affected  
482 period of service.

483           c. The employee must transfer the total accumulated  
484 employer contributions and earnings on deposit in his or her  
485 Senior Management Service Optional Annuity Program account. If  
486 the transferred amount is not sufficient to pay the amount due,  
487 the employee must pay a sum representing the remainder of the  
488 amount due. The employee may not retain any employer  
489 contributions or earnings from the Senior Management Service  
490 Optional Annuity Program account.

491           6. A retiree of a state-administered retirement system who  
492 is initially reemployed on ~~or after~~ July 1, 2010, through  
493 December 31, 2014, may not renew membership in the Senior

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494 Management Service Optional Annuity Program. Effective January  
495 1, 2015, a retiree of the Senior Management Service Optional  
496 Annuity Program who retired before July 1, 2010, and is  
497 reemployed in a regularly established position with a covered  
498 employer shall be enrolled as a renewed member as provided in s.  
499 121.122.

500 7. Effective July 1, 2015, the Senior Management Service  
501 Optional Annuity Program is closed to new members. Members  
502 enrolled in the Senior Management Service Optional Annuity  
503 Program before July 1, 2015, may retain their membership in the  
504 annuity program.

505 Section 6. Paragraph (a) of subsection (4) of section  
506 121.091, Florida Statutes, is amended to read:

507 121.091 Benefits payable under the system.—Benefits may not  
508 be paid under this section unless the member has terminated  
509 employment as provided in s. 121.021(39) (a) or begun  
510 participation in the Deferred Retirement Option Program as  
511 provided in subsection (13), and a proper application has been  
512 filed in the manner prescribed by the department. The department  
513 may cancel an application for retirement benefits when the  
514 member or beneficiary fails to timely provide the information  
515 and documents required by this chapter and the department's  
516 rules. The department shall adopt rules establishing procedures  
517 for application for retirement benefits and for the cancellation  
518 of such application when the required information or documents  
519 are not received.

520 (4) DISABILITY RETIREMENT BENEFIT.—

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

522 1.a. A member who becomes totally and permanently disabled,

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523 as defined in paragraph (b), after completing 5 years of  
524 creditable service, or a member who becomes totally and  
525 permanently disabled in the line of duty regardless of service,  
526 is entitled to a monthly disability benefit, ~~+~~ except that any  
527 member with less than 5 years of creditable service on July 1,  
528 1980, or any person who becomes a member of the Florida  
529 Retirement System on or after such date must have completed 10  
530 years of creditable service before becoming totally and  
531 permanently disabled in order to receive disability retirement  
532 benefits for a any disability that ~~which~~ occurs other than in  
533 the line of duty. However, if a member employed on July 1, 1980,  
534 who has less than 5 years of creditable service as of that date  
535 becomes totally and permanently disabled after completing 5  
536 years of creditable service and is found not to have attained  
537 fully insured status for benefits under the federal Social  
538 Security Act, such member is entitled to a monthly disability  
539 benefit.

540 b. Effective July 1, 2001, a member of the pension plan  
541 initially enrolled before July 1, 2015, who becomes totally and  
542 permanently disabled, as defined in paragraph (b), after  
543 completing 8 years of creditable service, or a member who  
544 becomes totally and permanently disabled in the line of duty  
545 regardless of service, is entitled to a monthly disability  
546 benefit.

547 c. Effective July 1, 2015, a member of the pension plan  
548 initially enrolled on or after July 1, 2015, who becomes totally  
549 and permanently disabled, as defined in paragraph (b), after  
550 completing 10 years of creditable service, or a member who  
551 becomes totally and permanently disabled in the line of duty

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552 regardless of service, is entitled to a monthly disability  
553 benefit.

554 2. If the division ~~has received from the employer~~ the  
555 required documentation of the member's termination of employment  
556 from the employer, the effective retirement date for a member  
557 who applies and is approved for disability retirement shall be  
558 as established by rule of the division.

559 3. For a member who is receiving Workers' Compensation  
560 payments, the effective disability retirement date may not  
561 precede the date the member reaches Maximum Medical Improvement  
562 (MMI), unless the member terminates employment before reaching  
563 MMI.

564 Section 7. Subsection (2) of section 121.122, Florida  
565 Statutes, is amended, and subsections (3), (4), and (5) are  
566 added to that section, to read:

567 121.122 Renewed membership in system.—

568 (2) Except as provided in subsections (3)-(5), a retiree of  
569 a state-administered retirement system who is initially  
570 reemployed in a regularly established position on or after July  
571 1, 2010, may not be enrolled as a renewed member.

572 (3) A retiree of the investment plan, the State University  
573 System Optional Retirement Program, the Senior Management  
574 Service Optional Annuity Program, or the State Community College  
575 System Optional Retirement Program who retired before July 1,  
576 2010, but did not complete 10 years of creditable service and is  
577 employed in a regularly established position with a covered  
578 employer on or after January 1, 2015, shall be a renewed member  
579 of the Regular Class of the investment plan regardless of the  
580 position held, unless employed in a position eligible for

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581 participation in the State University System Optional Retirement  
582 Program or the State Community College System Optional  
583 Retirement Program as provided in subsections (4) and (5),  
584 respectively. The renewed member must satisfy the vesting  
585 requirements and other provisions of this chapter.

586 (a) Creditable service, including credit toward the retiree  
587 health insurance subsidy provided in s. 112.363, does not accrue  
588 for a retiree's employment in a regularly established position  
589 with a covered employer from July 1, 2010, through December 31,  
590 2014.

591 (b) Employer and employee contributions, interest,  
592 earnings, or any other funds may not be paid into a renewed  
593 member's investment plan account for any employment in a  
594 regularly established position with a covered employer from July  
595 1, 2010, through December 31, 2014, by the renewed member or the  
596 employer on behalf of the member.

597 (c) To be eligible to receive a retirement benefit, the  
598 renewed member must satisfy the vesting requirements in s.  
599 121.4501(6).

600 (d) The member is ineligible to receive disability benefits  
601 as provided in s. 121.091(4) or s. 121.591(2).

602 (e) The member is subject to the reemployment after  
603 retirement limitations provided in s. 121.091(9), as applicable.

604 (f) The member must satisfy the requirements for  
605 termination from employment provided in s. 121.021(39).

606 (g) Upon the renewed membership or reemployment of a  
607 retiree, the employer and the retiree shall pay the applicable  
608 employer and employee contributions required under ss. 112.363,  
609 121.71, 121.74, and 121.76. The contributions are payable only

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610 for employment and salary earned in a regularly established  
611 position with a covered employer on or after January 1, 2015.  
612 The employer and employee contributions shall be transferred to  
613 the investment plan and placed in a default fund as designated  
614 by the state board. The retiree may move the contributions once  
615 an account is activated in the investment plan.

616 (h) The member may not purchase any past service in the  
617 investment plan, including employment in a regularly established  
618 position with a covered employer from July 1, 2010, through  
619 December 31, 2014.

620 (i) A renewed member who is a retiree of the investment  
621 plan and who is not receiving the maximum health insurance  
622 subsidy provided in s. 112.363 is entitled to earn additional  
623 credit toward the subsidy. Such credit may be earned only for  
624 employment in a regularly established position with a covered  
625 employer on or after January 1, 2015. Any additional subsidy due  
626 because of additional credit may be received only at the time of  
627 paying the second career retirement benefit. The total health  
628 insurance subsidy received by a retiree receiving benefits from  
629 initial and renewed membership may not exceed the maximum  
630 allowed under s. 112.363.

631 (4) A retiree of the investment plan, the State University  
632 System Optional Retirement Program, the Senior Management  
633 Service Optional Annuity Program, or the State Community College  
634 System Optional Retirement Program who retired before July 1,  
635 2010, and is employed in a regularly established position  
636 eligible for participation in the State University System  
637 Optional Retirement Program on or after January 1, 2015, shall  
638 become a renewed member of the optional retirement program. The

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639 renewed member must satisfy the vesting requirements and other  
640 provisions of this chapter. Once enrolled, a renewed member  
641 remains enrolled in the optional retirement program while  
642 employed in an eligible position for the optional retirement  
643 program. If employment in a different covered position results  
644 in the retiree's enrollment in the investment plan, the retiree  
645 is no longer eligible to participate in the optional retirement  
646 program unless employed in a mandatory position under s. 121.35.

647 (a) The member is subject to the reemployment after  
648 retirement limitations provided in s. 121.091(9), as applicable.

649 (b) The member must satisfy the requirements for  
650 termination of employment provided in s. 121.021(39).

651 (c) Upon renewed membership or reemployment of a retiree,  
652 the employer and the retiree shall pay the applicable employer  
653 and employee contributions required under s. 121.35.

654 (d) The member, or the employer on behalf of the member,  
655 may not purchase any prior service in the optional retirement  
656 program or employment from July 1, 2010, to December 31, 2014,  
657 when renewed membership is not available.

658 (5) A retiree of the investment plan, the State University  
659 System Optional Retirement Program, the Senior Management  
660 Service System Optional Annuity Program, or the State Community  
661 College System Optional Retirement Program who retired before  
662 July 1, 2010, and is employed in a regularly established  
663 position eligible for participation in the State Community  
664 College System Optional Retirement Program as provided in s.  
665 121.051(2)(c)4. on or after January 1, 2015, shall become a  
666 renewed member of the optional retirement program. The renewed  
667 member must satisfy the eligibility requirements of this chapter

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668 and s. 1012.875 for the optional retirement program. Once  
669 enrolled, a renewed member remains enrolled in the optional  
670 retirement program while employed in an eligible position for  
671 the optional retirement program. If employment in a different  
672 covered position results in the retiree's enrollment in the  
673 investment plan, the retiree is no longer eligible to  
674 participate in the optional retirement program.

675 (a) The member is subject to the reemployment after  
676 retirement limitations provided in s. 121.091(9), as applicable.

677 (b) The member must satisfy the requirements for  
678 termination of employment provided in s. 121.021(39).

679 (c) Upon renewed membership or reemployment of a retiree,  
680 the employer and the retiree shall pay the applicable employer  
681 and employee contributions required under ss. 121.051(2)(c) and  
682 1012.875.

683 (d) The member, or the employer on behalf of the member,  
684 may not purchase any past service in the optional retirement  
685 program or employment accrued from July 1, 2010, to December 31,  
686 2014.

687 Section 8. Paragraph (c) of subsection (3) and paragraph  
688 (a) of subsection (4) of section 121.35, Florida Statutes, are  
689 amended to read:

690 121.35 Optional retirement program for the State University  
691 System.—

692 (3) ELECTION OF OPTIONAL PROGRAM.—

693 (c) Any employee who becomes eligible to participate in the  
694 optional retirement program on or after January 1, 1993, shall  
695 be a compulsory participant of the program unless such employee  
696 elects membership in the Florida Retirement System. Such

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697 election shall be made in writing and filed with the personnel  
698 officer of the employer. Any eligible employee who fails to make  
699 such election within the prescribed time period shall be deemed  
700 to have elected to participate in the optional retirement  
701 program.

702 1. Any employee whose optional retirement program  
703 eligibility results from initial employment shall be enrolled in  
704 the program at the commencement of employment. If, within 90  
705 days after commencement of employment, the employee elects  
706 membership in the Florida Retirement System, such membership  
707 shall be effective retroactive to the date of commencement of  
708 employment as provided in s. 121.4501(4).

709 2. Any employee whose optional retirement program  
710 eligibility results from a change in status due to the  
711 subsequent designation of the employee's position as one of  
712 those specified in paragraph (2)(a) or due to the employee's  
713 appointment, promotion, transfer, or reclassification to a  
714 position specified in paragraph (2)(a) shall be enrolled in the  
715 optional retirement program upon such change in status and shall  
716 be notified by the employer of such action. If, within 90 days  
717 after the date of such notification, the employee elects to  
718 retain membership in the Florida Retirement System, such  
719 continuation of membership shall be retroactive to the date of  
720 the change in status.

721 3. Notwithstanding the provisions of this paragraph,  
722 effective July 1, 1997, an ~~any~~ employee who is eligible to  
723 participate in the Optional Retirement Program and who fails to  
724 execute a contract with one of the approved companies and to  
725 notify the department in writing as provided in subsection (4)

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726 within 90 days after the date of eligibility shall be deemed to  
727 have elected membership in the Florida Retirement System, except  
728 as provided in s. 121.051(1)(a). This provision ~~shall~~ also  
729 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an  
730 eligible position before executing the required investment  
731 ~~annuity~~ contract and notifying the department. Such membership  
732 is ~~shall be~~ retroactive to the date of eligibility, and all  
733 appropriate contributions shall be transferred to the Florida  
734 Retirement System Trust Fund and the Health Insurance Subsidy  
735 Trust Fund.

736 (4) CONTRIBUTIONS.—

737 (a)1. Through June 30, 2001, each employer shall contribute  
738 on behalf of each member of the optional retirement program an  
739 amount equal to the normal cost portion of the employer  
740 retirement contribution which would be required if the employee  
741 were a regular member of the Florida Retirement System Pension  
742 Plan, plus the portion of the contribution rate required in s.  
743 112.363(8) which ~~that~~ would otherwise be assigned to the Retiree  
744 Health Insurance Subsidy Trust Fund.

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

749 3. Effective July 1, 2011, through June 30, 2012, each  
750 member of the optional retirement program shall contribute an  
751 amount equal to the employee contribution required in s.  
752 121.71(3) (a). The employer shall contribute on behalf of each  
753 such member an amount equal to the difference between 10.43  
754 percent of the employee's gross monthly compensation and the

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755 amount equal to the employee's required contribution based on  
756 the employee's gross monthly compensation.

757 4. Effective July 1, 2012, each member of the optional  
758 retirement program shall contribute an amount equal to the  
759 employee contribution required in s. 121.71(3) (a). The employer  
760 shall contribute on behalf of each such member an amount equal  
761 to the difference between 8.15 percent of the employee's gross  
762 monthly compensation and the amount equal to the employee's  
763 required contribution based on the employee's gross monthly  
764 compensation.

765 5. The payment of the contributions, including  
766 contributions by the employee, shall be made by the employer to  
767 the department, which shall forward the contributions to the  
768 designated company or companies contracting for payment of  
769 benefits for members of the program. However, such contributions  
770 paid on behalf of an employee described in paragraph (3)(c) may  
771 not be forwarded to a company and do not begin to accrue  
772 interest until the employee has executed a contract and notified  
773 the department. The department shall deduct an amount from the  
774 contributions to provide for the administration of this program.

775 Section 9. Subsection (1), paragraphs (e) and (i) of  
776 subsection (2), paragraph (b) of subsection (3), subsection (4),  
777 paragraph (c) of subsection (5), subsection (8), and paragraphs  
778 (a), (b), (c), and (h) of subsection (10) of section 121.4501,  
779 Florida Statutes, are amended to read:

780 121.4501 Florida Retirement System Investment Plan.—

781 (1) The Trustees of the State Board of Administration shall  
782 establish a defined contribution program called the "Florida  
783 Retirement System Investment Plan" or "investment plan" for

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784 members of the Florida Retirement System under which retirement  
785 benefits will be provided for eligible employees who elect to  
786 participate in the program and for employees initially enrolled  
787 on or after July 1, 2015, in positions covered by the Elected  
788 Officers' Class or the Senior Management Service Class and who  
789 are compulsory members of the investment plan unless otherwise  
790 eligible to withdraw from the system under s. 121.052(3)(d) or  
791 s. 121.055(1)(b)2., or to participate in an optional retirement  
792 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.  
793 Investment plan membership continues if there is subsequent  
794 employment in a position covered by another membership class.  
795 The retirement benefits shall be provided through member-  
796 directed investments, in accordance with s. 401(a) of the  
797 Internal Revenue Code and related regulations. The employer and  
798 employee shall make contributions, as provided in this section  
799 and ss. 121.571 and 121.71, to the Florida Retirement System  
800 Investment Plan Trust Fund toward the funding of benefits.

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

802 (e) "Eligible employee" means an officer or employee, as  
803 defined in s. 121.021, who:

804 1. Is a member of, or is eligible for membership in, the  
805 Florida Retirement System, including any renewed member of the  
806 Florida Retirement System initially enrolled before July 1,  
807 2010; ~~or~~

808 2. Participates in, or is eligible to participate in, the  
809 Senior Management Service Optional Annuity Program as  
810 established under s. 121.055(6), the State Community College  
811 System Optional Retirement Program as established under s.  
812 121.051(2)(c), or the State University System Optional

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813 Retirement Program established under s. 121.35; or  
814 3. Is a retired member of the investment plan, the State  
815 University System Optional Retirement Program, the Senior  
816 Management Service Optional Annuity Program, or the State  
817 Community College System Optional Retirement Program who retired  
818 before July 1, 2010 and is employed in a regularly established  
819 position on or after January 1, 2015, as provided in s. 121.122.  
820

821 The term does not include any member participating in the  
822 Deferred Retirement Option Program established under s.  
823 121.091(13), a retiree of a state-administered retirement system  
824 who retired ~~initially reemployed in a regularly established~~  
825 ~~position~~ on or after July 1, 2010, or a mandatory participant of  
826 the State University System Optional Retirement Program  
827 established under s. 121.35.

828 (i) "Member" or "employee" means an eligible employee who  
829 enrolls in or is defaulted into the investment plan as provided  
830 in subsection (4), a terminated Deferred Retirement Option  
831 Program member as described in subsection (21), or a beneficiary  
832 or alternate payee of a member or employee.

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

834 (b) Notwithstanding paragraph (a), an eligible employee who  
835 elects to participate in or is defaulted into the investment  
836 plan and establishes one or more individual member accounts may  
837 elect to transfer to the investment plan a sum representing the  
838 present value of the employee's accumulated benefit obligation  
839 under the pension plan, except as provided in paragraph (4)(b).  
840 Upon transfer, all service credit earned under the pension plan  
841 is nullified for purposes of entitlement to a future benefit

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842 under the pension plan. A member may not transfer the  
843 accumulated benefit obligation balance from the pension plan  
844 after the time period for enrolling in the investment plan has  
845 expired.

846 1. For purposes of this subsection, the present value of  
847 the member's accumulated benefit obligation is based upon the  
848 member's estimated creditable service and estimated average  
849 final compensation under the pension plan, subject to  
850 recomputation under subparagraph 2. For state employees, initial  
851 estimates shall be based upon creditable service and average  
852 final compensation as of midnight on June 30, 2002; for district  
853 school board employees, initial estimates shall be based upon  
854 creditable service and average final compensation as of midnight  
855 on September 30, 2002; and for local government employees,  
856 initial estimates shall be based upon creditable service and  
857 average final compensation as of midnight on December 31, 2002.  
858 The dates specified are the "estimate date" for these employees.  
859 The actuarial present value of the employee's accumulated  
860 benefit obligation shall be based on the following:

861 a. The discount rate and other relevant actuarial  
862 assumptions used to value the Florida Retirement System Trust  
863 Fund at the time the amount to be transferred is determined,  
864 consistent with the factors provided in sub-subparagraphs b. and  
865 c.

866 b. A benefit commencement age, based on the member's  
867 estimated creditable service as of the estimate date.

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

870 (I) Before July 1, 2011, the benefit commencement age is

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871 the younger of the following, but may not be younger than the  
872 member's age as of the estimate date:

873 (A) Age 62; or

874 (B) The age the member would attain if the member completed  
875 30 years of service with an employer, assuming the member worked  
876 continuously from the estimate date, and disregarding any  
877 vesting requirement that would otherwise apply under the pension  
878 plan.

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

882 (A) Age 65; or

883 (B) The age the member would attain if the member completed  
884 33 years of service with an employer, assuming the member worked  
885 continuously from the estimate date, and disregarding any  
886 vesting requirement that would otherwise apply under the pension  
887 plan.

888 d. For members of the Special Risk Class and for members of  
889 the Special Risk Administrative Support Class entitled to retain  
890 the special risk normal retirement date:

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

894 (A) Age 55; or

895 (B) The age the member would attain if the member completed  
896 25 years of service with an employer, assuming the member worked  
897 continuously from the estimate date, and disregarding any  
898 vesting requirement that would otherwise apply under the pension  
899 plan.

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

904 (A) Age 60; or

905 (B) The age the member would attain if the member completed  
906 30 years of service with an employer, assuming the member worked  
907 continuously from the estimate date, and disregarding any  
908 vesting requirement that would otherwise apply under the pension  
909 plan.

910 e. The calculation must disregard vesting requirements and  
911 early retirement reduction factors that would otherwise apply  
912 under the pension plan.

913 2. For each member who elects to transfer moneys from the  
914 pension plan to his or her account in the investment plan, the  
915 division shall recompute the amount transferred under  
916 subparagraph 1. within 60 days after the actual transfer of  
917 funds based upon the member's actual creditable service and  
918 actual final average compensation as of the initial date of  
919 participation in the investment plan. If the recomputed amount  
920 differs from the amount transferred by \$10 or more, the division  
921 shall:

922 a. Transfer, or cause to be transferred, from the Florida  
923 Retirement System Trust Fund to the member's account the excess,  
924 if any, of the recomputed amount over the previously transferred  
925 amount together with interest from the initial date of transfer  
926 to the date of transfer under this subparagraph, based upon the  
927 effective annual interest equal to the assumed return on the  
928 actuarial investment which was used in the most recent actuarial

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929 valuation of the system, compounded annually.

930       b. Transfer, or cause to be transferred, from the member's  
931 account to the Florida Retirement System Trust Fund the excess,  
932 if any, of the previously transferred amount over the recomputed  
933 amount, together with interest from the initial date of transfer  
934 to the date of transfer under this subparagraph, based upon 6  
935 percent effective annual interest, compounded annually, pro rata  
936 based on the member's allocation plan.

937       3. If contribution adjustments are made as a result of  
938 employer errors or corrections, including plan corrections,  
939 following recomputation of the amount transferred under  
940 subparagraph 1., the member is entitled to the additional  
941 contributions or is responsible for returning any excess  
942 contributions resulting from the correction. However, a any  
943 return of such erroneous excess pretax contribution by the plan  
944 must be made within the period allowed by the Internal Revenue  
945 Service. The present value of the member's accumulated benefit  
946 obligation may ~~shall~~ not be recalculated.

947       4. As directed by the member, the state board shall  
948 transfer or cause to be transferred the appropriate amounts to  
949 the designated accounts within 30 days after the effective date  
950 of the member's participation in the investment plan unless the  
951 major financial markets for securities available for a transfer  
952 are seriously disrupted by an unforeseen event that causes the  
953 suspension of trading on a any national securities exchange in  
954 the country where the securities were issued. In that event, the  
955 30-day period may be extended by a resolution of the state  
956 board. Transfers are not commissionable or subject to other fees  
957 and may be in the form of securities or cash, as determined by

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958 the state board. Such securities are valued as of the date of  
959 receipt in the member's account.

960 5. If the state board or the division receives notification  
961 from the United States Internal Revenue Service that this  
962 paragraph or any portion of this paragraph will cause the  
963 retirement system, or a portion thereof, to be disqualified for  
964 tax purposes under the Internal Revenue Code, the portion that  
965 will cause the disqualification does not apply. Upon such  
966 notice, the state board and the division shall notify the  
967 presiding officers of the Legislature.

968 (4) PARTICIPATION; ENROLLMENT.—

969 (a)1. Effective June 1, 2002, through February 28, 2003, a  
970 90-day election period, preceded by a 90-day education period,  
971 was provided to each eligible employee participating in the  
972 Florida Retirement System which permitted each eligible employee  
973 to elect membership in the investment plan, and an employee who  
974 failed to elect the investment plan during the election period  
975 remained in the pension plan. An eligible employee who was  
976 employed in a regularly established position during the election  
977 period was granted the option to make one subsequent election,  
978 as provided in paragraph (f). With respect to an eligible  
979 employee who did not participate in the initial election period  
980 or who is initially ~~employee who is~~ employed in a regularly  
981 established position after the close of the initial election  
982 period but before July 1, 2015, on June 1, 2002, by a state  
983 ~~employer.~~

984 a. ~~Any such employee may elect to participate in the~~  
985 ~~investment plan in lieu of retaining his or her membership in~~  
986 ~~the pension plan. The election must be made in writing or by~~

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987 ~~electronic means and must be filed with the third party~~  
988 ~~administrator by August 31, 2002, or, in the case of an active~~  
989 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
990 ~~last business day of the 5th month following the month the leave~~  
991 ~~of absence concludes. This election is irrevocable, except as~~  
992 ~~provided in paragraph (g). Upon making such election, the~~  
993 ~~employee shall be enrolled as a member of the investment plan,~~  
994 ~~the employee's membership in the Florida Retirement System is~~  
995 ~~governed by the provisions of this part, and the employee's~~  
996 ~~membership in the pension plan terminates. The employee's~~  
997 ~~enrollment in the investment plan is effective the first day of~~  
998 ~~the month for which a full month's employer contribution is made~~  
999 ~~to the investment plan.~~

1000 ~~b. Any such employee who fails to elect to participate in~~  
1001 ~~the investment plan within the prescribed time period is deemed~~  
1002 ~~to have elected to retain membership in the pension plan, and~~  
1003 ~~the employee's option to elect to participate in the investment~~  
1004 ~~plan is forfeited.~~

1005 ~~2. With respect to employees who become eligible to~~  
1006 ~~participate in the investment plan by reason of employment in a~~  
1007 ~~regularly established position with a state employer commencing~~  
1008 ~~after April 1, 2002:~~

1009 ~~a. Any such employee shall, by default, be enrolled in the~~  
1010 ~~pension plan at the commencement of employment, and may, by the~~  
1011 ~~last business day of the 5th month following the employee's~~  
1012 ~~month of hire, elect to participate in the investment plan. The~~  
1013 ~~employee's election must be made in writing or by electronic~~  
1014 ~~means and must be filed with the third-party administrator. The~~  
1015 ~~election to participate in the investment plan is irrevocable,~~

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1016 except as provided in paragraph (f) ~~(g)~~.

1017 ~~a.b.~~ If the employee files such election within the  
1018 prescribed time period, enrollment in the investment plan is  
1019 effective on the first day of employment. The retirement  
1020 contributions paid through the month of the employee plan change  
1021 shall be transferred to the investment program, and, effective  
1022 the first day of the next month, the employer and employee must  
1023 pay the applicable contributions based on the employee  
1024 membership class in the program.

1025 ~~b.e.~~ An employee who fails to elect to participate in the  
1026 investment plan within the prescribed time period is deemed to  
1027 have elected to retain membership in the pension plan, and the  
1028 employee's option to elect to participate in the investment plan  
1029 is forfeited.

1030 ~~2.3.~~ With respect to employees who become eligible to  
1031 participate in the investment plan pursuant to s.  
1032 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
1033 participate in the investment plan in lieu of retaining his or  
1034 her membership in the State Community College System Optional  
1035 Retirement Program or the State University System Optional  
1036 Retirement Program. The election must be ~~made~~ in writing or by  
1037 electronic means and must be filed with the third-party  
1038 administrator. This election is irrevocable, except as provided  
1039 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
1040 shall be enrolled as a member in the investment plan, the  
1041 employee's membership in the Florida Retirement System is  
1042 governed by the provisions of this part, and the employee's  
1043 participation in the State Community College System Optional  
1044 Retirement Program or the State University System Optional

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1045 Retirement Program terminates. The employee's enrollment in the  
1046 investment plan is effective on the first day of the month for  
1047 which a full month's employer and employee contribution is made  
1048 to the investment plan.

1049 ~~4. For purposes of this paragraph, "state employer" means~~  
1050 ~~any agency, board, branch, commission, community college,~~  
1051 ~~department, institution, institution of higher education, or~~  
1052 ~~water management district of the state, which participates in~~  
1053 ~~the Florida Retirement System for the benefit of certain~~  
1054 ~~employees.~~

1055 (b) With respect to employees who become eligible to  
1056 participate in the investment plan, except as provided in  
1057 paragraph (g), by reason of employment in a regularly  
1058 established position commencing on or after July 1, 2015, such  
1059 employee shall be enrolled in the pension plan at the  
1060 commencement of employment and may, by the last business day of  
1061 the 8th month following the employee's month of hire, elect to  
1062 participate in the pension plan or the investment plan. Eligible  
1063 employees may make a plan election only if they are earning  
1064 service credit in an employer-employee relationship consistent  
1065 with s. 121.021(17)(b), excluding leaves of absence without pay.

1066 1. The employee's election must be in writing or by  
1067 electronic means and must be filed with the third-party  
1068 administrator. The election to participate in the pension plan  
1069 or investment plan is irrevocable, except as provided in  
1070 paragraph (f).

1071 2. If the employee fails to make an election of the pension  
1072 plan or investment plan within 8 months following the month of  
1073 hire, the employee is deemed to have elected the investment plan

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1074 and will be defaulted into the investment plan retroactively to  
1075 the employee's date of employment. The employee's option to  
1076 participate in the pension plan is forfeited, except as provided  
1077 in paragraph (f).

1078 3. The amount of the employee and employer contributions  
1079 paid before the default to the investment plan shall be  
1080 transferred to the investment plan and placed in a default fund  
1081 as designated by the State Board of Administration. The employee  
1082 may move the contributions once an account is activated in the  
1083 investment plan.

1084 4. Effective the first day of the month after an eligible  
1085 employee makes a plan election of the pension plan or investment  
1086 plan, or after the month of default to the investment plan, the  
1087 employee and employer shall pay the applicable contributions  
1088 based on the employee membership class in the pension plan or  
1089 investment plan.

1090 ~~(b)1. With respect to an eligible employee who is employed~~  
1091 ~~in a regularly established position on September 1, 2002, by a~~  
1092 ~~district school board employer:~~

1093 ~~a. Any such employee may elect to participate in the~~  
1094 ~~investment plan in lieu of retaining his or her membership in~~  
1095 ~~the pension plan. The election must be made in writing or by~~  
1096 ~~electronic means and must be filed with the third party~~  
1097 ~~administrator by November 30, or, in the case of an active~~  
1098 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
1099 ~~last business day of the 5th month following the month the leave~~  
1100 ~~of absence concludes. This election is irrevocable, except as~~  
1101 ~~provided in paragraph (g). Upon making such election, the~~  
1102 ~~employee shall be enrolled as a member of the investment plan,~~

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1103 ~~the employee's membership in the Florida Retirement System is~~  
1104 ~~governed by the provisions of this part, and the employee's~~  
1105 ~~membership in the pension plan terminates. The employee's~~  
1106 ~~enrollment in the investment plan is effective the first day of~~  
1107 ~~the month for which a full month's employer contribution is made~~  
1108 ~~to the investment program.~~

1109 ~~b. Any such employee who fails to elect to participate in~~  
1110 ~~the investment plan within the prescribed time period is deemed~~  
1111 ~~to have elected to retain membership in the pension plan, and~~  
1112 ~~the employee's option to elect to participate in the investment~~  
1113 ~~plan is forfeited.~~

1114 ~~2. With respect to employees who become eligible to~~  
1115 ~~participate in the investment plan by reason of employment in a~~  
1116 ~~regularly established position with a district school board~~  
1117 ~~employer commencing after July 1, 2002:~~

1118 ~~a. Any such employee shall, by default, be enrolled in the~~  
1119 ~~pension plan at the commencement of employment, and may, by the~~  
1120 ~~last business day of the 5th month following the employee's~~  
1121 ~~month of hire, elect to participate in the investment plan. The~~  
1122 ~~employee's election must be made in writing or by electronic~~  
1123 ~~means and must be filed with the third party administrator. The~~  
1124 ~~election to participate in the investment plan is irrevocable,~~  
1125 ~~except as provided in paragraph (g).~~

1126 ~~b. If the employee files such election within the~~  
1127 ~~prescribed time period, enrollment in the investment plan is~~  
1128 ~~effective on the first day of employment. The employer~~  
1129 ~~retirement contributions paid through the month of the employee~~  
1130 ~~plan change shall be transferred to the investment plan, and,~~  
1131 ~~effective the first day of the next month, the employer shall~~

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1132 ~~pay the applicable contributions based on the employee~~  
1133 ~~membership class in the investment plan.~~

1134 ~~e. Any such employee who fails to elect to participate in~~  
1135 ~~the investment plan within the prescribed time period is deemed~~  
1136 ~~to have elected to retain membership in the pension plan, and~~  
1137 ~~the employee's option to elect to participate in the investment~~  
1138 ~~plan is forfeited.~~

1139 ~~3. For purposes of this paragraph, "district school board~~  
1140 ~~employer" means any district school board that participates in~~  
1141 ~~the Florida Retirement System for the benefit of certain~~  
1142 ~~employees, or a charter school or charter technical career~~  
1143 ~~center that participates in the Florida Retirement System as~~  
1144 ~~provided in s. 121.051(2) (d).~~

1145 ~~(c)1. With respect to an eligible employee who is employed~~  
1146 ~~in a regularly established position on December 1, 2002, by a~~  
1147 ~~local employer:~~

1148 ~~a. Any such employee may elect to participate in the~~  
1149 ~~investment plan in lieu of retaining his or her membership in~~  
1150 ~~the pension plan. The election must be made in writing or by~~  
1151 ~~electronic means and must be filed with the third party~~  
1152 ~~administrator by February 28, 2003, or, in the case of an active~~  
1153 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
1154 ~~last business day of the 5th month following the month the leave~~  
1155 ~~of absence concludes. This election is irrevocable, except as~~  
1156 ~~provided in paragraph (g). Upon making such election, the~~  
1157 ~~employee shall be enrolled as a participant of the investment~~  
1158 ~~plan, the employee's membership in the Florida Retirement System~~  
1159 ~~is governed by the provisions of this part, and the employee's~~  
1160 ~~membership in the pension plan terminates. The employee's~~

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1161 ~~enrollment in the investment plan is effective the first day of~~  
1162 ~~the month for which a full month's employer contribution is made~~  
1163 ~~to the investment plan.~~

1164 ~~b. Any such employee who fails to elect to participate in~~  
1165 ~~the investment plan within the prescribed time period is deemed~~  
1166 ~~to have elected to retain membership in the pension plan, and~~  
1167 ~~the employee's option to elect to participate in the investment~~  
1168 ~~plan is forfeited.~~

1169 ~~2. With respect to employees who become eligible to~~  
1170 ~~participate in the investment plan by reason of employment in a~~  
1171 ~~regularly established position with a local employer commencing~~  
1172 ~~after October 1, 2002:~~

1173 ~~a. Any such employee shall, by default, be enrolled in the~~  
1174 ~~pension plan at the commencement of employment, and may, by the~~  
1175 ~~last business day of the 5th month following the employee's~~  
1176 ~~month of hire, elect to participate in the investment plan. The~~  
1177 ~~employee's election must be made in writing or by electronic~~  
1178 ~~means and must be filed with the third party administrator. The~~  
1179 ~~election to participate in the investment plan is irrevocable,~~  
1180 ~~except as provided in paragraph (g).~~

1181 ~~b. If the employee files such election within the~~  
1182 ~~prescribed time period, enrollment in the investment plan is~~  
1183 ~~effective on the first day of employment. The employer~~  
1184 ~~retirement contributions paid through the month of the employee~~  
1185 ~~plan change shall be transferred to the investment plan, and,~~  
1186 ~~effective the first day of the next month, the employer shall~~  
1187 ~~pay the applicable contributions based on the employee~~  
1188 ~~membership class in the investment plan.~~

1189 ~~e. Any such employee who fails to elect to participate in~~

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1190 ~~the investment plan within the prescribed time period is deemed~~  
1191 ~~to have elected to retain membership in the pension plan, and~~  
1192 ~~the employee's option to elect to participate in the investment~~  
1193 ~~plan is forfeited.~~

1194 ~~3. For purposes of this paragraph, "local employer" means~~  
1195 ~~any employer not included in paragraph (a) or paragraph (b).~~

1196 (c)~~(d)~~ Contributions available for self-direction by a  
1197 member who has not selected one or more specific investment  
1198 products shall be allocated as prescribed by the state board.  
1199 The third-party administrator shall notify the member at least  
1200 quarterly that the member should take an affirmative action to  
1201 make an asset allocation among the investment products.

1202 (d)~~(e)~~ On or after July 1, 2011, a member of the pension  
1203 plan who obtains a refund of employee contributions retains his  
1204 or her prior plan choice upon return to employment in a  
1205 regularly established position with a participating employer.

1206 (e)~~(f)~~ A member of the investment plan who takes a  
1207 distribution of any contributions from his or her investment  
1208 plan account is considered a retiree. A member retiree who  
1209 retires ~~is initially reemployed in a regularly established~~  
1210 ~~position~~ on or after July 1, 2010, is not eligible to be  
1211 enrolled in renewed membership. A member who retired before July  
1212 1, 2010, and is employed on or after January 1, 2015, in a  
1213 regularly established position shall be a renewed member as  
1214 provided in s. 121.122, except that a retiree who has returned  
1215 to covered employment before July 1, 2010, may continue  
1216 membership in the plan he or she chooses.

1217 (f)~~(g)~~ After the period during which an eligible employee  
1218 had the choice to elect the pension plan or the investment plan,

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1219 or the month following the receipt of the eligible employee's  
1220 plan election, if sooner, the employee shall have one  
1221 opportunity, at the employee's discretion, to ~~choose to~~ move  
1222 from the pension plan to the investment plan or from the  
1223 investment plan to the pension plan. Eligible employees may  
1224 elect to move between plans only if they are earning service  
1225 credit in an employer-employee relationship consistent with s.  
1226 121.021(17)(b), excluding leaves of absence without pay.  
1227 Effective July 1, 2005, such elections are effective on the  
1228 first day of the month following the receipt of the election by  
1229 the third-party administrator and are not subject to the  
1230 requirements regarding an employer-employee relationship or  
1231 receipt of contributions for the eligible employee in the  
1232 effective month, except when the election is received by the  
1233 third-party administrator. This paragraph is contingent upon  
1234 approval by the Internal Revenue Service. This paragraph is not  
1235 applicable to compulsory investment plan members under paragraph  
1236 (g).

1237 1. If the employee chooses to move to the investment plan,  
1238 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.

1239 2. If the employee chooses to move to the pension plan, the  
1240 employee must transfer from his or her investment plan account,  
1241 and from other employee moneys as necessary, a sum representing  
1242 the present value of that employee's accumulated benefit  
1243 obligation immediately following the time of such movement,  
1244 determined assuming that attained service equals the sum of  
1245 service in the pension plan and service in the investment plan.  
1246 Benefit commencement occurs on the first date the employee is  
1247 eligible for unreduced benefits, using the discount rate and

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1248 other relevant actuarial assumptions that were used to value the  
1249 pension plan liabilities in the most recent actuarial valuation.  
1250 For an ~~any~~ employee who, at the time of the second election,  
1251 already maintains an accrued benefit amount in the pension plan,  
1252 the then-present value of the accrued benefit is deemed part of  
1253 the required transfer amount. The division must ensure that the  
1254 transfer sum is prepared using a formula and methodology  
1255 certified by an enrolled actuary. A refund of any employee  
1256 contributions or additional member payments made which exceed  
1257 the employee contributions that would have accrued had the  
1258 member remained in the pension plan and not transferred to the  
1259 investment plan is not permitted.

1260 3. Notwithstanding subparagraph 2., an employee who chooses  
1261 to move to the pension plan and who became eligible to  
1262 participate in the investment plan by reason of employment in a  
1263 regularly established position with a state employer after June  
1264 1, 2002; a district school board employer after September 1,  
1265 2002; or a local employer after December 1, 2002, must transfer  
1266 from his or her investment plan account, and from other employee  
1267 moneys as necessary, a sum representing the employee's actuarial  
1268 accrued liability. A refund of any employee contributions or  
1269 additional member ~~participant~~ payments made which exceed the  
1270 employee contributions that would have accrued had the member  
1271 remained in the pension plan and not transferred to the  
1272 investment plan is not permitted.

1273 4. An employee's ability to transfer from the pension plan  
1274 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
1275 ~~(d)~~, and the ability of a current employee to have an option to  
1276 later transfer back into the pension plan under subparagraph 2.,

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1277 shall be deemed a significant system amendment. Pursuant to s.  
1278 121.031(4), any resulting unfunded liability arising from actual  
1279 original transfers from the pension plan to the investment plan  
1280 must be amortized within 30 plan years as a separate unfunded  
1281 actuarial base independent of the reserve stabilization  
1282 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first  
1283 25 years, a direct amortization payment may not be calculated  
1284 for this base. During this 25-year period, the separate base  
1285 shall be used to offset the impact of employees exercising their  
1286 second program election under this paragraph. The actuarial  
1287 funded status of the pension plan will not be affected by such  
1288 second program elections in any significant manner, after due  
1289 recognition of the separate unfunded actuarial base. Following  
1290 the initial 25-year period, any remaining balance of the  
1291 original separate base shall be amortized over the remaining 5  
1292 years of the required 30-year amortization period.

1293 5. If the employee chooses to transfer from the investment  
1294 plan to the pension plan and retains an excess account balance  
1295 in the investment plan after satisfying the buy-in requirements  
1296 under this paragraph, the excess may not be distributed until  
1297 the member retires from the pension plan. The excess account  
1298 balance may be rolled over to the pension plan and used to  
1299 purchase service credit or upgrade creditable service in the  
1300 pension plan.

1301 (g) All employees initially enrolled on or after July 1,  
1302 2015, in positions covered by the Elected Officers' Class or the  
1303 Senior Management Service Class are compulsory members of the  
1304 investment plan, except those eligible to withdraw from the  
1305 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those

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1306 eligible for optional retirement programs under s.  
1307 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees  
1308 eligible to withdraw from the system under s. 121.052(3)(d) or  
1309 s. 121.055(1)(b)2. may withdraw from the system or participate  
1310 in the investment plan as provided in those sections. Employees  
1311 eligible for optional retirement programs under s. 121.051(2)(c)  
1312 or s. 121.35, except as provided in s. 121.051(1)(a), may  
1313 participate in the optional retirement program or the investment  
1314 plan as provided in those sections. Investment plan membership  
1315 continues if there is subsequent employment in a position  
1316 covered by another membership class.

1317 1. Membership in the pension plan is not permitted except  
1318 as provided in s. 121.591(2). Employees initially enrolled in  
1319 the Florida Retirement System before July 1, 2015, may retain  
1320 their membership in the pension plan or investment plan and are  
1321 eligible to use the election opportunity specified in paragraph  
1322 (f).

1323 2. Employees initially enrolled on or after July 1, 2015,  
1324 may not use the election opportunity specified in paragraph (f).

1325 3. The amount of retirement contributions paid by the  
1326 employee and employer, as required under s. 121.72, shall be  
1327 placed in a default fund as designated by the state board, until  
1328 an account is activated in the investment plan, at which time  
1329 the member may move the contributions from the default fund to  
1330 other funds provided in the investment plan.

1331 (5) CONTRIBUTIONS.—

1332 (c) The state board, acting as plan fiduciary, shall ~~must~~  
1333 ensure that all plan assets are held in a trust, pursuant to s.  
1334 401 of the Internal Revenue Code. The fiduciary shall ~~must~~

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1335 ensure that such contributions are allocated as follows:

1336 1. The employer and employee contribution portion earmarked  
1337 for member accounts shall be used to purchase interests in the  
1338 appropriate investment vehicles as specified by the member, or  
1339 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1340 2. The employer contribution portion earmarked for  
1341 administrative and educational expenses shall be transferred to  
1342 the Florida Retirement System Investment Plan Trust Fund.

1343 3. The employer contribution portion earmarked for  
1344 disability benefits shall be transferred to the Florida  
1345 Retirement System Trust Fund.

1346 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
1347 shall be administered by the state board and affected employers.  
1348 The state board may require oaths, by affidavit or otherwise,  
1349 and acknowledgments from persons in connection with the  
1350 administration of its statutory duties and responsibilities for  
1351 the investment plan. An oath, by affidavit or otherwise, is ~~may~~  
1352 not ~~be~~ required of a member at the time of enrollment.

1353 Acknowledgment of an employee's election to participate in the  
1354 program may ~~shall~~ be no greater than necessary to confirm the  
1355 employee's election except for members initially enrolled on or  
1356 after July 1, 2015, as provided in paragraph (4) (g). The state  
1357 board shall adopt rules to carry out its statutory duties with  
1358 respect to administering the investment plan, including  
1359 establishing the roles and responsibilities of affected state,  
1360 local government, and education-related employers, the state  
1361 board, the department, and third-party contractors. The  
1362 department shall adopt rules necessary to administer the  
1363 investment plan in coordination with the pension plan and the

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1364 disability benefits available under the investment plan.

1365 (a)1. The state board shall select and contract with a  
1366 third-party administrator to provide administrative services if  
1367 those services cannot be competitively and contractually  
1368 provided by the division. With the approval of the state board,  
1369 the third-party administrator may subcontract to provide  
1370 components of the administrative services. As a cost of  
1371 administration, the state board may compensate ~~any~~ such  
1372 contractor for its services, in accordance with the terms of the  
1373 contract, as is deemed necessary or proper by the board. The  
1374 third-party administrator may not be an approved provider or be  
1375 affiliated with an approved provider.

1376 2. These administrative services may include, but are not  
1377 limited to, enrollment of eligible employees, collection of  
1378 employer and employee contributions, disbursement of  
1379 contributions to approved providers in accordance with the  
1380 allocation directions of members; services relating to  
1381 consolidated billing; individual and collective recordkeeping  
1382 and accounting; asset purchase, control, and safekeeping; and  
1383 direct disbursement of funds to and from the third-party  
1384 administrator, the division, the state board, employers,  
1385 members, approved providers, and beneficiaries. This section  
1386 does not prevent or prohibit a bundled provider from providing  
1387 any administrative or customer service, including accounting and  
1388 administration of individual member benefits and contributions;  
1389 individual member recordkeeping; asset purchase, control, and  
1390 safekeeping; direct execution of the member's instructions as to  
1391 asset and contribution allocation; calculation of daily net  
1392 asset values; direct access to member account information; or

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1393 periodic reporting to members, at least quarterly, on account  
1394 balances and transactions, if these services are authorized by  
1395 the state board as part of the contract.

1396 (b)1. The state board shall select and contract with one or  
1397 more organizations to provide educational services. With  
1398 approval of the state board, the organizations may subcontract  
1399 to provide components of the educational services. As a cost of  
1400 administration, the state board may compensate any such  
1401 contractor for its services in accordance with the terms of the  
1402 contract, as is deemed necessary or proper by the board. The  
1403 education organization may not be an approved provider or be  
1404 affiliated with an approved provider.

1405 2. Educational services shall be designed by the state  
1406 board and department to assist employers, eligible employees,  
1407 members, and beneficiaries in order to maintain compliance with  
1408 United States Department of Labor regulations under s. 404(c) of  
1409 the Employee Retirement Income Security Act of 1974 and to  
1410 assist employees in their choice of pension plan or investment  
1411 plan retirement alternatives. Educational services include, but  
1412 are not limited to, disseminating educational materials;  
1413 providing retirement planning education; explaining the pension  
1414 plan and the investment plan; and offering financial planning  
1415 guidance on matters such as investment diversification,  
1416 investment risks, investment costs, and asset allocation. An  
1417 approved provider may also provide educational information,  
1418 including retirement planning and investment allocation  
1419 information concerning its products and services.

1420 (c)1. In evaluating and selecting a third-party  
1421 administrator, the state board shall establish criteria for

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1422 evaluating the relative capabilities and qualifications of each  
1423 proposed administrator. In developing such criteria, the state  
1424 board shall consider:

1425 a. The administrator's demonstrated experience in providing  
1426 administrative services to public or private sector retirement  
1427 systems.

1428 b. The administrator's demonstrated experience in providing  
1429 daily valued recordkeeping to defined contribution programs.

1430 c. The administrator's ability and willingness to  
1431 coordinate its activities with employers, the state board, and  
1432 the division, and to supply to such employers, the board, and  
1433 the division the information and data they require, including,  
1434 but not limited to, monthly management reports, quarterly member  
1435 reports, and ad hoc reports requested by the department or state  
1436 board.

1437 d. The cost-effectiveness and levels of the administrative  
1438 services provided.

1439 e. The administrator's ability to interact with the  
1440 members, the employers, the state board, the division, and the  
1441 providers; the means by which members may access account  
1442 information, direct investment of contributions, make changes to  
1443 their accounts, transfer moneys between available investment  
1444 vehicles, and transfer moneys between investment products; and  
1445 any fees that apply to such activities.

1446 f. Any other factor deemed necessary by the state board.

1447 2. In evaluating and selecting an educational provider, the  
1448 state board shall establish criteria under which it shall  
1449 consider the relative capabilities and qualifications of each  
1450 proposed educational provider. In developing such criteria, the

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1451 state board shall consider:

1452 a. Demonstrated experience in providing educational  
1453 services to public or private sector retirement systems.

1454 b. Ability and willingness to coordinate its activities  
1455 with the employers, the state board, and the division, and to  
1456 supply to such employers, the board, and the division the  
1457 information and data they require, including, but not limited  
1458 to, reports on educational contacts.

1459 c. The cost-effectiveness and levels of the educational  
1460 services provided.

1461 d. Ability to provide educational services via different  
1462 media, including, but not limited to, the Internet, personal  
1463 contact, seminars, brochures, and newsletters.

1464 e. Any other factor deemed necessary by the state board.

1465 3. The establishment of the criteria shall be solely within  
1466 the discretion of the state board.

1467 (d) The state board shall develop the form and content of  
1468 any contracts to be offered under the investment plan. In  
1469 developing the contracts, the board shall consider:

1470 1. The nature and extent of the rights and benefits to be  
1471 afforded in relation to the contributions required under the  
1472 plan.

1473 2. The suitability of the rights and benefits provided and  
1474 the interests of employers in the recruitment and retention of  
1475 eligible employees.

1476 (e)1. The state board may contract for professional  
1477 services, including legal, consulting, accounting, and actuarial  
1478 services, deemed necessary to implement and administer the  
1479 investment plan. The state board may enter into a contract with

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1480 one or more vendors to provide low-cost investment advice to  
1481 members, supplemental to education provided by the third-party  
1482 administrator. All fees under any such contract shall be paid by  
1483 those members who choose to use the services of the vendor.

1484 2. The department may contract for professional services,  
1485 including legal, consulting, accounting, and actuarial services,  
1486 deemed necessary to implement and administer the investment plan  
1487 in coordination with the pension plan. The department, in  
1488 coordination with the state board, may enter into a contract  
1489 with the third-party administrator in order to coordinate  
1490 services common to the various programs within the Florida  
1491 Retirement System.

1492 (f) The third-party administrator may not receive direct or  
1493 indirect compensation from an approved provider, except as  
1494 specifically provided ~~for~~ in the contract with the state board.

1495 (g) The state board shall receive and resolve member  
1496 complaints against the program, the third-party administrator,  
1497 or any program vendor or provider; shall resolve any conflict  
1498 between the third-party administrator and an approved provider  
1499 if such conflict threatens the implementation or administration  
1500 of the program or the quality of services to employees; and may  
1501 resolve any other conflicts. The third-party administrator shall  
1502 retain all member records for at least 5 years for use in  
1503 resolving ~~any~~ member conflicts. The state board, the third-party  
1504 administrator, or a provider is not required to produce  
1505 documentation or an audio recording to justify action taken with  
1506 regard to a member if the action occurred 5 or more years before  
1507 the complaint is submitted to the state board. It is presumed  
1508 that all action taken 5 or more years before the complaint is

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1509 submitted was taken at the request of the member and with the  
1510 member's full knowledge and consent. To overcome this  
1511 presumption, the member must present documentary evidence or an  
1512 audio recording demonstrating otherwise.

1513 (10) EDUCATION COMPONENT.—

1514 (a) The state board, in coordination with the department,  
1515 shall provide ~~for~~ an education component for eligible employees  
1516 ~~system members~~ in a manner consistent with ~~the provisions of~~  
1517 this subsection ~~section~~. ~~The education component must be~~  
1518 ~~available to eligible employees at least 90 days prior to the~~  
1519 ~~beginning date of the election period for the employees of the~~  
1520 ~~respective types of employers.~~

1521 (b) Except for members initially enrolled on or after July  
1522 1, 2015, as provided in paragraph (4) (g), the education  
1523 component must provide system members with impartial and  
1524 balanced information about plan choices. The education component  
1525 must involve multimedia formats. Program comparisons must, to  
1526 the greatest extent possible, be based upon the retirement  
1527 income that different retirement programs may provide to the  
1528 member. The state board shall monitor the performance of the  
1529 contract to ensure that the program is conducted in accordance  
1530 with the contract, applicable law, and the rules of the state  
1531 board.

1532 (c) Except for members initially enrolled on or after July  
1533 1, 2015, as provided in paragraph (4) (g), the state board, in  
1534 coordination with the department, shall provide for an initial  
1535 and ongoing transfer education component to provide system  
1536 members with information necessary to make informed plan choice  
1537 decisions. The transfer education component must include, but is

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1538 not limited to, information on:

1539 1. The amount of money available to a member to transfer to  
1540 the defined contribution program.

1541 2. The features of and differences between the pension plan  
1542 and the defined contribution program, both generally and  
1543 specifically, as those differences may affect the member.

1544 3. The expected benefit available if the member were to  
1545 retire under each of the retirement programs, based on  
1546 appropriate alternative sets of assumptions.

1547 4. The rate of return from investments in the defined  
1548 contribution program and the period of time over which such rate  
1549 of return must be achieved to equal or exceed the expected  
1550 monthly benefit payable to the member under the pension plan.

1551 5. The historical rates of return for the investment  
1552 alternatives available in the defined contribution programs.

1553 6. The benefits and historical rates of return on  
1554 investments available in a typical deferred compensation plan or  
1555 a typical plan under s. 403(b) of the Internal Revenue Code for  
1556 which the employee may be eligible.

1557 7. The program choices available to employees of the State  
1558 University System and the comparative benefits of each available  
1559 program, if applicable.

1560 8. Payout options available in each of the retirement  
1561 programs.

1562 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
1563 ~~System employers have an obligation to regularly communicate the~~  
1564 ~~existence of the two Florida Retirement System plans and the~~  
1565 ~~plan choice in the natural course of administering their~~  
1566 ~~personnel functions, using the educational materials supplied by~~

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1567 ~~the state board and the Department of Management Services.~~

1568 Section 10. Paragraph (b) of subsection (2) of section  
1569 121.591, Florida Statutes, is amended to read:

1570 121.591 Payment of benefits.—Benefits may not be paid under  
1571 the Florida Retirement System Investment Plan unless the member  
1572 has terminated employment as provided in s. 121.021(39)(a) or is  
1573 deceased and a proper application has been filed as prescribed  
1574 by the state board or the department. Benefits, including  
1575 employee contributions, are not payable under the investment  
1576 plan for employee hardships, unforeseeable emergencies, loans,  
1577 medical expenses, educational expenses, purchase of a principal  
1578 residence, payments necessary to prevent eviction or foreclosure  
1579 on an employee's principal residence, or any other reason except  
1580 a requested distribution for retirement, a mandatory de minimis  
1581 distribution authorized by the administrator, or a required  
1582 minimum distribution provided pursuant to the Internal Revenue  
1583 Code. The state board or department, as appropriate, may cancel  
1584 an application for retirement benefits if the member or  
1585 beneficiary fails to timely provide the information and  
1586 documents required by this chapter and the rules of the state  
1587 board and department. In accordance with their respective  
1588 responsibilities, the state board and the department shall adopt  
1589 rules establishing procedures for application for retirement  
1590 benefits and for the cancellation of such application if the  
1591 required information or documents are not received. The state  
1592 board and the department, as appropriate, are authorized to cash  
1593 out a de minimis account of a member who has been terminated  
1594 from Florida Retirement System covered employment for a minimum  
1595 of 6 calendar months. A de minimis account is an account

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1596 containing employer and employee contributions and accumulated  
1597 earnings of not more than \$5,000 made under the provisions of  
1598 this chapter. Such cash-out must be a complete lump-sum  
1599 liquidation of the account balance, subject to the provisions of  
1600 the Internal Revenue Code, or a lump-sum direct rollover  
1601 distribution paid directly to the custodian of an eligible  
1602 retirement plan, as defined by the Internal Revenue Code, on  
1603 behalf of the member. Any nonvested accumulations and associated  
1604 service credit, including amounts transferred to the suspense  
1605 account of the Florida Retirement System Investment Plan Trust  
1606 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1607 payment of any vested benefit to a member or beneficiary, except  
1608 for de minimis distributions or minimum required distributions  
1609 as provided under this section. If any financial instrument  
1610 issued for the payment of retirement benefits under this section  
1611 is not presented for payment within 180 days after the last day  
1612 of the month in which it was originally issued, the third-party  
1613 administrator or other duly authorized agent of the state board  
1614 shall cancel the instrument and credit the amount of the  
1615 instrument to the suspense account of the Florida Retirement  
1616 System Investment Plan Trust Fund authorized under s.  
1617 121.4501(6). Any amounts transferred to the suspense account are  
1618 payable upon a proper application, not to include earnings  
1619 thereon, as provided in this section, within 10 years after the  
1620 last day of the month in which the instrument was originally  
1621 issued, after which time such amounts and any earnings  
1622 attributable to employer contributions shall be forfeited. Any  
1623 forfeited amounts are assets of the trust fund and are not  
1624 subject to chapter 717.

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1625 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under  
1626 this subsection are payable in lieu of the benefits that would  
1627 otherwise be payable under the provisions of subsection (1).  
1628 Such benefits must be funded from employer contributions made  
1629 under s. 121.571, transferred employee contributions and funds  
1630 accumulated pursuant to paragraph (a), and interest and earnings  
1631 thereon.

1632 (b) *Disability retirement; entitlement.*—

1633 1.a. A member of the investment plan initially enrolled  
1634 before July 1, 2015, who becomes totally and permanently  
1635 disabled, as defined in paragraph (d), after completing 8 years  
1636 of creditable service, or a member who becomes totally and  
1637 permanently disabled in the line of duty regardless of length of  
1638 service, is entitled to a monthly disability benefit.

1639 b. A member of the investment plan initially enrolled on or  
1640 after July 1, 2015, who becomes totally and permanently  
1641 disabled, as defined in paragraph (d), after completing 10 years  
1642 of creditable service, or a member who becomes totally and  
1643 permanently disabled in the line of duty regardless of service,  
1644 is entitled to a monthly disability benefit.

1645 2. In order for service to apply toward the 8 years of  
1646 creditable service required for regular disability benefits, or  
1647 toward the creditable service used in calculating a service-  
1648 based benefit as provided under paragraph (g), the service must  
1649 be creditable service as described below:

1650 a. The member's period of service under the investment plan  
1651 shall be considered creditable service, except as provided in  
1652 subparagraph d.

1653 b. If the member has elected to retain credit for service

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1654 under the pension plan as provided under s. 121.4501(3), all  
 1655 such service is ~~shall be~~ considered creditable service.

1656 c. If the member elects to transfer to his or her member  
 1657 accounts a sum representing the present value of his or her  
 1658 retirement credit under the pension plan as provided under s.  
 1659 121.4501(3), the period of service under the pension plan  
 1660 represented in the present value amounts transferred is ~~shall be~~  
 1661 considered creditable service, except as provided in  
 1662 subparagraph d.

1663 d. If a member has terminated employment and has taken  
 1664 distribution of his or her funds as provided in subsection (1),  
 1665 all creditable service represented by such distributed funds is  
 1666 forfeited for purposes of this subsection.

1667 Section 11. Subsection (3) of section 121.71, Florida  
 1668 Statutes, is amended to read:

1669 121.71 Uniform rates; process; calculations; levy.—

1670 (3) (a) Required employee retirement contribution rates for  
 1671 each membership class and subclass of the Florida Retirement  
 1672 System for the pension plan ~~both retirement plans~~ are as  
 1673 follows:

1674

	Percentage of
	Gross
	Compensation,
	Effective
Membership Class	July 1, 2011

1675

1676

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1677	Regular Class	3.00%
1678	Special Risk Class	3.00%
1679	Special Risk Administrative Support Class	3.00%
1680	Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
1681	Elected Officers' Class-- Justices, Judges	3.00%
1682	Elected Officers' Class-- County Elected Officers	3.00%
1683	Senior Management Service Class	3.00%
1684	DROP	0.00%
1685	<u>(b) Required employee retirement contribution rates for</u>	
1686	<u>each membership class and subclass of the Florida Retirement</u>	
1687	<u>System for the investment plan are as follows:</u>	
1688		

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1689  
1690  
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1698

<u>Membership Class</u>	<u>Percentage of Gross Compensation, Effective July 1, 2011</u>	<u>Percentage of Gross Compensation, Effective July 1, 2015</u>
<u>Regular Class</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Special Risk Class</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Special Risk Administrative Support Class</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,</u>	<u>3.00%</u>	<u>2.00%</u>

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State Attorneys,  
Public Defenders

1699

Elected Officers'            3.00%            2.00%

Class—  
Justices, Judges

1700

Elected Officers'            3.00%            2.00%

Class—  
County Elected  
Officers

1701

Senior Management            3.00%            2.00%

Service Class

1702

1703

1704            Section 12. Section 238.072, Florida Statutes, is amended  
1705 to read:

1706            238.072 Special service provisions for extension  
1707 personnel.—All state and county cooperative extension personnel  
1708 holding appointments by the United States Department of  
1709 Agriculture for extension work in agriculture and home economics  
1710 in this state who are joint representatives of the University of  
1711 Florida and the United States Department of Agriculture, as  
1712 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
1713 Teachers' Retirement System, chapter 238, and who are prohibited  
1714 from transferring to and participating in the Florida Retirement  
1715 System, chapter 121, may retire with full benefits upon  
1716 completion of 30 years of creditable service and shall be

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1717 considered to have attained normal retirement age under this  
1718 chapter, any law to the contrary notwithstanding. In order to  
1719 comply with ~~the provisions of~~ s. 14, Art. X of the State  
1720 Constitution, any liability accruing to the Florida Retirement  
1721 System Trust Fund as a result of ~~the provisions of~~ this section  
1722 shall be paid on an annual basis from the General Revenue Fund.

1723 Section 13. Subsection (11) of section 413.051, Florida  
1724 Statutes, is amended to read:

1725 413.051 Eligible blind persons; operation of vending  
1726 stands.-

1727 (11) Effective July 1, 1996, blind licensees who remain  
1728 members of the Florida Retirement System pursuant to s.  
1729 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1730 retirement costs from their net profits or from program income.  
1731 Within 30 days after the effective date of this act, each blind  
1732 licensee who is eligible to maintain membership in the Florida  
1733 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1734 who elects to withdraw from the system as provided in s.  
1735 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
1736 1996, notify the Division of Blind Services and the Department  
1737 of Management Services in writing of his or her election to  
1738 withdraw. Failure to timely notify the divisions shall be deemed  
1739 a decision to remain a compulsory member of the Florida  
1740 Retirement System. However, if, at any time after July 1, 1996,  
1741 sufficient funds are not paid by a blind licensee to cover the  
1742 required contribution to the Florida Retirement System, that  
1743 blind licensee shall become ineligible to participate in the  
1744 Florida Retirement System on the last day of the first month for  
1745 which no contribution is made or the amount contributed is

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1746 insufficient to cover the required contribution. For any blind  
1747 licensee who becomes ineligible to participate in the Florida  
1748 Retirement System as described in this subsection, ~~no~~ creditable  
1749 service may not shall be earned under the Florida Retirement  
1750 System for any period following the month that retirement  
1751 contributions ceased to be reported. However, ~~any~~ such person  
1752 may participate in the Florida Retirement System in the future  
1753 if employed by a participating employer in a covered position.

1754 Section 14. Paragraph (a) of subsection (4) of section  
1755 1012.875, Florida Statutes, is amended to read:

1756 1012.875 State Community College System Optional Retirement  
1757 Program.—Each Florida College System institution may implement  
1758 an optional retirement program, if such program is established  
1759 therefor pursuant to s. 1001.64(20), under which annuity or  
1760 other contracts providing retirement and death benefits may be  
1761 purchased by, and on behalf of, eligible employees who  
1762 participate in the program, in accordance with s. 403(b) of the  
1763 Internal Revenue Code. Except as otherwise provided herein, this  
1764 retirement program, which shall be known as the State Community  
1765 College System Optional Retirement Program, may be implemented  
1766 and administered only by an individual Florida College System  
1767 institution or by a consortium of Florida College System  
1768 institutions.

1769 (4) (a) 1. Through June 30, 2011, each college must  
1770 contribute on behalf of each program member an amount equal to  
1771 10.43 percent of the employee's gross monthly compensation.

1772 2. Effective July 1, 2011, through June 30, 2012, each  
1773 member shall contribute an amount equal to the employee  
1774 contribution required under s. 121.71(3) (a). The employer shall

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1775 contribute on behalf of each program member an amount equal to  
1776 the difference between 10.43 percent of the employee's gross  
1777 monthly compensation and the employee's required contribution  
1778 based on the employee's gross monthly compensation.

1779 3. Effective July 1, 2012, each member shall contribute an  
1780 amount equal to the employee contribution required under s.  
1781 121.71(3) (a). The employer shall contribute on behalf of each  
1782 program member an amount equal to the difference between 8.15  
1783 percent of the employee's gross monthly compensation and the  
1784 employee's required contribution based on the employee's gross  
1785 monthly compensation.

1786 4. The college shall deduct an amount approved by the  
1787 district board of trustees of the college to provide for the  
1788 administration of the optional retirement program. Payment of  
1789 this contribution must be made directly by the college or  
1790 through the program administrator to the designated company  
1791 contracting for payment of benefits to the program member.

1792 Section 15. The Legislature finds that a proper and  
1793 legitimate state purpose is served when employees and retirees  
1794 of the state and its political subdivisions, and the dependents,  
1795 survivors, and beneficiaries of such employees and retirees, are  
1796 extended the basic protections afforded by governmental  
1797 retirement systems. These persons must be provided benefits that  
1798 are fair and adequate and that are managed, administered, and  
1799 funded in an actuarially sound manner, as required by s. 14,  
1800 Article X of the State Constitution and part VII of chapter 112,  
1801 Florida Statutes. Therefore, the Legislature determines and  
1802 declares that this act fulfills an important state interest.

1803 Section 16. This act shall take effect July 1, 2014.