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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     providing for compulsory membership in the Florida  
9     Retirement System Investment Plan for certain members  
10    of the Elected Officers' Class initially enrolled  
11    after a certain date; amending s. 121.052, F.S.;  
12    differentiating between cabinet members and judicial  
13    members of the Elected Officers Class; prohibiting  
14    members of the Elected Officers' Class from joining  
15    the Senior Management Service Class after a specified  
16    date; amending s. 121.053, F.S.; authorizing renewed  
17    membership in the retirement system for retirees who  
18    are reemployed in a position eligible for the Elected  
19    Officers' Class under certain circumstances; amending  
20    s. 121.055, F.S.; limiting the options of elected  
21    officers employed after a certain date to enroll in  
22    the Senior Management Service 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; amending s. 121.4501, F.S.;  
68 requiring certain employees initially enrolled in the  
69 Florida Retirement System on or after a specified date  
70 to be compulsory members of the investment plan;  
71 revising the definition of the terms "eligible  
72 employee" and "member" or "employee"; revising a  
73 provision relating to acknowledgment of an employee's  
74 election to participate in the investment plan;  
75 placing certain employees in the pension plan from  
76 their respective dates of hire until they are  
77 automatically enrolled in the investment plan or  
78 timely elect enrollment in the pension plan;  
79 authorizing certain employees to elect to participate  
80 in the pension plan, rather than the default  
81 investment plan, within a specified time; specifying  
82 that a retiree who has returned to covered employment  
83 before a specified date may continue membership in his  
84 or her selected retirement plan; conforming a  
85 provision to changes made by the act; providing for  
86 the transfer of certain contributions; revising the  
87 education component; deleting the obligation of system

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88 employers to communicate the existence of both  
89 retirement plans; conforming provisions and cross-  
90 references to changes made by the act; amending s.  
91 121.591, F.S.; revising provisions relating to  
92 disability retirement benefits; amending ss. 238.072  
93 and 413.051, F.S.; conforming cross-references;  
94 requiring the State Board of Administration and  
95 Department of Management Services to request a  
96 determination letter from the Internal Revenue Service  
97 as to whether any provision under the act will cause  
98 the Florida Retirement System to be disqualified for  
99 tax purposes and, if so, to notify the Legislature;  
100 requiring the board and department to also seek  
101 guidance regarding the consequences of differing tax  
102 contributions; requiring the Department of Management  
103 Services to conduct an actuarial study to determine  
104 the costs of providing a new death benefit through the  
105 pension plan for the families of members of the  
106 investment plan killed in the line of duty and provide  
107 the results of the study to the Governor and the  
108 Legislature by a certain date; providing that the act  
109 fulfills an important state interest; providing an  
110 effective date.

111  
112 Be It Enacted by the Legislature of the State of Florida:

113  
114 Section 1. Subsection (45) of section 121.021, Florida  
115 Statutes, is amended to read:

116 121.021 Definitions.—The following words and phrases as

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117 used in this chapter have the respective meanings set forth  
118 unless a different meaning is plainly required by the context:

119 (45) "Vested" or "vesting" means the guarantee that a  
120 member is eligible to receive a future retirement benefit upon  
121 completion of the required years of creditable service for the  
122 employee's class of membership, even though the member may have  
123 terminated covered employment before reaching normal or early  
124 retirement date. Being vested does not entitle a member to a  
125 disability benefit. Provisions governing entitlement to  
126 disability benefits are set forth under s. 121.091(4).

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

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

133 2. Any member initially enrolled in the Florida Retirement  
134 System before July 1, 2001, but not employed in a regularly  
135 established position on July 1, 2001, shall be deemed vested  
136 upon completion of 6 years of creditable service if such member  
137 is employed in a covered position for at least 1 work year after  
138 July 1, 2001. However, a member is not required to complete more  
139 years of creditable service than would have been required for  
140 that member to vest under retirement laws in effect before July  
141 1, 2001.

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

145 (b) Any member initially enrolled in the Florida Retirement

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146 System on ~~or after~~ July 1, 2011, through June 30, 2015, shall be  
147 vested in the pension plan upon completion of 8 years of  
148 creditable service.

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

152 Section 2. Present subsections (3) through (9) of section  
153 121.051, Florida Statutes, are renumbered as subsections (4)  
154 through (10), respectively, and a new subsection (3) is added to  
155 that section, to read:

156 121.051 Participation in the system.—

157 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.—Except for  
158 members of the Elected Officers' Class who withdraw from the  
159 Florida Retirement System under s. 121.052(3)(d) or elect to  
160 participate in an optional retirement program under s.  
161 121.051(1)(a), s. 121.051(2)(c), or s. 121.35, or are described  
162 in s. 121.052(2)(a)2. or s. 121.052(2)(b), employees initially  
163 enrolled in the Florida Retirement System on or after July 1,  
164 2015, and whose first employment in a regularly established  
165 position is covered by the Elected Officers' Class are  
166 compulsory members of the investment plan. Investment plan  
167 membership continues for a compulsory member even if the  
168 employee is subsequently employed in a position covered by  
169 another membership class. Membership in the pension plan by a  
170 compulsory member is not permitted except as provided in s.  
171 121.591(2).

172 (a) Employees initially enrolled in the Florida Retirement  
173 System before July 1, 2015, may retain their membership in the  
174 pension plan or investment plan and are eligible to use the

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175 election opportunity specified in s. 121.4501(4) (f). Compulsory  
176 members are not eligible to use the election opportunity.

177 (b) An employee eligible to withdraw from the system under  
178 s. 121.052(3) (d) may withdraw from the system, participate in  
179 the pension plan if not a compulsory member of the investment  
180 plan, or participate in the investment plan as provided under  
181 those provisions. An employee eligible for the optional  
182 retirement programs under paragraph (2) (c) or s. 121.35 may  
183 participate in the optional retirement program, participate in  
184 the pension plan if not a compulsory member, or participate in  
185 the investment plan as provided under those provisions. An  
186 eligible employee required to participate pursuant to paragraph  
187 (1) (a) in the optional retirement program as provided under s.  
188 121.35 must participate in the investment plan if employed in a  
189 position not eligible for the optional retirement program and  
190 otherwise meeting the requirements as a compulsory member of the  
191 investment plan.

192 Section 3. Paragraph (a) of subsection (2) and paragraph  
193 (c) of subsection (3) of section 121.052, Florida Statutes, are  
194 amended to read:

195 121.052 Membership class of elected officers.—

196 (2) MEMBERSHIP.—The following holders of elective office,  
197 hereinafter referred to as "elected officers," whether assuming  
198 elective office by election, reelection, or appointment, are  
199 members of the Elected Officers' Class, except as provided in  
200 subsection (3):

201 (a) 1. A ~~Any~~ Governor, Lieutenant Governor, Cabinet officer,  
202 legislator, ~~Supreme Court justice, district court of appeal~~  
203 ~~judge, circuit judge,~~ or state attorney assuming office on or

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204 after July 1, 1972.

205 2. A Supreme Court justice, district court of appeal judge,  
206 or circuit judge assuming office on or after July 1, 1972.

207 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
208 1, 1990, participation in the Elected Officers' Class shall be  
209 compulsory for elected officers listed in paragraphs (2) (a)-(d)  
210 and (f) assuming office on or after said date, unless the  
211 elected officer elects membership in another class or withdraws  
212 from the Florida Retirement System as provided in paragraphs  
213 (3) (a)-(d):

214 (c) Before July 1, 2015, an ~~any~~ elected officer may, within  
215 6 months after assuming office, or within 6 months after May 30,  
216 1997 ~~this act becomes a law~~ for serving elected officers, elect  
217 membership in the Senior Management Service Class as provided in  
218 s. 121.055 in lieu of membership in the Elected Officers' Class.  
219 ~~Any~~ Such election made by a county elected officer has ~~shall~~  
220 ~~have~~ no effect upon the statutory limit on the number of  
221 nonelective full-time positions that may be designated by a  
222 local agency employer for inclusion in the Senior Management  
223 Service Class under s. 121.055(1) (b)1.

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

226 121.053 Participation in the Elected Officers' Class for  
227 retired members.—

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

229 (a) A retiree of a state-administered retirement system who  
230 is initially reemployed in ~~elected or appointed for the first~~  
231 ~~time to~~ an elective office in a regularly established position  
232 with a covered employer may not reenroll in the Florida



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233 Retirement System, except as provided in s. 121.122.

234 (b) An elected officer who is elected or appointed to an  
235 elective office and is participating in the Deferred Retirement  
236 Option Program is subject to termination as defined in s.  
237 121.021 upon completion of his or her DROP participation period.  
238 An elected official may defer termination as provided in  
239 subsection (7).

240 (5) A ~~Any~~ renewed member, as described in s. 121.122(1),  
241 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
242 receiving the maximum health insurance subsidy provided in s.  
243 112.363 is entitled to earn additional credit toward the maximum  
244 health insurance subsidy. Any additional subsidy due because of  
245 such additional credit may be received only at the time of  
246 payment of the second career retirement benefit. The total  
247 health insurance subsidy received from initial and renewed  
248 membership may not exceed the maximum allowed in s. 112.363.

249 Section 5. Paragraph (f) of subsection (1) and paragraph  
250 (c) of subsection (6) of section 121.055, Florida Statutes, are  
251 amended to read:

252 121.055 Senior Management Service Class.—There is hereby  
253 established a separate class of membership within the Florida  
254 Retirement System to be known as the "Senior Management Service  
255 Class," which shall become effective February 1, 1987.

256 (1)

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

258 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
259 4., an elected state officer eligible for membership in the  
260 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
261 elects membership in the Senior Management Service Class under

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262 s. 121.052(3)(c) may, within 6 months after assuming office or  
263 within 6 months after this act becomes a law for serving elected  
264 state officers, elect to participate in the Senior Management  
265 Service Optional Annuity Program, as provided in subsection (6),  
266 in lieu of membership in the Senior Management Service Class.

267 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
268 4., an elected officer of a local agency employer eligible for  
269 membership in the Elected Officers' Class under s. 121.052(2)(d)  
270 who elects membership in the Senior Management Service Class  
271 under s. 121.052(3)(c) may, within 6 months after assuming  
272 office, or within 6 months after this act becomes a law for  
273 serving elected officers of a local agency employer, elect to  
274 withdraw from the Florida Retirement System, as provided in  
275 subparagraph (b)2., in lieu of membership in the Senior  
276 Management Service Class.

277 3. A retiree of a state-administered retirement system who  
278 is initially reemployed in a regularly established position on  
279 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected  
280 official eligible for the Elected Officers' Class may not be  
281 enrolled in renewed membership in the Senior Management Service  
282 Class or in the Senior Management Service Optional Annuity  
283 Program as provided in subsection (6), and may not withdraw from  
284 the Florida Retirement System as a renewed member as provided in  
285 subparagraph (b)2., as applicable, in lieu of membership in the  
286 Senior Management Service Class.

287 4. Effective January 1, 2015, an eligible retiree of a  
288 state-administered retirement system who retired before July 1,  
289 2010, and is reemployed in a regularly established position with  
290 a covered employer shall be enrolled as a renewed member as

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291 provided in s. 121.122.

292 5. On or after July 1, 2015, an elected officer eligible  
293 for membership in the Elected Officers' Class may not be  
294 enrolled in the Senior Management Service Class or in the Senior  
295 Management Service Optional Annuity Program except as provided  
296 in subsection (6).

297 (6)

298 (c) *Participation.*—

299 1. An eligible employee who is employed on or before  
300 February 1, 1987, may elect to participate in the optional  
301 annuity program in lieu of participating in the Senior  
302 Management Service Class. Such election must be ~~made~~ in writing  
303 and filed with the department and the personnel officer of the  
304 employer on or before May 1, 1987. An eligible employee who is  
305 employed on or before February 1, 1987, and who fails to make an  
306 election to participate in the optional annuity program by May  
307 1, 1987, shall be deemed to have elected membership in the  
308 Senior Management Service Class.

309 2. Except as provided in subparagraph 6., an employee who  
310 becomes eligible to participate in the optional annuity program  
311 by reason of initial employment commencing after February 1,  
312 1987, may, within 90 days after the date of commencing  
313 employment, elect to participate in the optional annuity  
314 program. Such election must be ~~made~~ in writing and filed with  
315 the personnel officer of the employer. An eligible employee who  
316 does not within 90 days after commencing employment elect to  
317 participate in the optional annuity program shall be deemed to  
318 have elected membership in the Senior Management Service Class.

319 3. A person who is appointed to a position in the Senior

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320 Management Service Class and who is a member of an existing  
321 retirement system or the Special Risk or Special Risk  
322 Administrative Support Classes of the Florida Retirement System  
323 may elect to remain in such system or class in lieu of  
324 participating in the Senior Management Service Class or optional  
325 annuity program. Such election must be ~~made~~ in writing and filed  
326 with the department and the personnel officer of the employer  
327 within 90 days after such appointment. An eligible employee who  
328 fails to make an election to participate in the existing system,  
329 the Special Risk Class of the Florida Retirement System, the  
330 Special Risk Administrative Support Class of the Florida  
331 Retirement System, or the optional annuity program shall be  
332 deemed to have elected membership in the Senior Management  
333 Service Class.

334 4. Except as provided in subparagraph 5., an employee's  
335 election to participate in the optional annuity program is  
336 irrevocable if the employee continues to be employed in an  
337 eligible position and continues to meet the eligibility  
338 requirements set forth in this paragraph.

339 5. Effective from July 1, 2002, through September 30, 2002,  
340 an active employee in a regularly established position who has  
341 elected to participate in the Senior Management Service Optional  
342 Annuity Program has one opportunity to choose to move from the  
343 Senior Management Service Optional Annuity Program to the  
344 Florida Retirement System Pension Plan.

345 a. The election must be ~~made~~ in writing and must be filed  
346 with the department and the personnel officer of the employer  
347 before October 1, 2002, or, in the case of an active employee  
348 who is on a leave of absence on July 1, 2002, within 90 days

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349 after the conclusion of the leave of absence. This election is  
350 irrevocable.

351 b. The employee shall receive service credit under the  
352 pension plan equal to his or her years of service under the  
353 Senior Management Service Optional Annuity Program. The cost for  
354 such credit is the amount representing the present value of that  
355 employee's accumulated benefit obligation for the affected  
356 period of service.

357 c. The employee must transfer the total accumulated  
358 employer contributions and earnings on deposit in his or her  
359 Senior Management Service Optional Annuity Program account. If  
360 the transferred amount is not sufficient to pay the amount due,  
361 the employee must pay a sum representing the remainder of the  
362 amount due. The employee may not retain any employer  
363 contributions or earnings from the Senior Management Service  
364 Optional Annuity Program account.

365 6. A retiree of a state-administered retirement system who  
366 is initially reemployed on ~~or after~~ July 1, 2010, through  
367 December 31, 2014, may not renew membership in the Senior  
368 Management Service Optional Annuity Program. Effective January  
369 1, 2015, an eligible retiree of a state-administered retirement  
370 system who retired before July 1, 2010, and is reemployed in a  
371 regularly established position with a covered employer shall be  
372 enrolled as a renewed member as provided in s. 121.122.

373 7. Effective July 1, 2015, the Senior Management Service  
374 Optional Annuity Program is closed to new members. Members  
375 enrolled in the Senior Management Service Optional Annuity  
376 Program before July 1, 2015, may retain their membership in the  
377 annuity program.

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378 Section 6. Paragraph (a) of subsection (4) of section  
379 121.091, Florida Statutes, is amended to read:

380 121.091 Benefits payable under the system.—Benefits may not  
381 be paid under this section unless the member has terminated  
382 employment as provided in s. 121.021(39) (a) or begun  
383 participation in the Deferred Retirement Option Program as  
384 provided in subsection (13), and a proper application has been  
385 filed in the manner prescribed by the department. The department  
386 may cancel an application for retirement benefits when the  
387 member or beneficiary fails to timely provide the information  
388 and documents required by this chapter and the department's  
389 rules. The department shall adopt rules establishing procedures  
390 for application for retirement benefits and for the cancellation  
391 of such application when the required information or documents  
392 are not received.

393 (4) DISABILITY RETIREMENT BENEFIT.—

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

395 1.a. A member who becomes totally and permanently disabled,  
396 as defined in paragraph (b), after completing 5 years of  
397 creditable service, or a member who becomes totally and  
398 permanently disabled in the line of duty regardless of service,  
399 is entitled to a monthly disability benefit, + except that a any  
400 member with less than 5 years of creditable service on July 1,  
401 1980, or a any person who becomes a member of the Florida  
402 Retirement System on or after such date must have completed 10  
403 years of creditable service before becoming totally and  
404 permanently disabled in order to receive disability retirement  
405 benefits for a any disability that ~~which~~ occurs other than in  
406 the line of duty. However, if a member employed on July 1, 1980,

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407 who has less than 5 years of creditable service as of that date  
408 becomes totally and permanently disabled after completing 5  
409 years of creditable service and is found not to have attained  
410 fully insured status for benefits under the federal Social  
411 Security Act, such member is entitled to a monthly disability  
412 benefit.

413 b. Effective July 1, 2001, a member of the pension plan  
414 initially enrolled before July 1, 2015, who becomes totally and  
415 permanently disabled, as defined in paragraph (b), after  
416 completing 8 years of creditable service, or a member who  
417 becomes totally and permanently disabled in the line of duty  
418 regardless of service, is entitled to a monthly disability  
419 benefit.

420 c. Effective July 1, 2015, a member of the pension plan  
421 initially enrolled on or after July 1, 2015, who becomes totally  
422 and permanently disabled, as defined in paragraph (b), after  
423 completing 10 years of creditable service, or a member who  
424 becomes totally and permanently disabled in the line of duty  
425 regardless of service, is entitled to a monthly disability  
426 benefit.

427 2. If the division ~~has received from the employer~~ the  
428 required documentation of the member's termination of employment  
429 from the employer, the effective retirement date for a member  
430 who applies and is approved for disability retirement shall be  
431 as established by rule of the division.

432 3. For a member who is receiving Workers' Compensation  
433 payments, the effective disability retirement date may not  
434 precede the date the member reaches Maximum Medical Improvement  
435 (MMI), unless the member terminates employment before reaching

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436 MMI.

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

440 121.122 Renewed membership in system.—

441 (2) Except as provided in subsections (3)-(5), a retiree of  
442 a state-administered retirement system who is initially  
443 reemployed in a regularly established position on or after July  
444 1, 2010, may not be enrolled as a renewed member.

445 (3) A retiree of the investment plan, the State University  
446 System Optional Retirement Program, the Senior Management  
447 Service Optional Annuity Program, or the State Community College  
448 System Optional Retirement Program who retired before July 1,  
449 2010, had less than 10 years of creditable service upon  
450 retirement, and is employed in a regularly established position  
451 with a covered employer on or after January 1, 2015, shall be a  
452 renewed member of the Regular Class of the investment plan  
453 regardless of the position held, unless employed in a position  
454 eligible for participation in the State University System  
455 Optional Retirement Program or the State Community College  
456 System Optional Retirement Program as provided in subsections  
457 (4) and (5), respectively. The renewed member must satisfy the  
458 vesting requirements and other provisions of this chapter.

459 (a) Creditable service, including credit toward the retiree  
460 health insurance subsidy provided in s. 112.363, does not accrue  
461 for a retiree's employment in a regularly established position  
462 with a covered employer from July 1, 2010, through December 31,  
463 2014.

464 (b) Employer and employee contributions, interest,



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465 earnings, or any other funds may not be paid into a renewed  
466 member's investment plan account for any employment in a  
467 regularly established position with a covered employer from July  
468 1, 2010, through December 31, 2014, by the renewed member or the  
469 employer on behalf of the member.

470 (c) To be eligible to receive a retirement benefit, the  
471 renewed member must satisfy the vesting requirements in s.  
472 121.4501(6).

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

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

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

479 (g) Upon the renewed membership or reemployment of a  
480 retiree, the employer and the retiree shall pay the applicable  
481 employer and employee contributions required under ss. 112.363,  
482 121.71, 121.74, and 121.76. The contributions are payable only  
483 for employment and salary earned in a regularly established  
484 position with a covered employer on or after January 1, 2015.  
485 The employer and employee contributions shall be transferred to  
486 the investment plan and placed in a default fund as designated  
487 by the state board. The retiree may move the contributions once  
488 an account is activated in the investment plan.

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

493 (i) A renewed member who is a retiree of the investment

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494 plan and who is not receiving the maximum health insurance  
495 subsidy provided in s. 112.363 is entitled to earn additional  
496 credit toward the subsidy. Such credit may be earned only for  
497 employment in a regularly established position with a covered  
498 employer on or after January 1, 2015. Any additional subsidy due  
499 because of additional credit may be received only at the time of  
500 paying the second career retirement benefit. The total health  
501 insurance subsidy received by a retiree receiving benefits from  
502 initial and renewed membership may not exceed the maximum  
503 allowed under s. 112.363.

504 (4) A retiree of the investment plan, the State University  
505 System Optional Retirement Program, the Senior Management  
506 Service Optional Annuity Program, or the State Community College  
507 System Optional Retirement Program who retired before July 1,  
508 2010, and who is employed in a regularly established position  
509 eligible for participation in the State University System  
510 Optional Retirement Program on or after January 1, 2015, shall  
511 become a renewed member of the optional retirement program. The  
512 renewed member must satisfy the vesting requirements and other  
513 provisions of this chapter. Once enrolled, a renewed member  
514 remains enrolled in the optional retirement program while  
515 employed in an eligible position for the optional retirement  
516 program. If employment in a different covered position results  
517 in the retiree's enrollment in the investment plan, the retiree  
518 is no longer eligible to participate in the optional retirement  
519 program unless employed in a mandatory position under s. 121.35.

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

522 (b) The member must satisfy the requirements for

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523 termination of employment provided in s. 121.021(39).

524 (c) Upon renewed membership or reemployment of a retiree,  
525 the employer and the retiree must pay the applicable employer  
526 and employee contributions required under s. 121.35.

527 (d) The member, or the employer on behalf of the member,  
528 may not purchase any prior service in the optional retirement  
529 program or employment from July 1, 2010, to December 31, 2014.

530 (5) A retiree of the investment plan, the State University  
531 System Optional Retirement Program, the Senior Management  
532 Service System Optional Annuity Program, or the State Community  
533 College System Optional Retirement Program who retired before  
534 July 1, 2010, and who is employed in a regularly established  
535 position eligible for participation in the State Community  
536 College System Optional Retirement Program as provided in s.  
537 121.051(2)(c)4. on or after January 1, 2015, shall become a  
538 renewed member of the optional retirement program. The renewed  
539 member must satisfy the eligibility requirements of this chapter  
540 and s. 1012.875 for the optional retirement program. Once  
541 enrolled, a renewed member remains enrolled in the optional  
542 retirement program while employed in an eligible position for  
543 the optional retirement program. If employment in a different  
544 covered position results in the retiree's enrollment in the  
545 investment plan, the retiree is no longer eligible to  
546 participate in the optional retirement program.

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

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

551 (c) Upon renewed membership or reemployment of a retiree,

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552 the employer and the retiree must pay the applicable employer  
553 and employee contributions required under ss. 121.051(2)(c) and  
554 1012.875.

555 (d) The member, or the employer on behalf of the member,  
556 may not purchase any past service in the optional retirement  
557 program or employment accrued from July 1, 2010, to December 31,  
558 2014.

559 Section 8. Paragraph (c) of subsection (3) of section  
560 121.35, Florida Statutes, is amended to read:

561 121.35 Optional retirement program for the State University  
562 System.—

563 (3) ELECTION OF OPTIONAL PROGRAM.—

564 (c) An ~~Any~~ employee who becomes eligible to participate in  
565 the optional retirement program on or after January 1, 1993,  
566 shall be a compulsory participant of the program unless such  
567 employee elects membership in the Florida Retirement System.  
568 Such election shall be ~~made~~ in writing and filed with the  
569 personnel officer of the employer. An ~~Any~~ eligible employee who  
570 fails to make such election within the prescribed time period  
571 shall be deemed to have elected to participate in the optional  
572 retirement program.

573 1. An ~~Any~~ employee whose optional retirement program  
574 eligibility results from initial employment shall be enrolled in  
575 the program at the commencement of employment. If, within 90  
576 days after commencement of employment, the employee elects  
577 membership in the Florida Retirement System, such membership is  
578 ~~shall be~~ effective retroactive to the date of commencing  
579 ~~commencement of~~ employment as provided in s. 121.4501(4).

580 2. An ~~Any~~ employee whose optional retirement program

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581 eligibility results from a change in status due to the  
582 subsequent designation of the employee's position as one of  
583 those specified in paragraph (2) (a) or due to the employee's  
584 appointment, promotion, transfer, or reclassification to a  
585 position specified in paragraph (2) (a) shall be enrolled in the  
586 optional retirement program upon such change in status and shall  
587 be notified by the employer of such action. If, within 90 days  
588 after the date of such notification, the employee elects to  
589 retain membership in the Florida Retirement System, such  
590 continuation of membership is ~~shall be~~ retroactive to the date  
591 of the change in status.

592 3. Notwithstanding ~~the provisions of~~ this paragraph,  
593 effective July 1, 1997, an ~~any~~ employee who is eligible to  
594 participate in the Optional Retirement Program and who fails to  
595 execute a contract with one of the approved companies and to  
596 notify the department in writing as provided in subsection (4)  
597 within 90 days after the date of eligibility shall be deemed to  
598 have elected membership in the Florida Retirement System, except  
599 as provided in s. 121.051(1) (a). This provision ~~shall~~ also  
600 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an  
601 eligible position before executing the required investment  
602 ~~annuity~~ contract and notifying the department. Such membership  
603 is ~~shall be~~ retroactive to the date of eligibility, and all  
604 appropriate contributions shall be transferred to the Florida  
605 Retirement System Trust Fund and the Health Insurance Subsidy  
606 Trust Fund.

607 Section 9. Subsection (1), paragraphs (e) and (i) of  
608 subsection (2), paragraph (b) of subsection (3), subsection (4),  
609 paragraph (c) of subsection (5), subsection (8), and paragraphs

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610 (a), (b), (c), and (h) of subsection (10) of section 121.4501,  
611 Florida Statutes, are amended to read:

612 121.4501 Florida Retirement System Investment Plan.—

613 (1) The Trustees of the State Board of Administration shall  
614 establish a defined contribution program called the “Florida  
615 Retirement System Investment Plan” or “investment plan” for  
616 members of the Florida Retirement System under which retirement  
617 benefits are ~~will be~~ provided for eligible employees who elect  
618 to participate in the program, for employees who default into  
619 the program, and for compulsory members described in paragraph  
620 (4) (g). The retirement benefits shall be provided through  
621 member-directed investments, in accordance with s. 401(a) of the  
622 Internal Revenue Code and related regulations. The employer and  
623 employee shall make contributions, as provided in this section  
624 and ss. 121.571 and 121.71, to the Florida Retirement System  
625 Investment Plan Trust Fund toward the funding of benefits.

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

627 (e) “Eligible employee” means an officer or employee, as  
628 defined in s. 121.021, who:

629 1. Is a member of, or is eligible for membership in, the  
630 Florida Retirement System, including any renewed member of the  
631 Florida Retirement System initially enrolled before July 1,  
632 2010; ~~or~~

633 2. Participates in, or is eligible to participate in, the  
634 Senior Management Service Optional Annuity Program as  
635 established under s. 121.055(6), the State Community College  
636 System Optional Retirement Program as established under s.  
637 121.051(2)(c), or the State University System Optional  
638 Retirement Program established under s. 121.35; or

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639       3. Is a retired member of the investment plan, the State  
640 University System Optional Retirement Program, the Senior  
641 Management Service Optional Annuity Program, or the State  
642 Community College System Optional Retirement Program who retired  
643 before July 1, 2010 and is employed in a regularly established  
644 position on or after January 1, 2015, as provided in s. 121.122.

645

646 The term does not include any member participating in the  
647 Deferred Retirement Option Program established under s.  
648 121.091(13), a retiree of a state-administered retirement system  
649 who retired ~~initially reemployed in a regularly established~~  
650 ~~position~~ on or after July 1, 2010, or a mandatory participant of  
651 the State University System Optional Retirement Program  
652 established under s. 121.35.

653       (i) "Member" or "employee" means an eligible employee who  
654 enrolls, is defaulted into, or is a compulsory member of ~~in~~ the  
655 investment plan as provided in subsection (4), a terminated  
656 Deferred Retirement Option Program member as described in  
657 subsection (21), or a beneficiary or alternate payee of a member  
658 or employee.

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

660       (b) Notwithstanding paragraph (a), an eligible employee who  
661 elects to participate in or is defaulted into the investment  
662 plan and establishes one or more individual member accounts may  
663 elect to transfer to the investment plan a sum representing the  
664 present value of the employee's accumulated benefit obligation  
665 under the pension plan, except as provided in paragraph (4)(b).  
666 Upon transfer, all service credit earned under the pension plan  
667 is nullified for purposes of entitlement to a future benefit

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668 under the pension plan. A member may not transfer the  
669 accumulated benefit obligation balance from the pension plan  
670 after the time period for enrolling in the investment plan has  
671 expired.

672 1. For purposes of this subsection, the present value of  
673 the member's accumulated benefit obligation is based upon the  
674 member's estimated creditable service and estimated average  
675 final compensation under the pension plan, subject to  
676 recomputation under subparagraph 2. For state employees, initial  
677 estimates shall be based upon creditable service and average  
678 final compensation as of midnight on June 30, 2002; for district  
679 school board employees, initial estimates shall be based upon  
680 creditable service and average final compensation as of midnight  
681 on September 30, 2002; and for local government employees,  
682 initial estimates shall be based upon creditable service and  
683 average final compensation as of midnight on December 31, 2002.  
684 The dates specified are the "estimate date" for these employees.  
685 The actuarial present value of the employee's accumulated  
686 benefit obligation shall be based on the following:

687 a. The discount rate and other relevant actuarial  
688 assumptions used to value the Florida Retirement System Trust  
689 Fund at the time the amount to be transferred is determined,  
690 consistent with the factors provided in sub-subparagraphs b. and  
691 c.

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

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

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



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

699 (A) Age 62; or

700 (B) The age the member would attain if the member completed  
701 30 years of service with an employer, assuming the member worked  
702 continuously from the estimate date, and disregarding any  
703 vesting requirement that would otherwise apply under the pension  
704 plan.

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

708 (A) Age 65; or

709 (B) The age the member would attain if the member completed  
710 33 years of service with an employer, assuming the member worked  
711 continuously from the estimate date, and disregarding any  
712 vesting requirement that would otherwise apply under the pension  
713 plan.

714 d. For members of the Special Risk Class and for members of  
715 the Special Risk Administrative Support Class entitled to retain  
716 the special risk normal retirement date:

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

720 (A) Age 55; or

721 (B) The age the member would attain if the member completed  
722 25 years of service with an employer, assuming the member worked  
723 continuously from the estimate date, and disregarding any  
724 vesting requirement that would otherwise apply under the pension  
725 plan.

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

730 (A) Age 60; or

731 (B) The age the member would attain if the member completed  
732 30 years of service with an employer, assuming the member worked  
733 continuously from the estimate date, and disregarding any  
734 vesting requirement that would otherwise apply under the pension  
735 plan.

736 e. The calculation must disregard vesting requirements and  
737 early retirement reduction factors that would otherwise apply  
738 under the pension plan.

739 2. For each member who elects to transfer moneys from the  
740 pension plan to his or her account in the investment plan, the  
741 division shall recompute the amount transferred under  
742 subparagraph 1. within 60 days after the actual transfer of  
743 funds based upon the member's actual creditable service and  
744 actual final average compensation as of the initial date of  
745 participation in the investment plan. If the recomputed amount  
746 differs from the amount transferred by \$10 or more, the division  
747 shall:

748 a. Transfer, or cause to be transferred, from the Florida  
749 Retirement System Trust Fund to the member's account the excess,  
750 if any, of the recomputed amount over the previously transferred  
751 amount together with interest from the initial date of transfer  
752 to the date of transfer under this subparagraph, based upon the  
753 effective annual interest equal to the assumed return on the  
754 actuarial investment which was used in the most recent actuarial

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755 valuation of the system, compounded annually.

756       b. Transfer, or cause to be transferred, from the member's  
757 account to the Florida Retirement System Trust Fund the excess,  
758 if any, of the previously transferred amount over the recomputed  
759 amount, together with interest from the initial date of transfer  
760 to the date of transfer under this subparagraph, based upon 6  
761 percent effective annual interest, compounded annually, pro rata  
762 based on the member's allocation plan.

763       3. If contribution adjustments are made as a result of  
764 employer errors or corrections, including plan corrections,  
765 following recomputation of the amount transferred under  
766 subparagraph 1., the member is entitled to the additional  
767 contributions or is responsible for returning any excess  
768 contributions resulting from the correction. However, a ~~any~~  
769 return of such erroneous excess pretax contribution by the plan  
770 must be made within the period allowed by the Internal Revenue  
771 Service. The present value of the member's accumulated benefit  
772 obligation may ~~shall~~ not be recalculated.

773       4. As directed by the member, the state board shall  
774 transfer or cause to be transferred the appropriate amounts to  
775 the designated accounts within 30 days after the effective date  
776 of the member's participation in the investment plan unless the  
777 major financial markets for securities available for a transfer  
778 are seriously disrupted by an unforeseen event that causes the  
779 suspension of trading on a ~~any~~ national securities exchange in  
780 the country where the securities were issued. In that event, the  
781 30-day period may be extended by a resolution of the state  
782 board. Transfers are not commissionable or subject to other fees  
783 and may be in the form of securities or cash, as determined by

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

786 5. If the state board or the division receives notification  
787 from the United States Internal Revenue Service that this  
788 paragraph or any portion of this paragraph will cause the  
789 retirement system, or a portion thereof, to be disqualified for  
790 tax purposes under the Internal Revenue Code, the portion that  
791 will cause the disqualification does not apply. Upon such  
792 notice, the state board and the division shall notify the  
793 presiding officers of the Legislature.

794 (4) PARTICIPATION; ENROLLMENT.—

795 (a)1. Effective June 1, 2002, through February 28, 2003, a  
796 90-day election period, preceded by a 90-day education period,  
797 was provided to each eligible employee participating in the  
798 Florida Retirement System which permitted each eligible employee  
799 to elect membership in the investment plan, and an employee who  
800 failed to elect the investment plan during the election period  
801 remained in the pension plan. An eligible employee who was  
802 employed in a regularly established position during the election  
803 period was granted the option to make one subsequent election,  
804 as provided in paragraph (f). With respect to an eligible  
805 employee who did not participate in the initial election period  
806 or who is initially ~~employee who is~~ employed in a regularly  
807 established position after the close of the initial election  
808 period but before July 1, 2015, ~~on June 1, 2002, by a state~~  
809 ~~employer:~~

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

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813 ~~electronic means and must be filed with the third party~~  
814 ~~administrator by August 31, 2002, or, in the case of an active~~  
815 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
816 ~~last business day of the 5th month following the month the leave~~  
817 ~~of absence concludes. This election is irrevocable, except as~~  
818 ~~provided in paragraph (g). Upon making such election, the~~  
819 ~~employee shall be enrolled as a member of the investment plan,~~  
820 ~~the employee's membership in the Florida Retirement System is~~  
821 ~~governed by the provisions of this part, and the employee's~~  
822 ~~membership in the pension plan terminates. The employee's~~  
823 ~~enrollment in the investment plan is effective the first day of~~  
824 ~~the month for which a full month's employer contribution is made~~  
825 ~~to the investment plan.~~

826 ~~b. Any such employee who fails to elect to participate in~~  
827 ~~the investment plan within the prescribed time period is deemed~~  
828 ~~to have elected to retain membership in the pension plan, and~~  
829 ~~the employee's option to elect to participate in the investment~~  
830 ~~plan is forfeited.~~

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

835 ~~a. Any such employee shall, by default, be enrolled in the~~  
836 ~~pension plan at the commencement of employment, and may, by the~~  
837 ~~last business day of the 5th month following the employee's~~  
838 ~~month of hire, elect to participate in the investment plan. The~~  
839 ~~employee's election must be made in writing or by electronic~~  
840 ~~means and must be filed with the third-party administrator. The~~  
841 ~~election to participate in the investment plan is irrevocable,~~

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

843 ~~a.b.~~ If the employee files such election within the  
844 prescribed time period, enrollment in the investment plan is  
845 effective on the first day of employment. The retirement  
846 contributions paid through the month of the employee plan change  
847 shall be transferred to the investment program, and, effective  
848 the first day of the next month, the employer and employee must  
849 pay the applicable contributions based on the employee  
850 membership class in the program.

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

856 ~~2.3.~~ With respect to employees who become eligible to  
857 participate in the investment plan pursuant to s.  
858 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
859 participate in the investment plan in lieu of retaining his or  
860 her membership in the State Community College System Optional  
861 Retirement Program or the State University System Optional  
862 Retirement Program. The election must be ~~made~~ in writing or by  
863 electronic means and must be filed with the third-party  
864 administrator. This election is irrevocable, except as provided  
865 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
866 shall be enrolled as a member in the investment plan, the  
867 employee's membership in the Florida Retirement System is  
868 governed by the provisions of this part, and the employee's  
869 participation in the State Community College System Optional  
870 Retirement Program or the State University System Optional

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871 Retirement Program terminates. The employee's enrollment in the  
872 investment plan is effective on the first day of the month for  
873 which a full month's employer and employee contribution is made  
874 to the investment plan.

875 ~~4. For purposes of this paragraph, "state employer" means~~  
876 ~~any agency, board, branch, commission, community college,~~  
877 ~~department, institution, institution of higher education, or~~  
878 ~~water management district of the state, which participates in~~  
879 ~~the Florida Retirement System for the benefit of certain~~  
880 ~~employees.~~

881 (b) With respect to employees who become eligible to  
882 participate in the investment plan, except as provided in  
883 paragraph (g), by reason of employment in a regularly  
884 established position commencing on or after July 1, 2015, such  
885 employee shall be enrolled in the pension plan at the  
886 commencement of employment and may, by the last business day of  
887 the 8th month following the employee's month of hire, elect to  
888 participate in the pension plan or the investment plan. Eligible  
889 employees may make a plan election only if they are earning  
890 service credit in an employer-employee relationship consistent  
891 with s. 121.021(17)(b), excluding leaves of absence without pay.

892 1. The employee's election must be in writing or by  
893 electronic means and must be filed with the third-party  
894 administrator. The election to participate in the pension plan  
895 or investment plan is irrevocable, except as provided in  
896 paragraph (f).

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

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

904 3. The amount of the employee and employer contributions  
905 paid before the default to the investment plan shall be  
906 transferred to the investment plan and placed in a default fund  
907 as designated by the State Board of Administration. The employee  
908 may move the contributions once an account is activated in the  
909 investment plan.

910 4. Effective the first day of the month after an eligible  
911 employee makes a plan election of the pension plan or investment  
912 plan, or after the month of default to the investment plan, the  
913 employee and employer shall pay the applicable contributions  
914 based on the employee membership class in the pension plan or  
915 investment plan.

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

919 ~~a. Any such employee may elect to participate in the~~  
920 ~~investment plan in lieu of retaining his or her membership in~~  
921 ~~the pension plan. The election must be made in writing or by~~  
922 ~~electronic means and must be filed with the third party~~  
923 ~~administrator by November 30, or, in the case of an active~~  
924 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
925 ~~last business day of the 5th month following the month the leave~~  
926 ~~of absence concludes. This election is irrevocable, except as~~  
927 ~~provided in paragraph (g). Upon making such election, the~~  
928 ~~employee shall be enrolled as a member of the investment plan,~~



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929 ~~the employee's membership in the Florida Retirement System is~~  
930 ~~governed by the provisions of this part, and the employee's~~  
931 ~~membership in the pension plan terminates. The employee's~~  
932 ~~enrollment in the investment plan is effective the first day of~~  
933 ~~the month for which a full month's employer contribution is made~~  
934 ~~to the investment program.~~

935 ~~b. Any such employee who fails to elect to participate in~~  
936 ~~the investment plan within the prescribed time period is deemed~~  
937 ~~to have elected to retain membership in the pension plan, and~~  
938 ~~the employee's option to elect to participate in the investment~~  
939 ~~plan is forfeited.~~

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

944 ~~a. Any such employee shall, by default, be enrolled in the~~  
945 ~~pension plan at the commencement of employment, and may, by the~~  
946 ~~last business day of the 5th month following the employee's~~  
947 ~~month of hire, elect to participate in the investment plan. The~~  
948 ~~employee's election must be made in writing or by electronic~~  
949 ~~means and must be filed with the third party administrator. The~~  
950 ~~election to participate in the investment plan is irrevocable,~~  
951 ~~except as provided in paragraph (g).~~

952 ~~b. If the employee files such election within the~~  
953 ~~prescribed time period, enrollment in the investment plan is~~  
954 ~~effective on the first day of employment. The employer~~  
955 ~~retirement contributions paid through the month of the employee~~  
956 ~~plan change shall be transferred to the investment plan, and,~~  
957 ~~effective the first day of the next month, the employer shall~~

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958 ~~pay the applicable contributions based on the employee~~  
959 ~~membership class in the investment plan.~~

960 ~~e. Any such employee who fails to elect to participate in~~  
961 ~~the investment plan within the prescribed time period is deemed~~  
962 ~~to have elected to retain membership in the pension plan, and~~  
963 ~~the employee's option to elect to participate in the investment~~  
964 ~~plan is forfeited.~~

965 ~~3. For purposes of this paragraph, "district school board~~  
966 ~~employer" means any district school board that participates in~~  
967 ~~the Florida Retirement System for the benefit of certain~~  
968 ~~employees, or a charter school or charter technical career~~  
969 ~~center that participates in the Florida Retirement System as~~  
970 ~~provided in s. 121.051(2) (d).~~

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

974 ~~a. Any such employee may elect to participate in the~~  
975 ~~investment plan in lieu of retaining his or her membership in~~  
976 ~~the pension plan. The election must be made in writing or by~~  
977 ~~electronic means and must be filed with the third party~~  
978 ~~administrator by February 28, 2003, or, in the case of an active~~  
979 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
980 ~~last business day of the 5th month following the month the leave~~  
981 ~~of absence concludes. This election is irrevocable, except as~~  
982 ~~provided in paragraph (g). Upon making such election, the~~  
983 ~~employee shall be enrolled as a participant of the investment~~  
984 ~~plan, the employee's membership in the Florida Retirement System~~  
985 ~~is governed by the provisions of this part, and the employee's~~  
986 ~~membership in the pension plan terminates. The employee's~~

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987 ~~enrollment in the investment plan is effective the first day of~~  
988 ~~the month for which a full month's employer contribution is made~~  
989 ~~to the investment plan.~~

990 ~~b. Any such employee who fails to elect to participate in~~  
991 ~~the investment plan within the prescribed time period is deemed~~  
992 ~~to have elected to retain membership in the pension plan, and~~  
993 ~~the employee's option to elect to participate in the investment~~  
994 ~~plan is forfeited.~~

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

999 ~~a. Any such employee shall, by default, be enrolled in the~~  
1000 ~~pension plan at the commencement of employment, and may, by the~~  
1001 ~~last business day of the 5th month following the employee's~~  
1002 ~~month of hire, elect to participate in the investment plan. The~~  
1003 ~~employee's election must be made in writing or by electronic~~  
1004 ~~means and must be filed with the third party administrator. The~~  
1005 ~~election to participate in the investment plan is irrevocable,~~  
1006 ~~except as provided in paragraph (g).~~

1007 ~~b. If the employee files such election within the~~  
1008 ~~prescribed time period, enrollment in the investment plan is~~  
1009 ~~effective on the first day of employment. The employer~~  
1010 ~~retirement contributions paid through the month of the employee~~  
1011 ~~plan change shall be transferred to the investment plan, and,~~  
1012 ~~effective the first day of the next month, the employer shall~~  
1013 ~~pay the applicable contributions based on the employee~~  
1014 ~~membership class in the investment plan.~~

1015 ~~e. Any such employee who fails to elect to participate in~~

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1016 ~~the investment plan within the prescribed time period is deemed~~  
1017 ~~to have elected to retain membership in the pension plan, and~~  
1018 ~~the employee's option to elect to participate in the investment~~  
1019 ~~plan is forfeited.~~

1020 ~~3. For purposes of this paragraph, "local employer" means~~  
1021 ~~any employer not included in paragraph (a) or paragraph (b).~~

1022 (c) ~~(d)~~ Contributions available for self-direction by a  
1023 member who has not selected one or more specific investment  
1024 products shall be allocated as prescribed by the state board.  
1025 The third-party administrator shall notify the member at least  
1026 quarterly that the member should take an affirmative action to  
1027 make an asset allocation among the investment products.

1028 (d) ~~(e)~~ On or after July 1, 2011, a member of the pension  
1029 plan who obtains a refund of employee contributions retains his  
1030 or her prior plan choice upon return to employment in a  
1031 regularly established position with a participating employer.

1032 (e) ~~(f)~~ A member of the investment plan who takes a  
1033 distribution of any contributions from his or her investment  
1034 plan account is considered a retiree. A member retiree who  
1035 retires ~~is initially reemployed in a regularly established~~  
1036 ~~position~~ on or after July 1, 2010, is not eligible to be  
1037 enrolled in renewed membership. A member who retired before July  
1038 1, 2010, and is employed on or after January 1, 2015, in a  
1039 regularly established position shall be a renewed member as  
1040 provided under s. 121.122. A retiree who returned to covered  
1041 employment before July 1, 2010, shall continue membership in the  
1042 plan as provided under s. 121.122.

1043 (f) ~~(g)~~ After the period during which an eligible employee  
1044 had the choice to elect the pension plan or the investment plan,

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1045 or the month following the receipt of the eligible employee's  
1046 plan election, if sooner, the employee shall have one  
1047 opportunity, at the employee's discretion, to ~~choose to~~ move  
1048 from the pension plan to the investment plan or from the  
1049 investment plan to the pension plan. Eligible employees may  
1050 elect to move between plans only if they are earning service  
1051 credit in an employer-employee relationship consistent with s.  
1052 121.021(17)(b), excluding leaves of absence without pay.  
1053 Effective July 1, 2005, such elections are effective on the  
1054 first day of the month following the receipt of the election by  
1055 the third-party administrator and are not subject to the  
1056 requirements regarding an employer-employee relationship or  
1057 receipt of contributions for the eligible employee in the  
1058 effective month, except when the election is received by the  
1059 third-party administrator. This paragraph is contingent upon  
1060 approval by the Internal Revenue Service. This paragraph is not  
1061 applicable to compulsory members of the investment plan  
1062 described in paragraph (g).

1063 1. If the employee chooses to move to the investment plan,  
1064 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.

1065 2. If the employee chooses to move to the pension plan, the  
1066 employee must transfer from his or her investment plan account,  
1067 and from other employee moneys as necessary, a sum representing  
1068 the present value of that employee's accumulated benefit  
1069 obligation immediately following the time of such movement,  
1070 determined assuming that attained service equals the sum of  
1071 service in the pension plan and service in the investment plan.  
1072 Benefit commencement occurs on the first date the employee is  
1073 eligible for unreduced benefits, using the discount rate and

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1074 other relevant actuarial assumptions that were used to value the  
1075 pension plan liabilities in the most recent actuarial valuation.  
1076 For an ~~any~~ employee who, at the time of the second election,  
1077 already maintains an accrued benefit amount in the pension plan,  
1078 the then-present value of the accrued benefit is deemed part of  
1079 the required transfer amount. The division must ensure that the  
1080 transfer sum is prepared using a formula and methodology  
1081 certified by an enrolled actuary. A refund of any employee  
1082 contributions or additional member payments made which exceed  
1083 the employee contributions that would have accrued had the  
1084 member remained in the pension plan and not transferred to the  
1085 investment plan is not permitted.

1086 3. Notwithstanding subparagraph 2., an employee who chooses  
1087 to move to the pension plan and who became eligible to  
1088 participate in the investment plan by reason of employment in a  
1089 regularly established position with a state employer after June  
1090 1, 2002; a district school board employer after September 1,  
1091 2002; or a local employer after December 1, 2002, must transfer  
1092 from his or her investment plan account, and from other employee  
1093 moneys as necessary, a sum representing the employee's actuarial  
1094 accrued liability. A refund of any employee contributions or  
1095 additional member ~~participant~~ payments made which exceed the  
1096 employee contributions that would have accrued had the member  
1097 remained in the pension plan and not transferred to the  
1098 investment plan is not permitted.

1099 4. An employee's ability to transfer from the pension plan  
1100 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
1101 ~~(d)~~, and the ability of a current employee to have an option to  
1102 later transfer back into the pension plan under subparagraph 2.,

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1103 shall be deemed a significant system amendment. Pursuant to s.  
1104 121.031(4), any resulting unfunded liability arising from actual  
1105 original transfers from the pension plan to the investment plan  
1106 must be amortized within 30 plan years as a separate unfunded  
1107 actuarial base independent of the reserve stabilization  
1108 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first  
1109 25 years, a direct amortization payment may not be calculated  
1110 for this base. During this 25-year period, the separate base  
1111 shall be used to offset the impact of employees exercising their  
1112 second program election under this paragraph. The actuarial  
1113 funded status of the pension plan will not be affected by such  
1114 second program elections in any significant manner, after due  
1115 recognition of the separate unfunded actuarial base. Following  
1116 the initial 25-year period, any remaining balance of the  
1117 original separate base shall be amortized over the remaining 5  
1118 years of the required 30-year amortization period.

1119 5. If the employee chooses to transfer from the investment  
1120 plan to the pension plan and retains an excess account balance  
1121 in the investment plan after satisfying the buy-in requirements  
1122 under this paragraph, the excess may not be distributed until  
1123 the member retires from the pension plan. The excess account  
1124 balance may be rolled over to the pension plan and used to  
1125 purchase service credit or upgrade creditable service in the  
1126 pension plan.

1127 (g) Except for members of the Elected Officers' Class who  
1128 withdraw from the Florida Retirement System under s.  
1129 121.052(3)(d) or elect to participate in an optional retirement  
1130 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35,  
1131 or are described in s. 121.052(2)(a)2. or (2)(b), employees

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1132 initially enrolled in the Florida Retirement System on or after  
1133 July 1, 2015, and whose first employment in a regularly  
1134 established position is covered by the Elected Officers' Class  
1135 are compulsory members of the investment plan. Investment plan  
1136 membership continues for a compulsory member even if the  
1137 employee is subsequently employed in a position covered by  
1138 another membership class. Membership in the pension plan by a  
1139 compulsory member is not permitted except as provided in s.  
1140 121.591(2).

1141 1. Employees initially enrolled in the system before July  
1142 1, 2015, may retain their membership in the pension plan or  
1143 investment plan and are eligible to use the election opportunity  
1144 specified in paragraph (f). Compulsory members are not eligible  
1145 to use the election opportunity.

1146 2. An employee eligible to withdraw from the system under  
1147 s. 121.052(3)(d) may withdraw from the system, participate in  
1148 the pension plan if not a compulsory member of the investment  
1149 plan, or participate in the investment plan as provided under  
1150 those provisions. An employee eligible for the optional  
1151 retirement programs under s. 121.051(2)(c) or s. 121.35 may  
1152 participate in the optional retirement program, participate in  
1153 the pension plan if not a compulsory member of the investment  
1154 plan, or participate in the investment plan as provided under  
1155 those provisions. An eligible employee required to participate  
1156 in the optional retirement program pursuant to s. 121.051(1)(a)  
1157 as provided under s. 121.35 must participate in the investment  
1158 plan if employed in a position not eligible for the optional  
1159 retirement program and otherwise meeting the requirements as a  
1160 compulsory member of the investment plan.



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1161       3. The amount of retirement contributions paid by the  
1162 employee and employer, as required under s. 121.72, shall be  
1163 placed in a default fund designated by the state board, until an  
1164 account is activated in the investment plan, at which time the  
1165 member may move the contributions from the default fund to other  
1166 funds provided in the investment plan.

1167       (5) CONTRIBUTIONS.—

1168       (c) The state board, acting as plan fiduciary, shall ~~must~~  
1169 ensure that all plan assets are held in a trust, pursuant to s.  
1170 401 of the Internal Revenue Code. The fiduciary shall ~~must~~  
1171 ensure that such contributions are allocated as follows:

1172       1. The employer and employee contribution portion earmarked  
1173 for member accounts shall be used to purchase interests in the  
1174 appropriate investment vehicles as specified by the member, or  
1175 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1176       2. The employer contribution portion earmarked for  
1177 administrative and educational expenses shall be transferred to  
1178 the Florida Retirement System Investment Plan Trust Fund.

1179       3. The employer contribution portion earmarked for  
1180 disability benefits shall be transferred to the Florida  
1181 Retirement System Trust Fund.

1182       (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
1183 shall be administered by the state board and affected employers.  
1184 The state board may require oaths, by affidavit or otherwise,  
1185 and acknowledgments from persons in connection with the  
1186 administration of its statutory duties and responsibilities for  
1187 the investment plan. An oath, by affidavit or otherwise, is ~~may~~  
1188 ~~be~~ required of a member at the time of enrollment. Except  
1189 for compulsory members described in paragraph (4) (g),

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1190 acknowledgment of an employee's election to participate in the  
1191 program may ~~shall~~ be no greater than necessary to confirm the  
1192 employee's election. The state board shall adopt rules to carry  
1193 out its statutory duties with respect to administering the  
1194 investment plan, including establishing the roles and  
1195 responsibilities of affected state, local government, and  
1196 education-related employers, the state board, the department,  
1197 and third-party contractors. The department shall adopt rules  
1198 necessary to administer the investment plan in coordination with  
1199 the pension plan and the disability benefits available under the  
1200 investment plan.

1201 (a)1. The state board shall select and contract with a  
1202 third-party administrator to provide administrative services if  
1203 those services cannot be competitively and contractually  
1204 provided by the division. With the approval of the state board,  
1205 the third-party administrator may subcontract to provide  
1206 components of the administrative services. As a cost of  
1207 administration, the state board may compensate ~~any~~ such  
1208 contractor for its services, in accordance with the terms of the  
1209 contract, as is deemed necessary or proper by the board. The  
1210 third-party administrator may not be an approved provider or be  
1211 affiliated with an approved provider.

1212 2. These administrative services may include, but are not  
1213 limited to, enrollment of eligible employees, collection of  
1214 employer and employee contributions, disbursement of  
1215 contributions to approved providers in accordance with the  
1216 allocation directions of members; services relating to  
1217 consolidated billing; individual and collective recordkeeping  
1218 and accounting; asset purchase, control, and safekeeping; and

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1219 direct disbursement of funds to and from the third-party  
1220 administrator, the division, the state board, employers,  
1221 members, approved providers, and beneficiaries. This section  
1222 does not prevent or prohibit a bundled provider from providing  
1223 any administrative or customer service, including accounting and  
1224 administration of individual member benefits and contributions;  
1225 individual member recordkeeping; asset purchase, control, and  
1226 safekeeping; direct execution of the member's instructions as to  
1227 asset and contribution allocation; calculation of daily net  
1228 asset values; direct access to member account information; or  
1229 periodic reporting to members, at least quarterly, on account  
1230 balances and transactions, if these services are authorized by  
1231 the state board as part of the contract.

1232 (b)1. The state board shall select and contract with one or  
1233 more organizations to provide educational services. With  
1234 approval of the state board, the organizations may subcontract  
1235 to provide components of the educational services. As a cost of  
1236 administration, the state board may compensate any such  
1237 contractor for its services in accordance with the terms of the  
1238 contract, as is deemed necessary or proper by the board. The  
1239 education organization may not be an approved provider or be  
1240 affiliated with an approved provider.

1241 2. Educational services shall be designed by the state  
1242 board and department to assist employers, eligible employees,  
1243 members, and beneficiaries in order to maintain compliance with  
1244 United States Department of Labor regulations under s. 404(c) of  
1245 the Employee Retirement Income Security Act of 1974 and to  
1246 assist employees in their choice of pension plan or investment  
1247 plan retirement alternatives. Educational services include, but

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1248 are not limited to, disseminating educational materials;  
1249 providing retirement planning education; explaining the pension  
1250 plan and the investment plan; and offering financial planning  
1251 guidance on matters such as investment diversification,  
1252 investment risks, investment costs, and asset allocation. An  
1253 approved provider may also provide educational information,  
1254 including retirement planning and investment allocation  
1255 information concerning its products and services.

1256 (c)1. In evaluating and selecting a third-party  
1257 administrator, the state board shall establish criteria for  
1258 evaluating the relative capabilities and qualifications of each  
1259 proposed administrator. In developing such criteria, the state  
1260 board shall consider:

1261 a. The administrator's demonstrated experience in providing  
1262 administrative services to public or private sector retirement  
1263 systems.

1264 b. The administrator's demonstrated experience in providing  
1265 daily valued recordkeeping to defined contribution programs.

1266 c. The administrator's ability and willingness to  
1267 coordinate its activities with employers, the state board, and  
1268 the division, and to supply to such employers, the board, and  
1269 the division the information and data they require, including,  
1270 but not limited to, monthly management reports, quarterly member  
1271 reports, and ad hoc reports requested by the department or state  
1272 board.

1273 d. The cost-effectiveness and levels of the administrative  
1274 services provided.

1275 e. The administrator's ability to interact with the  
1276 members, the employers, the state board, the division, and the

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1277 providers; the means by which members may access account  
1278 information, direct investment of contributions, make changes to  
1279 their accounts, transfer moneys between available investment  
1280 vehicles, and transfer moneys between investment products; and  
1281 any fees that apply to such activities.

1282 f. Any other factor deemed necessary by the state board.

1283 2. In evaluating and selecting an educational provider, the  
1284 state board shall establish criteria under which it shall  
1285 consider the relative capabilities and qualifications of each  
1286 proposed educational provider. In developing such criteria, the  
1287 state board shall consider:

1288 a. Demonstrated experience in providing educational  
1289 services to public or private sector retirement systems.

1290 b. Ability and willingness to coordinate its activities  
1291 with the employers, the state board, and the division, and to  
1292 supply to such employers, the board, and the division the  
1293 information and data they require, including, but not limited  
1294 to, reports on educational contacts.

1295 c. The cost-effectiveness and levels of the educational  
1296 services provided.

1297 d. Ability to provide educational services via different  
1298 media, including, but not limited to, the Internet, personal  
1299 contact, seminars, brochures, and newsletters.

1300 e. Any other factor deemed necessary by the state board.

1301 3. The establishment of the criteria shall be solely within  
1302 the discretion of the state board.

1303 (d) The state board shall develop the form and content of  
1304 any contracts to be offered under the investment plan. In  
1305 developing the contracts, the board shall consider:

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1306 1. The nature and extent of the rights and benefits to be  
1307 afforded in relation to the contributions required under the  
1308 plan.

1309 2. The suitability of the rights and benefits provided and  
1310 the interests of employers in the recruitment and retention of  
1311 eligible employees.

1312 (e)1. The state board may contract for professional  
1313 services, including legal, consulting, accounting, and actuarial  
1314 services, deemed necessary to implement and administer the  
1315 investment plan. The state board may enter into a contract with  
1316 one or more vendors to provide low-cost investment advice to  
1317 members, supplemental to education provided by the third-party  
1318 administrator. All fees under any such contract shall be paid by  
1319 those members who choose to use the services of the vendor.

1320 2. The department may contract for professional services,  
1321 including legal, consulting, accounting, and actuarial services,  
1322 deemed necessary to implement and administer the investment plan  
1323 in coordination with the pension plan. The department, in  
1324 coordination with the state board, may enter into a contract  
1325 with the third-party administrator in order to coordinate  
1326 services common to the various programs within the Florida  
1327 Retirement System.

1328 (f) The third-party administrator may not receive direct or  
1329 indirect compensation from an approved provider, except as  
1330 specifically provided ~~for~~ in the contract with the state board.

1331 (g) The state board shall receive and resolve member  
1332 complaints against the program, the third-party administrator,  
1333 or any program vendor or provider; shall resolve any conflict  
1334 between the third-party administrator and an approved provider

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1335 if such conflict threatens the implementation or administration  
1336 of the program or the quality of services to employees; and may  
1337 resolve any other conflicts. The third-party administrator shall  
1338 retain all member records for at least 5 years for use in  
1339 resolving ~~any~~ member conflicts. The state board, the third-party  
1340 administrator, or a provider is not required to produce  
1341 documentation or an audio recording to justify action taken with  
1342 regard to a member if the action occurred 5 or more years before  
1343 the complaint is submitted to the state board. It is presumed  
1344 that all action taken 5 or more years before the complaint is  
1345 submitted was taken at the request of the member and with the  
1346 member's full knowledge and consent. To overcome this  
1347 presumption, the member must present documentary evidence or an  
1348 audio recording demonstrating otherwise.

1349 (10) EDUCATION COMPONENT.—

1350 (a) The state board, in coordination with the department,  
1351 shall provide ~~for~~ an education component for eligible employees  
1352 ~~system members~~ in a manner consistent with ~~the provisions of~~  
1353 this subsection ~~section~~. ~~The education component must be~~  
1354 ~~available to eligible employees at least 90 days prior to the~~  
1355 ~~beginning date of the election period for the employees of the~~  
1356 ~~respective types of employers.~~

1357 (b) Except for compulsory members described in paragraph  
1358 (4) (g), the education component must provide system members with  
1359 impartial and balanced information about plan choices. The  
1360 education component must involve multimedia formats. Program  
1361 comparisons must, to the greatest extent possible, be based upon  
1362 the retirement income that different retirement programs may  
1363 provide to the member. The state board shall monitor the

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1364 performance of the contract to ensure that the program is  
1365 conducted in accordance with the contract, applicable law, and  
1366 the rules of the state board.

1367 (c) Except for compulsory members described in paragraph  
1368 (4) (g), the state board, in coordination with the department,  
1369 shall provide for an initial and ongoing transfer education  
1370 component to provide system members with information necessary  
1371 to make informed plan choice decisions. The transfer education  
1372 component must include, but is not limited to, information on:

1373 1. The amount of money available to a member to transfer to  
1374 the defined contribution program.

1375 2. The features of and differences between the pension plan  
1376 and the defined contribution program, both generally and  
1377 specifically, as those differences may affect the member.

1378 3. The expected benefit available if the member were to  
1379 retire under each of the retirement programs, based on  
1380 appropriate alternative sets of assumptions.

1381 4. The rate of return from investments in the defined  
1382 contribution program and the period of time over which such rate  
1383 of return must be achieved to equal or exceed the expected  
1384 monthly benefit payable to the member under the pension plan.

1385 5. The historical rates of return for the investment  
1386 alternatives available in the defined contribution programs.

1387 6. The benefits and historical rates of return on  
1388 investments available in a typical deferred compensation plan or  
1389 a typical plan under s. 403(b) of the Internal Revenue Code for  
1390 which the employee may be eligible.

1391 7. The program choices available to employees of the State  
1392 University System and the comparative benefits of each available



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1393 program, if applicable.

1394 8. Payout options available in each of the retirement  
1395 programs.

1396 ~~(h) Pursuant to subsection (8), all Florida Retirement  
1397 System employers have an obligation to regularly communicate the  
1398 existence of the two Florida Retirement System plans and the  
1399 plan choice in the natural course of administering their  
1400 personnel functions, using the educational materials supplied by  
1401 the state board and the Department of Management Services.~~

1402 Section 10. Paragraph (b) of subsection (2) of section  
1403 121.591, Florida Statutes, is amended to read:

1404 121.591 Payment of benefits.—Benefits may not be paid under  
1405 the Florida Retirement System Investment Plan unless the member  
1406 has terminated employment as provided in s. 121.021(39)(a) or is  
1407 deceased and a proper application has been filed as prescribed  
1408 by the state board or the department. Benefits, including  
1409 employee contributions, are not payable under the investment  
1410 plan for employee hardships, unforeseeable emergencies, loans,  
1411 medical expenses, educational expenses, purchase of a principal  
1412 residence, payments necessary to prevent eviction or foreclosure  
1413 on an employee's principal residence, or any other reason except  
1414 a requested distribution for retirement, a mandatory de minimis  
1415 distribution authorized by the administrator, or a required  
1416 minimum distribution provided pursuant to the Internal Revenue  
1417 Code. The state board or department, as appropriate, may cancel  
1418 an application for retirement benefits if the member or  
1419 beneficiary fails to timely provide the information and  
1420 documents required by this chapter and the rules of the state  
1421 board and department. In accordance with their respective

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1422 responsibilities, the state board and the department shall adopt  
1423 rules establishing procedures for application for retirement  
1424 benefits and for the cancellation of such application if the  
1425 required information or documents are not received. The state  
1426 board and the department, as appropriate, are authorized to cash  
1427 out a de minimis account of a member who has been terminated  
1428 from Florida Retirement System covered employment for a minimum  
1429 of 6 calendar months. A de minimis account is an account  
1430 containing employer and employee contributions and accumulated  
1431 earnings of not more than \$5,000 made under the provisions of  
1432 this chapter. Such cash-out must be a complete lump-sum  
1433 liquidation of the account balance, subject to the provisions of  
1434 the Internal Revenue Code, or a lump-sum direct rollover  
1435 distribution paid directly to the custodian of an eligible  
1436 retirement plan, as defined by the Internal Revenue Code, on  
1437 behalf of the member. Any nonvested accumulations and associated  
1438 service credit, including amounts transferred to the suspense  
1439 account of the Florida Retirement System Investment Plan Trust  
1440 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1441 payment of any vested benefit to a member or beneficiary, except  
1442 for de minimis distributions or minimum required distributions  
1443 as provided under this section. If any financial instrument  
1444 issued for the payment of retirement benefits under this section  
1445 is not presented for payment within 180 days after the last day  
1446 of the month in which it was originally issued, the third-party  
1447 administrator or other duly authorized agent of the state board  
1448 shall cancel the instrument and credit the amount of the  
1449 instrument to the suspense account of the Florida Retirement  
1450 System Investment Plan Trust Fund authorized under s.

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1451 121.4501(6). Any amounts transferred to the suspense account are  
1452 payable upon a proper application, not to include earnings  
1453 thereon, as provided in this section, within 10 years after the  
1454 last day of the month in which the instrument was originally  
1455 issued, after which time such amounts and any earnings  
1456 attributable to employer contributions shall be forfeited. Any  
1457 forfeited amounts are assets of the trust fund and are not  
1458 subject to chapter 717.

1459 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under  
1460 this subsection are payable in lieu of the benefits that would  
1461 otherwise be payable under the provisions of subsection (1).  
1462 Such benefits must be funded from employer contributions made  
1463 under s. 121.571, transferred employee contributions and funds  
1464 accumulated pursuant to paragraph (a), and interest and earnings  
1465 thereon.

1466 (b) *Disability retirement; entitlement.*—

1467 1.a. A member of the investment plan initially enrolled  
1468 before July 1, 2015, who becomes totally and permanently  
1469 disabled, as defined in paragraph (d), after completing 8 years  
1470 of creditable service, or a member who becomes totally and  
1471 permanently disabled in the line of duty regardless of length of  
1472 service, is entitled to a monthly disability benefit.

1473 b. A member of the investment plan initially enrolled on or  
1474 after July 1, 2015, who becomes totally and permanently  
1475 disabled, as defined in paragraph (d), after completing 10 years  
1476 of creditable service, or a member who becomes totally and  
1477 permanently disabled in the line of duty regardless of service,  
1478 is entitled to a monthly disability benefit.

1479 2. In order for service to apply toward the 8 years of

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1480 creditable service required for regular disability benefits, or  
1481 toward the creditable service used in calculating a service-  
1482 based benefit as provided under paragraph (g), the service must  
1483 be creditable service as described below:

1484 a. The member's period of service under the investment plan  
1485 is ~~shall be~~ considered creditable service, except as provided in  
1486 subparagraph d.

1487 b. If the member has elected to retain credit for service  
1488 under the pension plan as provided under s. 121.4501(3), all  
1489 such service is ~~shall be~~ considered creditable service.

1490 c. If the member elects to transfer to his or her member  
1491 accounts a sum representing the present value of his or her  
1492 retirement credit under the pension plan as provided under s.  
1493 121.4501(3), the period of service under the pension plan  
1494 represented in the present value amounts transferred is ~~shall be~~  
1495 considered creditable service, except as provided in  
1496 subparagraph d.

1497 d. If a member has terminated employment and has taken  
1498 distribution of his or her funds as provided in subsection (1),  
1499 all creditable service represented by such distributed funds is  
1500 forfeited for purposes of this subsection.

1501 Section 11. Section 238.072, Florida Statutes, is amended  
1502 to read:

1503 238.072 Special service provisions for extension  
1504 personnel.—All state and county cooperative extension personnel  
1505 holding appointments by the United States Department of  
1506 Agriculture for extension work in agriculture and home economics  
1507 in this state who are joint representatives of the University of  
1508 Florida and the United States Department of Agriculture, as

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1509 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the  
1510 Teachers' Retirement System, chapter 238, and who are prohibited  
1511 from transferring to and participating in the Florida Retirement  
1512 System, chapter 121, may retire with full benefits upon  
1513 completion of 30 years of creditable service and shall be  
1514 considered to have attained normal retirement age under this  
1515 chapter, any law to the contrary notwithstanding. In order to  
1516 comply with ~~the provisions of~~ s. 14, Art. X of the State  
1517 Constitution, any liability accruing to the Florida Retirement  
1518 System Trust Fund as a result of ~~the provisions of~~ this section  
1519 shall be paid on an annual basis from the General Revenue Fund.

1520 Section 12. Subsection (11) of section 413.051, Florida  
1521 Statutes, is amended to read:

1522 413.051 Eligible blind persons; operation of vending  
1523 stands.—

1524 (11) Effective July 1, 1996, blind licensees who remain  
1525 members of the Florida Retirement System pursuant to s.  
1526 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1527 retirement costs from their net profits or from program income.  
1528 Within 30 days after the effective date of this act, each blind  
1529 licensee who is eligible to maintain membership in the Florida  
1530 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1531 who elects to withdraw from the system as provided in s.  
1532 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
1533 1996, notify the Division of Blind Services and the Department  
1534 of Management Services in writing of his or her election to  
1535 withdraw. Failure to timely notify the divisions shall be deemed  
1536 a decision to remain a compulsory member of the Florida  
1537 Retirement System. However, if, at any time after July 1, 1996,

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1538 sufficient funds are not paid by a blind licensee to cover the  
1539 required contribution to the Florida Retirement System, that  
1540 blind licensee shall become ineligible to participate in the  
1541 Florida Retirement System on the last day of the first month for  
1542 which no contribution is made or the amount contributed is  
1543 insufficient to cover the required contribution. For any blind  
1544 licensee who becomes ineligible to participate in the Florida  
1545 Retirement System as described in this subsection, ~~no~~ creditable  
1546 service may not shall be earned under the Florida Retirement  
1547 System for any period following the month that retirement  
1548 contributions ceased to be reported. However, ~~any~~ such person  
1549 may participate in the Florida Retirement System in the future  
1550 if employed by a participating employer in a covered position.

1551 Section 13. (1) As soon as practicable, the State Board of  
1552 Administration and the Department of Management Services shall  
1553 request a determination letter from the United States Internal  
1554 Revenue Service as to whether any portion of this act will cause  
1555 the Florida Retirement System or a portion thereof to be  
1556 disqualified for tax purposes under the Internal Revenue Code.  
1557 If the Internal Revenue Service refuses to act upon a request  
1558 for a determination letter, a legal opinion from a qualified tax  
1559 attorney or firm may be substituted for the determination  
1560 letter. If the board or the department receives notification  
1561 from the Internal Revenue Service that this act or any portion  
1562 of this act will cause the Florida Retirement System, or a  
1563 portion thereof, to be disqualified for tax purposes under the  
1564 Internal Revenue Code, that portion that will cause the  
1565 disqualification does not apply. Upon receipt of such notice,  
1566 the state board and the department shall notify the President of

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1567 the Senate and the Speaker of the House of Representatives.

1568 (2) The State Board of Administration and the Department of  
1569 Management Services shall also seek guidance from the United  
1570 States Internal Revenue Service regarding potential consequences  
1571 to the qualified status of the Florida Retirement System if the  
1572 pension plan and the investment plan were to offer different  
1573 pretax employee contributions rates to members participating in  
1574 the same membership class. Upon receipt of such guidance, the  
1575 state board and the department shall notify the President of the  
1576 Senate and the Speaker of the House of Representatives.

1577 Section 14. The Department of Management Services shall  
1578 commission a special actuarial study to determine the costs of  
1579 providing a new death benefit through the pension plan for  
1580 members of the Florida Retirement System Investment Plan who are  
1581 killed in the line of duty. The study must examine the costs  
1582 associated with offering a death benefit that allows the  
1583 surviving spouse or surviving dependent children of an  
1584 investment plan member killed in the line of duty to elect the  
1585 death benefit provided under s. 121.091(7)(d), Florida Statutes,  
1586 after transferring the value of the member's investment account  
1587 to the pension plan, in lieu of the current death benefit  
1588 provided under the investment plan. The Department of Management  
1589 Services shall consult with the Legislature about the  
1590 alternatives to be considered and the level of detail to be  
1591 included in the special study results. The results of such study  
1592 shall be provided to the Governor, the President of the Senate,  
1593 and the Speaker of the House of Representatives by March 1,  
1594 2015.

1595 Section 15. The Legislature finds that a proper and

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1596 legitimate state purpose is served when employees and retirees  
1597 of the state and its political subdivisions, and the dependents,  
1598 survivors, and beneficiaries of such employees and retirees, are  
1599 extended the basic protections afforded by governmental  
1600 retirement systems. These persons must be provided benefits that  
1601 are fair and adequate and that are managed, administered, and  
1602 funded in an actuarially sound manner, as required by s. 14,  
1603 Article X of the State Constitution and part VII of chapter 112,  
1604 Florida Statutes. Therefore, the Legislature determines and  
1605 declares that this act fulfills an important state interest.

1606 Section 16. This act shall take effect July 1, 2014.