

**FOR CONSIDERATION** By the Committee on Governmental Oversight and Accountability

585-02532A-14

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1                                   A bill to be entitled  
2           An act relating to the Florida Retirement System;  
3           amending s. 121.053, F.S.; authorizing renewed  
4           membership in the retirement system for retirees who  
5           are reemployed in a position eligible for the Elected  
6           Officers' Class under certain circumstances; amending  
7           s. 121.055, F.S.; authorizing renewed membership in  
8           the retirement system for retirees of the Senior  
9           Management Service Optional Annuity Program who are  
10          reemployed on or after a specified date; amending s.  
11          121.122, F.S.; requiring that certain retirees who are  
12          employed on or after a specified date be renewed  
13          members in the investment plan; providing exceptions;  
14          providing that creditable service does not accrue for  
15          a reemployed retiree during a specified period;  
16          prohibiting certain funds from being paid into a  
17          renewed member's investment plan account for a  
18          specified period of employment; requiring the renewed  
19          member to satisfy vesting requirements; prohibiting a  
20          renewed member from receiving disability benefits;  
21          specifying requirements and limitations; requiring the  
22          employer and the retiree to make applicable  
23          contributions to the member's investment plan account;  
24          prohibiting the purchase of past service in the  
25          investment plan; authorizing a renewed member to  
26          receive additional credit toward the health insurance  
27          subsidy under certain circumstances; providing that a  
28          retiree employed on or after a specified date in a  
29          regularly established position eligible for the State

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30 University System Optional Retirement Program is a  
31 renewed member of that program; specifying  
32 requirements and limitations; requiring the employer  
33 and the retiree to make applicable contributions;  
34 prohibiting the purchase of past service in the  
35 program; providing that a retiree employed on or after  
36 a specified date in a regularly established position  
37 eligible for the State Community College System  
38 Optional Retirement Program is a renewed member of  
39 that program; specifying requirements and limitations;  
40 requiring the employer and the retiree to make  
41 applicable contributions; prohibiting the purchase of  
42 past service in the program; amending s. 121.4501,  
43 F.S.; redefining the term "eligible employee";  
44 conforming a provision to changes made by the act;  
45 providing that the act fulfills an important state  
46 interest; providing an effective date.

47

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

49

50 Section 1. Subsections (3) and (5) of section 121.053,  
51 Florida Statutes, are amended to read:

52 121.053 Participation in the Elected Officers' Class for  
53 retired members.—

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

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

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

60 (b) An elected officer who is elected or appointed to an  
61 elective office and is participating in the Deferred Retirement  
62 Option Program is subject to termination as defined in s.  
63 121.021 upon completion of his or her DROP participation period.  
64 An elected official may defer termination as provided in  
65 subsection (7).

66 (5) Any renewed member, as described in s. 121.122(1), (3),  
67 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
68 receiving the maximum health insurance subsidy provided in s.  
69 112.363 is entitled to earn additional credit toward the maximum  
70 health insurance subsidy. Any additional subsidy due because of  
71 such additional credit may be received only at the time of  
72 payment of the second career retirement benefit. The total  
73 health insurance subsidy received from initial and renewed  
74 membership may not exceed the maximum allowed in s. 112.363.

75 Section 2. Paragraph (f) of subsection (1) and paragraph  
76 (c) of subsection (6) of section 121.055, Florida Statutes, are  
77 amended to read:

78 121.055 Senior Management Service Class.—There is hereby  
79 established a separate class of membership within the Florida  
80 Retirement System to be known as the "Senior Management Service  
81 Class," which shall become effective February 1, 1987.

82 (1)

83 (f) Effective July 1, 1997:

84 1. Except as provided in subparagraph 3., an elected state  
85 officer eligible for membership in the Elected Officers' Class  
86 under s. 121.052(2)(a), (b), or (c) who elects membership in the  
87 Senior Management Service Class under s. 121.052(3)(c) may,

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88 within 6 months after assuming office or within 6 months after  
89 this act becomes a law for serving elected state officers, elect  
90 to participate in the Senior Management Service Optional Annuity  
91 Program, as provided in subsection (6), in lieu of membership in  
92 the Senior Management Service Class.

93 2. Except as provided in subparagraph 3., an elected  
94 officer of a local agency employer eligible for membership in  
95 the Elected Officers' Class under s. 121.052(2)(d) who elects  
96 membership in the Senior Management Service Class under s.  
97 121.052(3)(c) may, within 6 months after assuming office, or  
98 within 6 months after this act becomes a law for serving elected  
99 officers of a local agency employer, elect to withdraw from the  
100 Florida Retirement System, as provided in subparagraph (b)2., in  
101 lieu of membership in the Senior Management Service Class.

102 3. A retiree of a state-administered retirement system who  
103 is initially reemployed in a regularly established position on  
104 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected  
105 official eligible for the Elected Officers' Class may not be  
106 enrolled in renewed membership in the Senior Management Service  
107 Class or in the Senior Management Service Optional Annuity  
108 Program as provided in subsection (6), and may not withdraw from  
109 the Florida Retirement System as a renewed member as provided in  
110 subparagraph (b)2., as applicable, in lieu of membership in the  
111 Senior Management Service Class. Effective January 1, 2015, a  
112 retiree of the Senior Management Service Optional Annuity  
113 Program who retired before July 1, 2010, and is reemployed in a  
114 regularly established position with a covered employer shall be  
115 enrolled as a renewed member as provided in s. 121.122.

116 (6)

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117 (c) *Participation.*—

118 1. An eligible employee who is employed on or before  
119 February 1, 1987, may elect to participate in the optional  
120 annuity program in lieu of participating in the Senior  
121 Management Service Class. Such election shall ~~must~~ be made in  
122 writing and filed with the department and the personnel officer  
123 of the employer on or before May 1, 1987. An eligible employee  
124 who is employed on or before February 1, 1987, and who fails to  
125 make an election to participate in the optional annuity program  
126 by May 1, 1987, is ~~shall be~~ deemed to have elected membership in  
127 the Senior Management Service Class.

128 2. Except as provided in subparagraph 6., an employee who  
129 becomes eligible to participate in the optional annuity program  
130 by reason of initial employment commencing after February 1,  
131 1987, may, within 90 days after the date of commencing  
132 employment, elect to participate in the optional annuity  
133 program. Such election shall ~~must~~ be made in writing and filed  
134 with the personnel officer of the employer. An eligible employee  
135 who does not within 90 days after commencing employment elect to  
136 participate in the optional annuity program is ~~shall be~~ deemed  
137 to have elected membership in the Senior Management Service  
138 Class.

139 3. A person who is appointed to a position in the Senior  
140 Management Service Class and who is a member of an existing  
141 retirement system or the Special Risk or Special Risk  
142 Administrative Support Classes of the Florida Retirement System  
143 may elect to remain in such system or class in lieu of  
144 participating in the Senior Management Service Class or optional  
145 annuity program. Such election shall ~~must~~ be made in writing and

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146 filed with the department and the personnel officer of the  
147 employer within 90 days after such appointment. An eligible  
148 employee who fails to make an election to participate in the  
149 existing system, the Special Risk Class of the Florida  
150 Retirement System, the Special Risk Administrative Support Class  
151 of the Florida Retirement System, or the optional annuity  
152 program is ~~shall be~~ deemed to have elected membership in the  
153 Senior Management Service Class.

154 4. Except as provided in subparagraph 5., an employee's  
155 election to participate in the optional annuity program is  
156 irrevocable if the employee continues to be employed in an  
157 eligible position and continues to meet the eligibility  
158 requirements set forth in this paragraph.

159 5. Effective from July 1, 2002, through September 30, 2002,  
160 an active employee in a regularly established position who has  
161 elected to participate in the Senior Management Service Optional  
162 Annuity Program has one opportunity to choose to move from the  
163 Senior Management Service Optional Annuity Program to the  
164 Florida Retirement System Pension Plan.

165 a. The election shall ~~must~~ be made in writing and ~~must be~~  
166 filed with the department and the personnel officer of the  
167 employer before October 1, 2002, or, in the case of an active  
168 employee who is on a leave of absence on July 1, 2002, within 90  
169 days after the conclusion of the leave of absence. This election  
170 is irrevocable.

171 b. The employee shall receive service credit under the  
172 pension plan equal to his or her years of service under the  
173 Senior Management Service Optional Annuity Program. The cost for  
174 such credit is the amount representing the present value of that

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175 employee's accumulated benefit obligation for the affected  
176 period of service.

177 c. The employee shall ~~must~~ transfer the total accumulated  
178 employer contributions and earnings on deposit in his or her  
179 Senior Management Service Optional Annuity Program account. If  
180 the transferred amount is not sufficient to pay the amount due,  
181 the employee shall ~~must~~ pay a sum representing the remainder of  
182 the amount due. The employee may not retain any employer  
183 contributions or earnings from the Senior Management Service  
184 Optional Annuity Program account.

185 6. A retiree of a state-administered retirement system who  
186 is initially reemployed on ~~or after~~ July 1, 2010, through  
187 December 31, 2014, may not renew membership in the Senior  
188 Management Service Optional Annuity Program. Effective January  
189 1, 2015, a retiree of the Senior Management Service Optional  
190 Annuity Program who retired before July 1, 2010, and is  
191 reemployed in a regularly established position with a covered  
192 employer shall be enrolled as a renewed member as provided in s.  
193 121.122.

194 Section 3. Subsection (2) of section 121.122, Florida  
195 Statutes, is amended, and subsections (3), (4), and (5) are  
196 added to that section, to read:

197 121.122 Renewed membership in system.—

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

202 (3) A retiree of the investment plan, the State University  
203 System Optional Retirement Program, the Senior Management

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204 Service Optional Annuity Program, or the State Community College  
205 System Optional Retirement Program who retired before July 1,  
206 2010, and is employed in a regularly established position with a  
207 covered employer on or after January 1, 2015, shall be a renewed  
208 member of the investment plan, unless employed in a position  
209 eligible for participation in the State University System  
210 Optional Retirement Program or the State Community College  
211 System Optional Retirement Program as provided in subsections  
212 (4) and (5), respectively. The renewed member must satisfy the  
213 vesting requirements and other provisions of this chapter.

214 (a) Creditable service, including credit toward the retiree  
215 health insurance subsidy provided in s. 112.363, does not accrue  
216 for a retiree's employment in a regularly established position  
217 with a covered employer from July 1, 2010, through December 31,  
218 2014.

219 (b) Employer and employee contributions, interest,  
220 earnings, or any other funds may not be paid into a renewed  
221 member's investment plan account for any employment in a  
222 regularly established position with a covered employer from July  
223 1, 2010, through December 31, 2014, by the renewed member or the  
224 employer on behalf of the member.

225 (c) To be eligible to receive a retirement benefit, the  
226 renewed member must satisfy the vesting requirements in s.  
227 121.4501(6).

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

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

232 (f) The member must satisfy the requirements for



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233 termination from employment provided in s. 121.021(39).

234 (g) Upon the renewed membership or reemployment of a  
235 retiree, the employer and the retiree shall pay the applicable  
236 employer and employee contributions required under ss. 112.363,  
237 121.71, 121.74, and 121.76. The contributions are payable only  
238 for employment and salary earned in a regularly established  
239 position with a covered employer on or after January 1, 2015.

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

244 (i) A renewed member who is a retiree of the investment  
245 plan and who is not receiving the maximum health insurance  
246 subsidy provided in s. 112.363 is entitled to earn additional  
247 credit toward the subsidy. Such credit may be earned only for  
248 employment in a regularly established position with a covered  
249 employer on or after January 1, 2015. Any additional subsidy due  
250 because of additional credit may be received only at the time of  
251 paying the second career retirement benefit. The total health  
252 insurance subsidy received by a retiree receiving benefits from  
253 initial and renewed membership may not exceed the maximum  
254 allowed under s. 112.363.

255 (4) A retiree of the investment plan, the State University  
256 System Optional Retirement Program, the Senior Management  
257 Service Optional Annuity Program, or the State Community College  
258 System Optional Retirement Program who retired before July 1,  
259 2010, and is employed in a regularly established position  
260 eligible for participation in the State University System  
261 Optional Retirement Program on or after January 1, 2015, shall

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262 become a renewed member of the optional retirement program. The  
263 renewed member must satisfy the vesting requirements and other  
264 provisions of this chapter. Once enrolled, a renewed member  
265 remains enrolled in the optional retirement program while  
266 employed in an eligible position for the optional retirement  
267 program. If employment in a different covered position results  
268 in the retiree's enrollment in the investment plan, the retiree  
269 is no longer eligible to participate in the optional retirement  
270 program unless employed in a mandatory position under s. 121.35.

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

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

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

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

282 (5) A retiree of the investment plan, the State University  
283 System Optional Retirement Program, the Senior Management System  
284 Optional Annuity Program, or the State Community College System  
285 Optional Retirement Program who retired before July 1, 2010, and  
286 is employed in a regularly established position eligible for  
287 participation in the State Community College System Optional  
288 Retirement Program as provided in s. 121.051(2)(c)4. on or after  
289 January 1, 2015, shall become a renewed member of the optional  
290 retirement program. The renewed member must satisfy the

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291 eligibility requirements of this chapter and s. 1012.875 for the  
292 optional retirement program. Once enrolled, a renewed member  
293 remains enrolled in the optional retirement program while  
294 employed in an eligible position for the optional retirement  
295 program. If employment in a different covered position results  
296 in the retiree's enrollment in the investment plan, the retiree  
297 is no longer eligible to participate in the optional retirement  
298 program.

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

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

303 (c) Upon renewed membership or reemployment of a retiree,  
304 the employer and the retiree shall pay the applicable employer  
305 and employee contributions required under ss. 121.051(2)(c) and  
306 1012.875.

307 (d) The member, or the employer on behalf of the member,  
308 may not purchase any past service in the optional retirement  
309 program or employment accrued from July 1, 2010, to December 31,  
310 2014.

311 Section 4. Paragraph (e) of subsection (2) and paragraph  
312 (f) of subsection (4) of section 121.4501, Florida Statutes, are  
313 amended to read:

314 121.4501 Florida Retirement System Investment Plan.—

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

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

318 1. Is a member of, or is eligible for membership in, the  
319 Florida Retirement System, including any renewed member of the

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320 Florida Retirement System initially enrolled before July 1,  
321 2010; ~~or~~

322 2. Participates in, or is eligible to participate in, the  
323 Senior Management Service Optional Annuity Program as  
324 established under s. 121.055(6), the State Community College  
325 System Optional Retirement Program as established under s.  
326 121.051(2)(c), or the State University System Optional  
327 Retirement Program established under s. 121.35; or

328 3. Is a retired member of a state-administered retirement  
329 system who is reemployed in a regularly established position on  
330 or after January 1, 2015, as provided in s. 121.122.

331  
332 The term does not include any member participating in the  
333 Deferred Retirement Option Program established under s.  
334 121.091(13), a retiree of a state-administered retirement system  
335 initially reemployed in a regularly established position on ~~or~~  
336 after July 1, 2010, through December 31, 2014, or a mandatory  
337 participant of the State University System Optional Retirement  
338 Program established under s. 121.35.

339 (4) PARTICIPATION; ENROLLMENT.—

340 (f) A member of the investment plan who takes a  
341 distribution of any contributions from his or her investment  
342 plan account is considered a retiree. A retiree who is initially  
343 reemployed in a regularly established position on ~~or after~~ July  
344 1, 2010, through December 31, 2014, is not eligible to be  
345 enrolled in renewed membership, except as provided in s.  
346 121.122. An investment plan retiree who is reemployed on or  
347 after January 1, 2015, in a regularly established position shall  
348 be a renewed member of the investment plan as provided in s.

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349 121.122.

350       Section 5. The Legislature finds that a proper and  
351 legitimate state purpose is served when employees and retirees  
352 of the state and its political subdivisions, and the dependents,  
353 survivors, and beneficiaries of such employees and retirees, are  
354 extended the basic protections afforded by governmental  
355 retirement systems. These persons must be provided benefits that  
356 are fair and adequate and that are managed, administered, and  
357 funded in an actuarially sound manner, as required by s. 14,  
358 Article X of the State Constitution and part VII of chapter 112,  
359 Florida Statutes. Therefore, the Legislature determines and  
360 declares that this act fulfills an important state interest.

361       Section 6. This act shall take effect July 1, 2014.