

FOR CONSIDERATION By the Committee on Community Affairs

578-01635-14

20147040\_\_

1 A bill to be entitled  
2 An act relating to trust funds; creating s. 121.603,  
3 F.S.; creating the Florida Retirement System Cash  
4 Balance Plan Trust Fund, to hold the assets of the  
5 Florida Retirement System Cash Balance Plan; requiring  
6 that the State Board of Administration administer the  
7 plan; providing that the trust fund is a retirement  
8 trust fund not subject to termination pursuant to s.  
9 19(f), Art. III of the State Constitution; providing  
10 for sources of moneys and purposes; requiring a  
11 forfeiture account to be created within the trust  
12 fund; providing for exemption from general revenue  
13 service charges; directing the state board to obtain a  
14 determination letter from the Internal Revenue Service  
15 regarding the approved use of funds in the forfeiture  
16 account; amending s. 121.4503, F.S.; allowing transfer  
17 of funds into the Florida Retirement System Cash  
18 Balance Plan Trust Fund; providing a contingent  
19 effective date.

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23 Section 1. Section 121.603, Florida Statutes, is created to  
24 read:

25 121.603 Florida Retirement System Cash Balance Plan Trust  
26 Fund.—The Florida Retirement System Cash Balance Plan Trust Fund  
27 is created to hold the assets of the Florida Retirement System  
28 Cash Balance Plan in trust for the exclusive benefit of the  
29 plan's members and beneficiaries in accordance with s. 401 of

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30 the Internal Revenue Code.

31 (1) The trust fund is a retirement trust fund of the  
32 Florida Retirement System which accounts for retirement plan  
33 assets held by the state in a trustee capacity as a fiduciary  
34 for members of the Florida Retirement System Cash Balance Plan.  
35 The trust fund is not subject to termination under s. 19(f),  
36 Art, III of the State Constitution.

37 (2) The trust fund shall be administered by the State Board  
38 of Administration as trustee. Funds shall be credited to the  
39 trust fund as provided in this part, to be used for the purposes  
40 of this part, including the payment of reasonable administrative  
41 expenses of the cash balance plan.

42 (3) A forfeiture account shall be created within the trust  
43 fund to hold the assets derived from the forfeiture of benefits  
44 by participants. The forfeiture account may be used only for  
45 paying expenses of the cash balance plan and reducing future  
46 employer contributions to the plan. Expected withdrawals from  
47 the account must endeavor to reduce the account to zero each  
48 fiscal year.

49 (4) The trust fund is exempt from the service charges  
50 imposed by s. 215.20.

51 Section 2. As soon as practicable, the State Board of  
52 Administration shall request a determination letter from the  
53 Internal Revenue Service as to whether funds derived from the  
54 forfeiture of benefits by participants in the Florida Retirement  
55 System Cash Balance Plan and held within the Florida Retirement  
56 System Cash Balance Plan Trust Fund may be used to pay expenses  
57 of the cash balance plan and reduce future employer  
58 contributions to the plan.

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59 Section 3. Section 121.4503, Florida Statutes, is amended  
60 to read:

61 121.4503 Florida Retirement System Contributions Clearing  
62 Trust Fund.—

63 ~~(1)~~ The Florida Retirement System Contributions Clearing  
64 Trust Fund is created as a clearing fund for disbursing employer  
65 and employee contributions to the component plans of the Florida  
66 Retirement System and shall be administered by the Department of  
67 Management Services.

68 (1) Funds shall be credited to the trust fund as provided  
69 in this chapter and held in trust for the contributing employees  
70 and employers until such time as the assets are transferred by  
71 the department to the Florida Retirement System Trust Fund, the  
72 Florida Retirement System Investment Plan Trust Fund, the  
73 Florida Retirement System Cash Balance Plan Trust Fund, or other  
74 trust funds as authorized by law, to be used for the purposes of  
75 this chapter. The trust fund is exempt from the service charges  
76 imposed by s. 215.20.

77 (2) The Florida Retirement System Contributions Clearing  
78 trust fund is a clearing trust fund of the Department of  
79 Management Services under ~~pursuant to~~ s. 19(f), Art. III of the  
80 State Constitution, and is not subject to termination.

81 Section 4. This act shall take effect July 1, 2014, if  
82 passed by a three-fifths vote of the membership of each house  
83 and if SB \_\_\_\_ or similar legislation is adopted in the same  
84 legislative session or an extension thereof and becomes a law.