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LEGISLATIVE ACTION

Senate

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House

Senator Simpson moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

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

(45) "Vested" or "vesting" means the guarantee that a
member is eligible to receive a future retirement benefit upon



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12 completion of the required years of creditable service for the
13 employee's class of membership, even though the member may have
14 terminated covered employment before reaching normal or early
15 retirement date. Being vested does not entitle a member to a
16 disability benefit. Provisions governing entitlement to
17 disability benefits are set forth under s. 121.091(4).

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

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

24 2. Any member initially enrolled in the Florida Retirement
25 System before July 1, 2001, but not employed in a regularly
26 established position on July 1, 2001, shall be deemed vested
27 upon completion of 6 years of creditable service if such member
28 is employed in a covered position for at least 1 work year after
29 July 1, 2001. However, a member is not required to complete more
30 years of creditable service than would have been required for
31 that member to vest under retirement laws in effect before July
32 1, 2001.

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

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

40 (c) Any member initially enrolled in the Florida Retirement



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41 System on or after July 1, 2015, shall be vested in the pension
42 plan upon completion of 10 years of creditable service.

43 Section 2. Present subsections (3) through (9) of section
44 121.051, Florida Statutes, are renumbered as subsections (4)
45 through (10), respectively, and a new subsection (3) is added to
46 that section, to read:

47 121.051 Participation in the system.-

48 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.-Except for
49 members of the Elected Officers' Class who withdraw from the
50 Florida Retirement System under s. 121.052(3)(d) or elect to
51 participate in an optional retirement program under s.
52 121.051(1)(a), s. 121.051(2)(c), or s. 121.35, or are described
53 in s. 121.052(2)(a)2. or s. 121.052(2)(b), employees initially
54 enrolled in the Florida Retirement System on or after July 1,
55 2015, and whose first employment in a regularly established
56 position is covered by the Elected Officers' Class are
57 compulsory members of the investment plan. Investment plan
58 membership continues for a compulsory member even if the
59 employee is subsequently employed in a position covered by
60 another membership class. Membership in the pension plan by a
61 compulsory member is not permitted except as provided in s.
62 121.591(2).

63 (a) Employees initially enrolled in the Florida Retirement
64 System before July 1, 2015, may retain their membership in the
65 pension plan or investment plan and are eligible to use the
66 election opportunity specified in s. 121.4501(4)(f). Compulsory
67 members are not eligible to use the election opportunity.

68 (b) An employee eligible to withdraw from the system under
69 s. 121.052(3)(d) may withdraw from the system, participate in



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70 the pension plan if not a compulsory member of the investment
71 plan, or participate in the investment plan as provided under
72 those provisions. An employee eligible for the optional
73 retirement programs under paragraph (2) (c) or s. 121.35 may
74 participate in the optional retirement program, participate in
75 the pension plan if not a compulsory member, or participate in
76 the investment plan as provided under those provisions. An
77 eligible employee required to participate pursuant to paragraph
78 (1) (a) in the optional retirement program as provided under s.
79 121.35 must participate in the investment plan if employed in a
80 position not eligible for the optional retirement program and
81 otherwise meeting the requirements as a compulsory member of the
82 investment plan.

83 Section 3. Paragraph (a) of subsection (2) and paragraph
84 (c) of subsection (3) of section 121.052, Florida Statutes, are
85 amended to read:

86 121.052 Membership class of elected officers.—

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

92 (a) 1. A ~~Any~~ Governor, Lieutenant Governor, Cabinet officer,
93 ~~legislator, Supreme Court justice, district court of appeal~~
94 ~~judge, circuit judge,~~ or state attorney assuming office on or
95 after July 1, 1972.

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

98 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July



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99 1, 1990, participation in the Elected Officers' Class shall be
100 compulsory for elected officers listed in paragraphs (2) (a)-(d)
101 and (f) assuming office on or after said date, unless the
102 elected officer elects membership in another class or withdraws
103 from the Florida Retirement System as provided in paragraphs
104 (3) (a)-(d):

105 (c) Before July 1, 2015, an ~~any~~ elected officer may, within
106 6 months after assuming office, or within 6 months after May 30,
107 1997 ~~this act becomes a law~~ for serving elected officers, elect
108 membership in the Senior Management Service Class as provided in
109 s. 121.055 in lieu of membership in the Elected Officers' Class.
110 ~~Any~~ Such election made by a county elected officer has ~~shall~~
111 ~~have~~ no effect upon the statutory limit on the number of
112 nonelective full-time positions that may be designated by a
113 local agency employer for inclusion in the Senior Management
114 Service Class under s. 121.055(1) (b)1.

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

117 121.053 Participation in the Elected Officers' Class for
118 retired members.—

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

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

125 (b) An elected officer who is elected or appointed to an
126 elective office and is participating in the Deferred Retirement
127 Option Program is subject to termination as defined in s.



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128 121.021 upon completion of his or her DROP participation period.
129 An elected official may defer termination as provided in
130 subsection (7).

131 (5) A ~~Any~~ renewed member, as described in s. 121.122(1),
132 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
133 receiving the maximum health insurance subsidy provided in s.
134 112.363 is entitled to earn additional credit toward the maximum
135 health insurance subsidy. Any additional subsidy due because of
136 such additional credit may be received only at the time of
137 payment of the second career retirement benefit. The total
138 health insurance subsidy received from initial and renewed
139 membership may not exceed the maximum allowed in s. 112.363.

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

143 121.055 Senior Management Service Class.—There is hereby
144 established a separate class of membership within the Florida
145 Retirement System to be known as the "Senior Management Service
146 Class," which shall become effective February 1, 1987.

147 (1)

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

149 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
150 4., an elected state officer eligible for membership in the
151 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
152 elects membership in the Senior Management Service Class under
153 s. 121.052(3)(c) may, within 6 months after assuming office or
154 within 6 months after this act becomes a law for serving elected
155 state officers, elect to participate in the Senior Management
156 Service Optional Annuity Program, as provided in subsection (6),



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157 in lieu of membership in the Senior Management Service Class.

158 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
159 4., an elected officer of a local agency employer eligible for
160 membership in the Elected Officers' Class under s. 121.052(2)(d)
161 who elects membership in the Senior Management Service Class
162 under s. 121.052(3)(c) may, within 6 months after assuming
163 office, or within 6 months after this act becomes a law for
164 serving elected officers of a local agency employer, elect to
165 withdraw from the Florida Retirement System, as provided in
166 subparagraph (b)2., in lieu of membership in the Senior
167 Management Service Class.

168 3. A retiree of a state-administered retirement system who
169 is initially reemployed in a regularly established position on
170 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected
171 official eligible for the Elected Officers' Class may not be
172 enrolled in renewed membership in the Senior Management Service
173 Class or in the Senior Management Service Optional Annuity
174 Program as provided in subsection (6), and may not withdraw from
175 the Florida Retirement System as a renewed member as provided in
176 subparagraph (b)2., as applicable, in lieu of membership in the
177 Senior Management Service Class.

178 4. Effective January 1, 2015, an eligible retiree of a
179 state-administered retirement system who retired before July 1,
180 2010, and is reemployed in a regularly established position with
181 a covered employer shall be enrolled as a renewed member as
182 provided in s. 121.122.

183 5. On or after July 1, 2015, an elected officer eligible
184 for membership in the Elected Officers' Class may not be
185 enrolled in the Senior Management Service Class or in the Senior



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186 Management Service Optional Annuity Program except as provided
187 in subsection (6).

188 (6)

189 (c) *Participation.*—

190 1. An eligible employee who is employed on or before
191 February 1, 1987, may elect to participate in the optional
192 annuity program in lieu of participating in the Senior
193 Management Service Class. Such election must be ~~made~~ in writing
194 and filed with the department and the personnel officer of the
195 employer on or before May 1, 1987. An eligible employee who is
196 employed on or before February 1, 1987, and who fails to make an
197 election to participate in the optional annuity program by May
198 1, 1987, shall be deemed to have elected membership in the
199 Senior Management Service Class.

200 2. Except as provided in subparagraph 6., an employee who
201 becomes eligible to participate in the optional annuity program
202 by reason of initial employment commencing after February 1,
203 1987, may, within 90 days after the date of commencing
204 employment, elect to participate in the optional annuity
205 program. Such election must be ~~made~~ in writing and filed with
206 the personnel officer of the employer. An eligible employee who
207 does not within 90 days after commencing employment elect to
208 participate in the optional annuity program shall be deemed to
209 have elected membership in the Senior Management Service Class.

210 3. A person who is appointed to a position in the Senior
211 Management Service Class and who is a member of an existing
212 retirement system or the Special Risk or Special Risk
213 Administrative Support Classes of the Florida Retirement System
214 may elect to remain in such system or class in lieu of



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215 participating in the Senior Management Service Class or optional
216 annuity program. Such election must be ~~made~~ in writing and filed
217 with the department and the personnel officer of the employer
218 within 90 days after such appointment. An eligible employee who
219 fails to make an election to participate in the existing system,
220 the Special Risk Class of the Florida Retirement System, the
221 Special Risk Administrative Support Class of the Florida
222 Retirement System, or the optional annuity program shall be
223 deemed to have elected membership in the Senior Management
224 Service Class.

225 4. Except as provided in subparagraph 5., an employee's
226 election to participate in the optional annuity program is
227 irrevocable if the employee continues to be employed in an
228 eligible position and continues to meet the eligibility
229 requirements set forth in this paragraph.

230 5. Effective from July 1, 2002, through September 30, 2002,
231 an active employee in a regularly established position who has
232 elected to participate in the Senior Management Service Optional
233 Annuity Program has one opportunity to choose to move from the
234 Senior Management Service Optional Annuity Program to the
235 Florida Retirement System Pension Plan.

236 a. The election must be ~~made~~ in writing and must be filed
237 with the department and the personnel officer of the employer
238 before October 1, 2002, or, in the case of an active employee
239 who is on a leave of absence on July 1, 2002, within 90 days
240 after the conclusion of the leave of absence. This election is
241 irrevocable.

242 b. The employee shall receive service credit under the
243 pension plan equal to his or her years of service under the



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244 Senior Management Service Optional Annuity Program. The cost for
245 such credit is the amount representing the present value of that
246 employee's accumulated benefit obligation for the affected
247 period of service.

248 c. The employee must transfer the total accumulated
249 employer contributions and earnings on deposit in his or her
250 Senior Management Service Optional Annuity Program account. If
251 the transferred amount is not sufficient to pay the amount due,
252 the employee must pay a sum representing the remainder of the
253 amount due. The employee may not retain any employer
254 contributions or earnings from the Senior Management Service
255 Optional Annuity Program account.

256 6. A retiree of a state-administered retirement system who
257 is initially reemployed on ~~or after~~ July 1, 2010, through
258 December 31, 2014, may not renew membership in the Senior
259 Management Service Optional Annuity Program. Effective January
260 1, 2015, an eligible retiree of a state-administered retirement
261 system who retired before July 1, 2010, and is reemployed in a
262 regularly established position with a covered employer shall be
263 enrolled as a renewed member as provided in s. 121.122.

264 7. Effective July 1, 2015, the Senior Management Service
265 Optional Annuity Program is closed to new members. Members
266 enrolled in the Senior Management Service Optional Annuity
267 Program before July 1, 2015, may retain their membership in the
268 annuity program.

269 Section 6. Paragraph (a) of subsection (4) of section
270 121.091, Florida Statutes, is amended to read:

271 121.091 Benefits payable under the system.—Benefits may not
272 be paid under this section unless the member has terminated



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273 employment as provided in s. 121.021(39) (a) or begun
274 participation in the Deferred Retirement Option Program as
275 provided in subsection (13), and a proper application has been
276 filed in the manner prescribed by the department. The department
277 may cancel an application for retirement benefits when the
278 member or beneficiary fails to timely provide the information
279 and documents required by this chapter and the department's
280 rules. The department shall adopt rules establishing procedures
281 for application for retirement benefits and for the cancellation
282 of such application when the required information or documents
283 are not received.

284 (4) DISABILITY RETIREMENT BENEFIT.—

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

286 1.a. A member who becomes totally and permanently disabled,
287 as defined in paragraph (b), after completing 5 years of
288 creditable service, or a member who becomes totally and
289 permanently disabled in the line of duty regardless of service,
290 is entitled to a monthly disability benefit, ~~+~~ except that a ~~any~~
291 member with less than 5 years of creditable service on July 1,
292 1980, or a ~~any~~ person who becomes a member of the Florida
293 Retirement System on or after such date must have completed 10
294 years of creditable service before becoming totally and
295 permanently disabled in order to receive disability retirement
296 benefits for a ~~any~~ disability that ~~which~~ occurs other than in
297 the line of duty. However, if a member employed on July 1, 1980,
298 who has less than 5 years of creditable service as of that date
299 becomes totally and permanently disabled after completing 5
300 years of creditable service and is found not to have attained
301 fully insured status for benefits under the federal Social



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302 Security Act, such member is entitled to a monthly disability
303 benefit.

304 b. Effective July 1, 2001, a member of the pension plan
305 initially enrolled before July 1, 2015, who becomes totally and
306 permanently disabled, as defined in paragraph (b), after
307 completing 8 years of creditable service, or a member who
308 becomes totally and permanently disabled in the line of duty
309 regardless of service, is entitled to a monthly disability
310 benefit.

311 c. Effective July 1, 2015, a member of the pension plan
312 initially enrolled on or after July 1, 2015, who becomes totally
313 and permanently disabled, as defined in paragraph (b), after
314 completing 10 years of creditable service, or a member who
315 becomes totally and permanently disabled in the line of duty
316 regardless of service, is entitled to a monthly disability
317 benefit.

318 2. If the division ~~has received from the employer~~ the
319 required documentation of the member's termination of employment
320 from the employer, the effective retirement date for a member
321 who applies and is approved for disability retirement shall be
322 as established by rule of the division.

323 3. For a member who is receiving Workers' Compensation
324 payments, the effective disability retirement date may not
325 precede the date the member reaches Maximum Medical Improvement
326 (MMI), unless the member terminates employment before reaching
327 MMI.

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



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331 121.122 Renewed membership in system.-

332 (2) Except as provided in subsections (3)-(5), a retiree of
333 a state-administered retirement system who is initially
334 reemployed in a regularly established position on or after July
335 1, 2010, may not be enrolled as a renewed member.

336 (3) A retiree of the investment plan, the State University
337 System Optional Retirement Program, the Senior Management
338 Service Optional Annuity Program, or the State Community College
339 System Optional Retirement Program who retired before July 1,
340 2010, had less than 10 years of creditable service upon
341 retirement, and is employed in a regularly established position
342 with a covered employer on or after January 1, 2015, shall be a
343 renewed member of the Regular Class of the investment plan
344 regardless of the position held, unless employed in a position
345 eligible for participation in the State University System
346 Optional Retirement Program or the State Community College
347 System Optional Retirement Program as provided in subsections
348 (4) and (5), respectively. The renewed member must satisfy the
349 vesting requirements and other provisions of this chapter.

350 (a) Creditable service, including credit toward the retiree
351 health insurance subsidy provided in s. 112.363, does not accrue
352 for a retiree's employment in a regularly established position
353 with a covered employer from July 1, 2010, through December 31,
354 2014.

355 (b) Employer and employee contributions, interest,
356 earnings, or any other funds may not be paid into a renewed
357 member's investment plan account for any employment in a
358 regularly established position with a covered employer from July
359 1, 2010, through December 31, 2014, by the renewed member or the



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360 employer on behalf of the member.

361 (c) To be eligible to receive a retirement benefit, the
362 renewed member must satisfy the vesting requirements in s.
363 121.4501(6).

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

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

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

370 (g) Upon the renewed membership or reemployment of a
371 retiree, the employer and the retiree shall pay the applicable
372 employer and employee contributions required under ss. 112.363,
373 121.71, 121.74, and 121.76. The contributions are payable only
374 for employment and salary earned in a regularly established
375 position with a covered employer on or after January 1, 2015.
376 The employer and employee contributions shall be transferred to
377 the investment plan and placed in a default fund as designated
378 by the state board. The retiree may move the contributions once
379 an account is activated in the investment plan.

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

384 (i) A renewed member who is a retiree of the investment
385 plan and who is not receiving the maximum health insurance
386 subsidy provided in s. 112.363 is entitled to earn additional
387 credit toward the subsidy. Such credit may be earned only for
388 employment in a regularly established position with a covered



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389 employer on or after January 1, 2015. Any additional subsidy due
390 because of additional credit may be received only at the time of
391 paying the second career retirement benefit. The total health
392 insurance subsidy received by a retiree receiving benefits from
393 initial and renewed membership may not exceed the maximum
394 allowed under s. 112.363.

395 (4) A retiree of the investment plan, the State University
396 System Optional Retirement Program, the Senior Management
397 Service Optional Annuity Program, or the State Community College
398 System Optional Retirement Program who retired before July 1,
399 2010, and who is employed in a regularly established position
400 eligible for participation in the State University System
401 Optional Retirement Program on or after January 1, 2015, shall
402 become a renewed member of the optional retirement program. The
403 renewed member must satisfy the vesting requirements and other
404 provisions of this chapter. Once enrolled, a renewed member
405 remains enrolled in the optional retirement program while
406 employed in an eligible position for the optional retirement
407 program. If employment in a different covered position results
408 in the retiree's enrollment in the investment plan, the retiree
409 is no longer eligible to participate in the optional retirement
410 program unless employed in a mandatory position under s. 121.35.

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

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

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



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

421 (5) A retiree of the investment plan, the State University
422 System Optional Retirement Program, the Senior Management
423 Service System Optional Annuity Program, or the State Community
424 College System Optional Retirement Program who retired before
425 July 1, 2010, and who is employed in a regularly established
426 position eligible for participation in the State Community
427 College System Optional Retirement Program as provided in s.
428 121.051(2)(c)4. on or after January 1, 2015, shall become a
429 renewed member of the optional retirement program. The renewed
430 member must satisfy the eligibility requirements of this chapter
431 and s. 1012.875 for the optional retirement program. Once
432 enrolled, a renewed member remains enrolled in the optional
433 retirement program while employed in an eligible position for
434 the optional retirement program. If employment in a different
435 covered position results in the retiree's enrollment in the
436 investment plan, the retiree is no longer eligible to
437 participate in the optional retirement program.

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

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

442 (c) Upon renewed membership or reemployment of a retiree,
443 the employer and the retiree must pay the applicable employer
444 and employee contributions required under ss. 121.051(2)(c) and
445 1012.875.

446 (d) The member, or the employer on behalf of the member,



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447 may not purchase any past service in the optional retirement
448 program or employment accrued from July 1, 2010, to December 31,
449 2014.

450 Section 8. Paragraph (c) of subsection (3) of section
451 121.35, Florida Statutes, is amended to read:

452 121.35 Optional retirement program for the State University
453 System.—

454 (3) ELECTION OF OPTIONAL PROGRAM.—

455 (c) An ~~Any~~ employee who becomes eligible to participate in
456 the optional retirement program on or after January 1, 1993,
457 shall be a compulsory participant of the program unless such
458 employee elects membership in the Florida Retirement System.
459 Such election shall be ~~made~~ in writing and filed with the
460 personnel officer of the employer. An ~~Any~~ eligible employee who
461 fails to make such election within the prescribed time period
462 shall be deemed to have elected to participate in the optional
463 retirement program.

464 1. An ~~Any~~ employee whose optional retirement program
465 eligibility results from initial employment shall be enrolled in
466 the program at the commencement of employment. If, within 90
467 days after commencement of employment, the employee elects
468 membership in the Florida Retirement System, such membership is
469 ~~shall be~~ effective retroactive to the date of commencing
470 ~~commencement of~~ employment as provided in s. 121.4501(4).

471 2. An ~~Any~~ employee whose optional retirement program
472 eligibility results from a change in status due to the
473 subsequent designation of the employee's position as one of
474 those specified in paragraph (2) (a) or due to the employee's
475 appointment, promotion, transfer, or reclassification to a



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476 position specified in paragraph (2) (a) shall be enrolled in the
477 optional retirement program upon such change in status and shall
478 be notified by the employer of such action. If, within 90 days
479 after the date of such notification, the employee elects to
480 retain membership in the Florida Retirement System, such
481 continuation of membership is ~~shall be~~ retroactive to the date
482 of the change in status.

483 3. Notwithstanding ~~the provisions of~~ this paragraph,
484 effective July 1, 1997, an ~~any~~ employee who is eligible to
485 participate in the Optional Retirement Program and who fails to
486 execute a contract with one of the approved companies and to
487 notify the department in writing as provided in subsection (4)
488 within 90 days after the date of eligibility shall be deemed to
489 have elected membership in the Florida Retirement System, except
490 as provided in s. 121.051(1) (a). This provision ~~shall~~ also
491 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an
492 eligible position before executing the required investment
493 ~~annuity~~ contract and notifying the department. Such membership
494 is ~~shall be~~ retroactive to the date of eligibility, and all
495 appropriate contributions shall be transferred to the Florida
496 Retirement System Trust Fund and the Health Insurance Subsidy
497 Trust Fund.

498 Section 9. Subsection (1), paragraphs (e) and (i) of
499 subsection (2), paragraph (b) of subsection (3), subsection (4),
500 paragraph (c) of subsection (5), subsection (8), and paragraphs
501 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
502 Florida Statutes, are amended to read:

503 121.4501 Florida Retirement System Investment Plan.—

504 (1) The Trustees of the State Board of Administration shall



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505 establish a defined contribution program called the "Florida
506 Retirement System Investment Plan" or "investment plan" for
507 members of the Florida Retirement System under which retirement
508 benefits are ~~will be~~ provided for eligible employees who elect
509 to participate in the program, for employees who default into
510 the program, and for compulsory members described in paragraph
511 (4) (g). The retirement benefits shall be provided through
512 member-directed investments, in accordance with s. 401(a) of the
513 Internal Revenue Code and related regulations. The employer and
514 employee shall make contributions, as provided in this section
515 and ss. 121.571 and 121.71, to the Florida Retirement System
516 Investment Plan Trust Fund toward the funding of benefits.

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

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

520 1. Is a member of, or is eligible for membership in, the
521 Florida Retirement System, including any renewed member of the
522 Florida Retirement System initially enrolled before July 1,
523 2010; ~~or~~

524 2. Participates in, or is eligible to participate in, the
525 Senior Management Service Optional Annuity Program as
526 established under s. 121.055(6), the State Community College
527 System Optional Retirement Program as established under s.
528 121.051(2) (c), or the State University System Optional
529 Retirement Program established under s. 121.35; or

530 3. Is a retired member of the investment plan, the State
531 University System Optional Retirement Program, the Senior
532 Management Service Optional Annuity Program, or the State
533 Community College System Optional Retirement Program who retired



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534 before July 1, 2010 and is employed in a regularly established
535 position on or after January 1, 2015, as provided in s. 121.122.

536

537 The term does not include any member participating in the
538 Deferred Retirement Option Program established under s.
539 121.091(13), a retiree of a state-administered retirement system
540 who retired initially reemployed in a regularly established
541 position on or after July 1, 2010, or a mandatory participant of
542 the State University System Optional Retirement Program
543 established under s. 121.35.

544 (i) "Member" or "employee" means an eligible employee who
545 enrolls, is defaulted into, or is a compulsory member of ~~in~~ the
546 investment plan as provided in subsection (4), a terminated
547 Deferred Retirement Option Program member as described in
548 subsection (21), or a beneficiary or alternate payee of a member
549 or employee.

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

551 (b) Notwithstanding paragraph (a), an eligible employee who
552 elects to participate in or is defaulted into the investment
553 plan and establishes one or more individual member accounts may
554 elect to transfer to the investment plan a sum representing the
555 present value of the employee's accumulated benefit obligation
556 under the pension plan, except as provided in paragraph (4)(b).
557 Upon transfer, all service credit earned under the pension plan
558 is nullified for purposes of entitlement to a future benefit
559 under the pension plan. A member may not transfer the
560 accumulated benefit obligation balance from the pension plan
561 after the time period for enrolling in the investment plan has
562 expired.



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563 1. For purposes of this subsection, the present value of
564 the member's accumulated benefit obligation is based upon the
565 member's estimated creditable service and estimated average
566 final compensation under the pension plan, subject to
567 recomputation under subparagraph 2. For state employees, initial
568 estimates shall be based upon creditable service and average
569 final compensation as of midnight on June 30, 2002; for district
570 school board employees, initial estimates shall be based upon
571 creditable service and average final compensation as of midnight
572 on September 30, 2002; and for local government employees,
573 initial estimates shall be based upon creditable service and
574 average final compensation as of midnight on December 31, 2002.
575 The dates specified are the "estimate date" for these employees.
576 The actuarial present value of the employee's accumulated
577 benefit obligation shall be based on the following:

578 a. The discount rate and other relevant actuarial
579 assumptions used to value the Florida Retirement System Trust
580 Fund at the time the amount to be transferred is determined,
581 consistent with the factors provided in sub-subparagraphs b. and
582 c.

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

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

587 (I) Before July 1, 2011, the benefit commencement age is
588 the younger of the following, but may not be younger than the
589 member's age as of the estimate date:

590 (A) Age 62; or

591 (B) The age the member would attain if the member completed



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592 30 years of service with an employer, assuming the member worked
593 continuously from the estimate date, and disregarding any
594 vesting requirement that would otherwise apply under the pension
595 plan.

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

599 (A) Age 65; or

600 (B) The age the member would attain if the member completed
601 33 years of service with an employer, assuming the member worked
602 continuously from the estimate date, and disregarding any
603 vesting requirement that would otherwise apply under the pension
604 plan.

605 d. For members of the Special Risk Class and for members of
606 the Special Risk Administrative Support Class entitled to retain
607 the special risk normal retirement date:

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

611 (A) Age 55; or

612 (B) The age the member would attain if the member completed
613 25 years of service with an employer, assuming the member worked
614 continuously from the estimate date, and disregarding any
615 vesting requirement that would otherwise apply under the pension
616 plan.

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



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621 (A) Age 60; or

622 (B) The age the member would attain if the member completed
623 30 years of service with an employer, assuming the member worked
624 continuously from the estimate date, and disregarding any
625 vesting requirement that would otherwise apply under the pension
626 plan.

627 e. The calculation must disregard vesting requirements and
628 early retirement reduction factors that would otherwise apply
629 under the pension plan.

630 2. For each member who elects to transfer moneys from the
631 pension plan to his or her account in the investment plan, the
632 division shall recompute the amount transferred under
633 subparagraph 1. within 60 days after the actual transfer of
634 funds based upon the member's actual creditable service and
635 actual final average compensation as of the initial date of
636 participation in the investment plan. If the recomputed amount
637 differs from the amount transferred by \$10 or more, the division
638 shall:

639 a. Transfer, or cause to be transferred, from the Florida
640 Retirement System Trust Fund to the member's account the excess,
641 if any, of the recomputed amount over the previously transferred
642 amount together with interest from the initial date of transfer
643 to the date of transfer under this subparagraph, based upon the
644 effective annual interest equal to the assumed return on the
645 actuarial investment which was used in the most recent actuarial
646 valuation of the system, compounded annually.

647 b. Transfer, or cause to be transferred, from the member's
648 account to the Florida Retirement System Trust Fund the excess,
649 if any, of the previously transferred amount over the recomputed



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650 amount, together with interest from the initial date of transfer
651 to the date of transfer under this subparagraph, based upon 6
652 percent effective annual interest, compounded annually, pro rata
653 based on the member's allocation plan.

654 3. If contribution adjustments are made as a result of
655 employer errors or corrections, including plan corrections,
656 following recomputation of the amount transferred under
657 subparagraph 1., the member is entitled to the additional
658 contributions or is responsible for returning any excess
659 contributions resulting from the correction. However, a any
660 return of such erroneous excess pretax contribution by the plan
661 must be made within the period allowed by the Internal Revenue
662 Service. The present value of the member's accumulated benefit
663 obligation may shall not be recalculated.

664 4. As directed by the member, the state board shall
665 transfer or cause to be transferred the appropriate amounts to
666 the designated accounts within 30 days after the effective date
667 of the member's participation in the investment plan unless the
668 major financial markets for securities available for a transfer
669 are seriously disrupted by an unforeseen event that causes the
670 suspension of trading on a any national securities exchange in
671 the country where the securities were issued. In that event, the
672 30-day period may be extended by a resolution of the state
673 board. Transfers are not commissionable or subject to other fees
674 and may be in the form of securities or cash, as determined by
675 the state board. Such securities are valued as of the date of
676 receipt in the member's account.

677 5. If the state board or the division receives notification
678 from the United States Internal Revenue Service that this



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679 paragraph or any portion of this paragraph will cause the
680 retirement system, or a portion thereof, to be disqualified for
681 tax purposes under the Internal Revenue Code, the portion that
682 will cause the disqualification does not apply. Upon such
683 notice, the state board and the division shall notify the
684 presiding officers of the Legislature.

685 (4) PARTICIPATION; ENROLLMENT.—

686 (a)1. Effective June 1, 2002, through February 28, 2003, a
687 90-day election period, preceded by a 90-day education period,
688 was provided to each eligible employee participating in the
689 Florida Retirement System which permitted each eligible employee
690 to elect membership in the investment plan, and an employee who
691 failed to elect the investment plan during the election period
692 remained in the pension plan. An eligible employee who was
693 employed in a regularly established position during the election
694 period was granted the option to make one subsequent election,
695 as provided in paragraph (f). With respect to an eligible
696 employee who did not participate in the initial election period
697 or who is initially ~~employee who is~~ employed in a regularly
698 established position after the close of the initial election
699 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
700 employer:

701 ~~a. Any such employee may elect to participate in the~~
702 ~~investment plan in lieu of retaining his or her membership in~~
703 ~~the pension plan. The election must be made in writing or by~~
704 ~~electronic means and must be filed with the third-party~~
705 ~~administrator by August 31, 2002, or, in the case of an active~~
706 ~~employee who is on a leave of absence on April 1, 2002, by the~~
707 ~~last business day of the 5th month following the month the leave~~



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708 ~~of absence concludes. This election is irrevocable, except as~~
709 ~~provided in paragraph (g). Upon making such election, the~~
710 ~~employee shall be enrolled as a member of the investment plan,~~
711 ~~the employee's membership in the Florida Retirement System is~~
712 ~~governed by the provisions of this part, and the employee's~~
713 ~~membership in the pension plan terminates. The employee's~~
714 ~~enrollment in the investment plan is effective the first day of~~
715 ~~the month for which a full month's employer contribution is made~~
716 ~~to the investment plan.~~

717 ~~b. Any such employee who fails to elect to participate in~~
718 ~~the investment plan within the prescribed time period is deemed~~
719 ~~to have elected to retain membership in the pension plan, and~~
720 ~~the employee's option to elect to participate in the investment~~
721 ~~plan is forfeited.~~

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

726 ~~a. Any such employee shall, by default, be enrolled in the~~
727 ~~pension plan at the commencement of employment, and may, by the~~
728 ~~last business day of the 5th month following the employee's~~
729 ~~month of hire, elect to participate in the investment plan. The~~
730 ~~employee's election must be made in writing or by electronic~~
731 ~~means and must be filed with the third-party administrator. The~~
732 ~~election to participate in the investment plan is irrevocable,~~
733 ~~except as provided in paragraph (f) ~~(g)~~.~~

734 ~~a.b.~~ If the employee files such election within the
735 prescribed time period, enrollment in the investment plan is
736 effective on the first day of employment. The retirement



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737 contributions paid through the month of the employee plan change
738 shall be transferred to the investment program, and, effective
739 the first day of the next month, the employer and employee must
740 pay the applicable contributions based on the employee
741 membership class in the program.

742 ~~b.e.~~ An employee who fails to elect to participate in the
743 investment plan within the prescribed time period is deemed to
744 have elected to retain membership in the pension plan, and the
745 employee's option to elect to participate in the investment plan
746 is forfeited.

747 ~~2.3.~~ With respect to employees who become eligible to
748 participate in the investment plan pursuant to s.
749 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
750 participate in the investment plan in lieu of retaining his or
751 her membership in the State Community College System Optional
752 Retirement Program or the State University System Optional
753 Retirement Program. The election must be ~~made~~ in writing or by
754 electronic means and must be filed with the third-party
755 administrator. This election is irrevocable, except as provided
756 in paragraph (f) ~~(g)~~. Upon making such election, the employee
757 shall be enrolled as a member in the investment plan, the
758 employee's membership in the Florida Retirement System is
759 governed by the provisions of this part, and the employee's
760 participation in the State Community College System Optional
761 Retirement Program or the State University System Optional
762 Retirement Program terminates. The employee's enrollment in the
763 investment plan is effective on the first day of the month for
764 which a full month's employer and employee contribution is made
765 to the investment plan.



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766 ~~4. For purposes of this paragraph, "state employer" means~~
767 ~~any agency, board, branch, commission, community college,~~
768 ~~department, institution, institution of higher education, or~~
769 ~~water management district of the state, which participates in~~
770 ~~the Florida Retirement System for the benefit of certain~~
771 ~~employees.~~

772 (b) With respect to employees who become eligible to
773 participate in the investment plan, except as provided in
774 paragraph (g), by reason of employment in a regularly
775 established position commencing on or after July 1, 2015, such
776 employee shall be enrolled in the pension plan at the
777 commencement of employment and may, by the last business day of
778 the 8th month following the employee's month of hire, elect to
779 participate in the pension plan or the investment plan. Eligible
780 employees may make a plan election only if they are earning
781 service credit in an employer-employee relationship consistent
782 with s. 121.021(17)(b), excluding leaves of absence without pay.

783 1. The employee's election must be in writing or by
784 electronic means and must be filed with the third-party
785 administrator. The election to participate in the pension plan
786 or investment plan is irrevocable, except as provided in
787 paragraph (f).

788 2. If the employee fails to make an election of the pension
789 plan or investment plan within 8 months following the month of
790 hire, the employee is deemed to have elected the investment plan
791 and will be defaulted into the investment plan retroactively to
792 the employee's date of employment. The employee's option to
793 participate in the pension plan is forfeited, except as provided
794 in paragraph (f).



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795 3. The amount of the employee and employer contributions
796 paid before the default to the investment plan shall be
797 transferred to the investment plan and placed in a default fund
798 as designated by the State Board of Administration. The employee
799 may move the contributions once an account is activated in the
800 investment plan.

801 4. Effective the first day of the month after an eligible
802 employee makes a plan election of the pension plan or investment
803 plan, or after the month of default to the investment plan, the
804 employee and employer shall pay the applicable contributions
805 based on the employee membership class in the pension plan or
806 investment plan.

807 ~~(b)1. With respect to an eligible employee who is employed~~
808 ~~in a regularly established position on September 1, 2002, by a~~
809 ~~district school board 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~~
813 ~~electronic means and must be filed with the third party~~
814 ~~administrator by November 30, or, in the case of an active~~
815 ~~employee who is on a leave of absence on July 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~~



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824 ~~the month for which a full month's employer contribution is made~~
825 ~~to the investment program.~~

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 district school board~~
834 ~~employer commencing after July 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,~~
842 ~~except as provided in paragraph (g).~~

843 ~~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 employer~~
846 ~~retirement contributions paid through the month of the employee~~
847 ~~plan change shall be transferred to the investment plan, and,~~
848 ~~effective the first day of the next month, the employer shall~~
849 ~~pay the applicable contributions based on the employee~~
850 ~~membership class in the investment plan.~~

851 ~~e. Any such employee who fails to elect to participate in~~
852 ~~the investment plan within the prescribed time period is deemed~~



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853 ~~to have elected to retain membership in the pension plan, and~~
854 ~~the employee's option to elect to participate in the investment~~
855 ~~plan is forfeited.~~

856 ~~3. For purposes of this paragraph, "district school board~~
857 ~~employer" means any district school board that participates in~~
858 ~~the Florida Retirement System for the benefit of certain~~
859 ~~employees, or a charter school or charter technical career~~
860 ~~center that participates in the Florida Retirement System as~~
861 ~~provided in s. 121.051(2) (d).~~

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

865 ~~a. Any such employee may elect to participate in the~~
866 ~~investment plan in lieu of retaining his or her membership in~~
867 ~~the pension plan. The election must be made in writing or by~~
868 ~~electronic means and must be filed with the third party~~
869 ~~administrator by February 28, 2003, or, in the case of an active~~
870 ~~employee who is on a leave of absence on October 1, 2002, by the~~
871 ~~last business day of the 5th month following the month the leave~~
872 ~~of absence concludes. This election is irrevocable, except as~~
873 ~~provided in paragraph (g). Upon making such election, the~~
874 ~~employee shall be enrolled as a participant of the investment~~
875 ~~plan, the employee's membership in the Florida Retirement System~~
876 ~~is governed by the provisions of this part, and the employee's~~
877 ~~membership in the pension plan terminates. The employee's~~
878 ~~enrollment in the investment plan is effective the first day of~~
879 ~~the month for which a full month's employer contribution is made~~
880 ~~to the investment plan.~~

881 ~~b. Any such employee who fails to elect to participate in~~



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882 ~~the investment plan within the prescribed time period is deemed~~
883 ~~to have elected to retain membership in the pension plan, and~~
884 ~~the employee's option to elect to participate in the investment~~
885 ~~plan is forfeited.~~

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

890 ~~a. Any such employee shall, by default, be enrolled in the~~
891 ~~pension plan at the commencement of employment, and may, by the~~
892 ~~last business day of the 5th month following the employee's~~
893 ~~month of hire, elect to participate in the investment plan. The~~
894 ~~employee's election must be made in writing or by electronic~~
895 ~~means and must be filed with the third-party administrator. The~~
896 ~~election to participate in the investment plan is irrevocable,~~
897 ~~except as provided in paragraph (g).~~

898 ~~b. If the employee files such election within the~~
899 ~~prescribed time period, enrollment in the investment plan is~~
900 ~~effective on the first day of employment. The employer~~
901 ~~retirement contributions paid through the month of the employee~~
902 ~~plan change shall be transferred to the investment plan, and,~~
903 ~~effective the first day of the next month, the employer shall~~
904 ~~pay the applicable contributions based on the employee~~
905 ~~membership class in the investment plan.~~

906 ~~e. Any such employee who fails to elect to participate in~~
907 ~~the investment plan within the prescribed time period is deemed~~
908 ~~to have elected to retain membership in the pension plan, and~~
909 ~~the employee's option to elect to participate in the investment~~
910 ~~plan is forfeited.~~



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

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

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

923 ~~(e)~~ ~~(f)~~ A member of the investment plan who takes a
924 distribution of any contributions from his or her investment
925 plan account is considered a retiree. A member retiree who
926 retires ~~is initially reemployed in a regularly established~~
927 ~~position~~ on or after July 1, 2010, is not eligible to be
928 enrolled in renewed membership. A member who retired before July
929 1, 2010, and is employed on or after January 1, 2015, in a
930 regularly established position shall be a renewed member as
931 provided under s. 121.122. A retiree who returned to covered
932 employment before July 1, 2010, shall continue membership in the
933 plan as provided under s. 121.122.

934 ~~(f)~~ ~~(g)~~ After the period during which an eligible employee
935 had the choice to elect the pension plan or the investment plan,
936 or the month following the receipt of the eligible employee's
937 plan election, if sooner, the employee shall have one
938 opportunity, at the employee's discretion, to ~~choose to~~ move
939 from the pension plan to the investment plan or from the



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940 investment plan to the pension plan. Eligible employees may
941 elect to move between plans only if they are earning service
942 credit in an employer-employee relationship consistent with s.
943 121.021(17)(b), excluding leaves of absence without pay.
944 Effective July 1, 2005, such elections are effective on the
945 first day of the month following the receipt of the election by
946 the third-party administrator and are not subject to the
947 requirements regarding an employer-employee relationship or
948 receipt of contributions for the eligible employee in the
949 effective month, except when the election is received by the
950 third-party administrator. This paragraph is contingent upon
951 approval by the Internal Revenue Service. This paragraph is not
952 applicable to compulsory members of the investment plan
953 described in paragraph (g).

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

956 2. If the employee chooses to move to the pension plan, the
957 employee must transfer from his or her investment plan account,
958 and from other employee moneys as necessary, a sum representing
959 the present value of that employee's accumulated benefit
960 obligation immediately following the time of such movement,
961 determined assuming that attained service equals the sum of
962 service in the pension plan and service in the investment plan.
963 Benefit commencement occurs on the first date the employee is
964 eligible for unreduced benefits, using the discount rate and
965 other relevant actuarial assumptions that were used to value the
966 pension plan liabilities in the most recent actuarial valuation.
967 For an ~~any~~ employee who, at the time of the second election,
968 already maintains an accrued benefit amount in the pension plan,



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969 the then-present value of the accrued benefit is deemed part of
970 the required transfer amount. The division must ensure that the
971 transfer sum is prepared using a formula and methodology
972 certified by an enrolled actuary. A refund of any employee
973 contributions or additional member payments made which exceed
974 the employee contributions that would have accrued had the
975 member remained in the pension plan and not transferred to the
976 investment plan is not permitted.

977 3. Notwithstanding subparagraph 2., an employee who chooses
978 to move to the pension plan and who became eligible to
979 participate in the investment plan by reason of employment in a
980 regularly established position with a state employer after June
981 1, 2002; a district school board employer after September 1,
982 2002; or a local employer after December 1, 2002, must transfer
983 from his or her investment plan account, and from other employee
984 moneys as necessary, a sum representing the employee's actuarial
985 accrued liability. A refund of any employee contributions or
986 additional member participant payments made which exceed the
987 employee contributions that would have accrued had the member
988 remained in the pension plan and not transferred to the
989 investment plan is not permitted.

990 4. An employee's ability to transfer from the pension plan
991 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
992 ~~(d)~~, and the ability of a current employee to have an option to
993 later transfer back into the pension plan under subparagraph 2.,
994 shall be deemed a significant system amendment. Pursuant to s.
995 121.031(4), any resulting unfunded liability arising from actual
996 original transfers from the pension plan to the investment plan
997 must be amortized within 30 plan years as a separate unfunded



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998 actuarial base independent of the reserve stabilization
999 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first
1000 25 years, a direct amortization payment may not be calculated
1001 for this base. During this 25-year period, the separate base
1002 shall be used to offset the impact of employees exercising their
1003 second program election under this paragraph. The actuarial
1004 funded status of the pension plan will not be affected by such
1005 second program elections in any significant manner, after due
1006 recognition of the separate unfunded actuarial base. Following
1007 the initial 25-year period, any remaining balance of the
1008 original separate base shall be amortized over the remaining 5
1009 years of the required 30-year amortization period.

1010 5. If the employee chooses to transfer from the investment
1011 plan to the pension plan and retains an excess account balance
1012 in the investment plan after satisfying the buy-in requirements
1013 under this paragraph, the excess may not be distributed until
1014 the member retires from the pension plan. The excess account
1015 balance may be rolled over to the pension plan and used to
1016 purchase service credit or upgrade creditable service in the
1017 pension plan.

1018 (g) Except for members of the Elected Officers' Class who
1019 withdraw from the Florida Retirement System under s.
1020 121.052(3)(d) or elect to participate in an optional retirement
1021 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35,
1022 or are described in s. 121.052(2)(a)2. or (2)(b), employees
1023 initially enrolled in the Florida Retirement System on or after
1024 July 1, 2015, and whose first employment in a regularly
1025 established position is covered by the Elected Officers' Class
1026 are compulsory members of the investment plan. Investment plan



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1027 membership continues for a compulsory member even if the
1028 employee is subsequently employed in a position covered by
1029 another membership class. Membership in the pension plan by a
1030 compulsory member is not permitted except as provided in s.
1031 121.591(2).

1032 1. Employees initially enrolled in the system before July
1033 1, 2015, may retain their membership in the pension plan or
1034 investment plan and are eligible to use the election opportunity
1035 specified in paragraph (f). Compulsory members are not eligible
1036 to use the election opportunity.

1037 2. An employee eligible to withdraw from the system under
1038 s. 121.052(3) (d) may withdraw from the system, participate in
1039 the pension plan if not a compulsory member of the investment
1040 plan, or participate in the investment plan as provided under
1041 those provisions. An employee eligible for the optional
1042 retirement programs under s. 121.051(2) (c) or s. 121.35 may
1043 participate in the optional retirement program, participate in
1044 the pension plan if not a compulsory member of the investment
1045 plan, or participate in the investment plan as provided under
1046 those provisions. An eligible employee required to participate
1047 in the optional retirement program pursuant to s. 121.051(1) (a)
1048 as provided under s. 121.35 must participate in the investment
1049 plan if employed in a position not eligible for the optional
1050 retirement program and otherwise meeting the requirements as a
1051 compulsory member of the investment plan.

1052 3. The amount of retirement contributions paid by the
1053 employee and employer, as required under s. 121.72, shall be
1054 placed in a default fund designated by the state board, until an
1055 account is activated in the investment plan, at which time the



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1056 member may move the contributions from the default fund to other
1057 funds provided in the investment plan.

1058 (5) CONTRIBUTIONS.—

1059 (c) The state board, acting as plan fiduciary, shall ~~must~~
1060 ensure that all plan assets are held in a trust, pursuant to s.
1061 401 of the Internal Revenue Code. The fiduciary shall ~~must~~
1062 ensure that such contributions are allocated as follows:

1063 1. The employer and employee contribution portion earmarked
1064 for member accounts shall be used to purchase interests in the
1065 appropriate investment vehicles as specified by the member, or
1066 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1067 2. The employer contribution portion earmarked for
1068 administrative and educational expenses shall be transferred to
1069 the Florida Retirement System Investment Plan Trust Fund.

1070 3. The employer contribution portion earmarked for
1071 disability benefits shall be transferred to the Florida
1072 Retirement System Trust Fund.

1073 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1074 shall be administered by the state board and affected employers.
1075 The state board may require oaths, by affidavit or otherwise,
1076 and acknowledgments from persons in connection with the
1077 administration of its statutory duties and responsibilities for
1078 the investment plan. An oath, by affidavit or otherwise, is ~~may~~
1079 not ~~be~~ required of a member at the time of enrollment. Except
1080 for compulsory members described in paragraph (4) (g),
1081 acknowledgment of an employee's election to participate in the
1082 program may ~~shall~~ be no greater than necessary to confirm the
1083 employee's election. The state board shall adopt rules to carry
1084 out its statutory duties with respect to administering the



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1085 investment plan, including establishing the roles and
1086 responsibilities of affected state, local government, and
1087 education-related employers, the state board, the department,
1088 and third-party contractors. The department shall adopt rules
1089 necessary to administer the investment plan in coordination with
1090 the pension plan and the disability benefits available under the
1091 investment plan.

1092 (a)1. The state board shall select and contract with a
1093 third-party administrator to provide administrative services if
1094 those services cannot be competitively and contractually
1095 provided by the division. With the approval of the state board,
1096 the third-party administrator may subcontract to provide
1097 components of the administrative services. As a cost of
1098 administration, the state board may compensate ~~any~~ such
1099 contractor for its services, in accordance with the terms of the
1100 contract, as is deemed necessary or proper by the board. The
1101 third-party administrator may not be an approved provider or be
1102 affiliated with an approved provider.

1103 2. These administrative services may include, but are not
1104 limited to, enrollment of eligible employees, collection of
1105 employer and employee contributions, disbursement of
1106 contributions to approved providers in accordance with the
1107 allocation directions of members; services relating to
1108 consolidated billing; individual and collective recordkeeping
1109 and accounting; asset purchase, control, and safekeeping; and
1110 direct disbursement of funds to and from the third-party
1111 administrator, the division, the state board, employers,
1112 members, approved providers, and beneficiaries. This section
1113 does not prevent or prohibit a bundled provider from providing



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1114 any administrative or customer service, including accounting and
1115 administration of individual member benefits and contributions;
1116 individual member recordkeeping; asset purchase, control, and
1117 safekeeping; direct execution of the member's instructions as to
1118 asset and contribution allocation; calculation of daily net
1119 asset values; direct access to member account information; or
1120 periodic reporting to members, at least quarterly, on account
1121 balances and transactions, if these services are authorized by
1122 the state board as part of the contract.

1123 (b)1. The state board shall select and contract with one or
1124 more organizations to provide educational services. With
1125 approval of the state board, the organizations may subcontract
1126 to provide components of the educational services. As a cost of
1127 administration, the state board may compensate any such
1128 contractor for its services in accordance with the terms of the
1129 contract, as is deemed necessary or proper by the board. The
1130 education organization may not be an approved provider or be
1131 affiliated with an approved provider.

1132 2. Educational services shall be designed by the state
1133 board and department to assist employers, eligible employees,
1134 members, and beneficiaries in order to maintain compliance with
1135 United States Department of Labor regulations under s. 404(c) of
1136 the Employee Retirement Income Security Act of 1974 and to
1137 assist employees in their choice of pension plan or investment
1138 plan retirement alternatives. Educational services include, but
1139 are not limited to, disseminating educational materials;
1140 providing retirement planning education; explaining the pension
1141 plan and the investment plan; and offering financial planning
1142 guidance on matters such as investment diversification,



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1143 investment risks, investment costs, and asset allocation. An
1144 approved provider may also provide educational information,
1145 including retirement planning and investment allocation
1146 information concerning its products and services.

1147 (c)1. In evaluating and selecting a third-party
1148 administrator, the state board shall establish criteria for
1149 evaluating the relative capabilities and qualifications of each
1150 proposed administrator. In developing such criteria, the state
1151 board shall consider:

1152 a. The administrator's demonstrated experience in providing
1153 administrative services to public or private sector retirement
1154 systems.

1155 b. The administrator's demonstrated experience in providing
1156 daily valued recordkeeping to defined contribution programs.

1157 c. The administrator's ability and willingness to
1158 coordinate its activities with employers, the state board, and
1159 the division, and to supply to such employers, the board, and
1160 the division the information and data they require, including,
1161 but not limited to, monthly management reports, quarterly member
1162 reports, and ad hoc reports requested by the department or state
1163 board.

1164 d. The cost-effectiveness and levels of the administrative
1165 services provided.

1166 e. The administrator's ability to interact with the
1167 members, the employers, the state board, the division, and the
1168 providers; the means by which members may access account
1169 information, direct investment of contributions, make changes to
1170 their accounts, transfer moneys between available investment
1171 vehicles, and transfer moneys between investment products; and



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1172 any fees that apply to such activities.

1173 f. Any other factor deemed necessary by the state board.

1174 2. In evaluating and selecting an educational provider, the
1175 state board shall establish criteria under which it shall
1176 consider the relative capabilities and qualifications of each
1177 proposed educational provider. In developing such criteria, the
1178 state board shall consider:

1179 a. Demonstrated experience in providing educational
1180 services to public or private sector retirement systems.

1181 b. Ability and willingness to coordinate its activities
1182 with the employers, the state board, and the division, and to
1183 supply to such employers, the board, and the division the
1184 information and data they require, including, but not limited
1185 to, reports on educational contacts.

1186 c. The cost-effectiveness and levels of the educational
1187 services provided.

1188 d. Ability to provide educational services via different
1189 media, including, but not limited to, the Internet, personal
1190 contact, seminars, brochures, and newsletters.

1191 e. Any other factor deemed necessary by the state board.

1192 3. The establishment of the criteria shall be solely within
1193 the discretion of the state board.

1194 (d) The state board shall develop the form and content of
1195 any contracts to be offered under the investment plan. In
1196 developing the contracts, the board shall consider:

1197 1. The nature and extent of the rights and benefits to be
1198 afforded in relation to the contributions required under the
1199 plan.

1200 2. The suitability of the rights and benefits provided and



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1201 the interests of employers in the recruitment and retention of
1202 eligible employees.

1203 (e)1. The state board may contract for professional
1204 services, including legal, consulting, accounting, and actuarial
1205 services, deemed necessary to implement and administer the
1206 investment plan. The state board may enter into a contract with
1207 one or more vendors to provide low-cost investment advice to
1208 members, supplemental to education provided by the third-party
1209 administrator. All fees under any such contract shall be paid by
1210 those members who choose to use the services of the vendor.

1211 2. The department may contract for professional services,
1212 including legal, consulting, accounting, and actuarial services,
1213 deemed necessary to implement and administer the investment plan
1214 in coordination with the pension plan. The department, in
1215 coordination with the state board, may enter into a contract
1216 with the third-party administrator in order to coordinate
1217 services common to the various programs within the Florida
1218 Retirement System.

1219 (f) The third-party administrator may not receive direct or
1220 indirect compensation from an approved provider, except as
1221 specifically provided ~~for~~ in the contract with the state board.

1222 (g) The state board shall receive and resolve member
1223 complaints against the program, the third-party administrator,
1224 or any program vendor or provider; shall resolve any conflict
1225 between the third-party administrator and an approved provider
1226 if such conflict threatens the implementation or administration
1227 of the program or the quality of services to employees; and may
1228 resolve any other conflicts. The third-party administrator shall
1229 retain all member records for at least 5 years for use in



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1230 resolving ~~any~~ member conflicts. The state board, the third-party
1231 administrator, or a provider is not required to produce
1232 documentation or an audio recording to justify action taken with
1233 regard to a member if the action occurred 5 or more years before
1234 the complaint is submitted to the state board. It is presumed
1235 that all action taken 5 or more years before the complaint is
1236 submitted was taken at the request of the member and with the
1237 member's full knowledge and consent. To overcome this
1238 presumption, the member must present documentary evidence or an
1239 audio recording demonstrating otherwise.

1240 (10) EDUCATION COMPONENT.—

1241 (a) The state board, in coordination with the department,
1242 shall provide ~~for~~ an education component for eligible employees
1243 ~~system members~~ in a manner consistent with ~~the provisions of~~
1244 this subsection ~~section~~. ~~The education component must be~~
1245 ~~available to eligible employees at least 90 days prior to the~~
1246 ~~beginning date of the election period for the employees of the~~
1247 ~~respective types of employers.~~

1248 (b) Except for compulsory members described in paragraph
1249 (4) (g), the education component must provide system members with
1250 impartial and balanced information about plan choices. The
1251 education component must involve multimedia formats. Program
1252 comparisons must, to the greatest extent possible, be based upon
1253 the retirement income that different retirement programs may
1254 provide to the member. The state board shall monitor the
1255 performance of the contract to ensure that the program is
1256 conducted in accordance with the contract, applicable law, and
1257 the rules of the state board.

1258 (c) Except for compulsory members described in paragraph



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1259 (4) (g), the state board, in coordination with the department,
1260 shall provide for an initial and ongoing transfer education
1261 component to provide system members with information necessary
1262 to make informed plan choice decisions. The transfer education
1263 component must include, but is not limited to, information on:
1264 1. The amount of money available to a member to transfer to
1265 the defined contribution program.
1266 2. The features of and differences between the pension plan
1267 and the defined contribution program, both generally and
1268 specifically, as those differences may affect the member.
1269 3. The expected benefit available if the member were to
1270 retire under each of the retirement programs, based on
1271 appropriate alternative sets of assumptions.
1272 4. The rate of return from investments in the defined
1273 contribution program and the period of time over which such rate
1274 of return must be achieved to equal or exceed the expected
1275 monthly benefit payable to the member under the pension plan.
1276 5. The historical rates of return for the investment
1277 alternatives available in the defined contribution programs.
1278 6. The benefits and historical rates of return on
1279 investments available in a typical deferred compensation plan or
1280 a typical plan under s. 403(b) of the Internal Revenue Code for
1281 which the employee may be eligible.
1282 7. The program choices available to employees of the State
1283 University System and the comparative benefits of each available
1284 program, if applicable.
1285 8. Payout options available in each of the retirement
1286 programs.
1287 ~~(h) Pursuant to subsection (8), all Florida Retirement~~



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1288 ~~System employers have an obligation to regularly communicate the~~
1289 ~~existence of the two Florida Retirement System plans and the~~
1290 ~~plan choice in the natural course of administering their~~
1291 ~~personnel functions, using the educational materials supplied by~~
1292 ~~the state board and the Department of Management Services.~~

1293 Section 10. Paragraph (b) of subsection (2) of section
1294 121.591, Florida Statutes, is amended to read:

1295 121.591 Payment of benefits.—Benefits may not be paid under
1296 the Florida Retirement System Investment Plan unless the member
1297 has terminated employment as provided in s. 121.021(39) (a) or is
1298 deceased and a proper application has been filed as prescribed
1299 by the state board or the department. Benefits, including
1300 employee contributions, are not payable under the investment
1301 plan for employee hardships, unforeseeable emergencies, loans,
1302 medical expenses, educational expenses, purchase of a principal
1303 residence, payments necessary to prevent eviction or foreclosure
1304 on an employee's principal residence, or any other reason except
1305 a requested distribution for retirement, a mandatory de minimis
1306 distribution authorized by the administrator, or a required
1307 minimum distribution provided pursuant to the Internal Revenue
1308 Code. The state board or department, as appropriate, may cancel
1309 an application for retirement benefits if the member or
1310 beneficiary fails to timely provide the information and
1311 documents required by this chapter and the rules of the state
1312 board and department. In accordance with their respective
1313 responsibilities, the state board and the department shall adopt
1314 rules establishing procedures for application for retirement
1315 benefits and for the cancellation of such application if the
1316 required information or documents are not received. The state



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1317 board and the department, as appropriate, are authorized to cash
1318 out a de minimis account of a member who has been terminated
1319 from Florida Retirement System covered employment for a minimum
1320 of 6 calendar months. A de minimis account is an account
1321 containing employer and employee contributions and accumulated
1322 earnings of not more than \$5,000 made under the provisions of
1323 this chapter. Such cash-out must be a complete lump-sum
1324 liquidation of the account balance, subject to the provisions of
1325 the Internal Revenue Code, or a lump-sum direct rollover
1326 distribution paid directly to the custodian of an eligible
1327 retirement plan, as defined by the Internal Revenue Code, on
1328 behalf of the member. Any nonvested accumulations and associated
1329 service credit, including amounts transferred to the suspense
1330 account of the Florida Retirement System Investment Plan Trust
1331 Fund authorized under s. 121.4501(6), shall be forfeited upon
1332 payment of any vested benefit to a member or beneficiary, except
1333 for de minimis distributions or minimum required distributions
1334 as provided under this section. If any financial instrument
1335 issued for the payment of retirement benefits under this section
1336 is not presented for payment within 180 days after the last day
1337 of the month in which it was originally issued, the third-party
1338 administrator or other duly authorized agent of the state board
1339 shall cancel the instrument and credit the amount of the
1340 instrument to the suspense account of the Florida Retirement
1341 System Investment Plan Trust Fund authorized under s.
1342 121.4501(6). Any amounts transferred to the suspense account are
1343 payable upon a proper application, not to include earnings
1344 thereon, as provided in this section, within 10 years after the
1345 last day of the month in which the instrument was originally



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1346 issued, after which time such amounts and any earnings
1347 attributable to employer contributions shall be forfeited. Any
1348 forfeited amounts are assets of the trust fund and are not
1349 subject to chapter 717.

1350 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1351 this subsection are payable in lieu of the benefits that would
1352 otherwise be payable under the provisions of subsection (1).
1353 Such benefits must be funded from employer contributions made
1354 under s. 121.571, transferred employee contributions and funds
1355 accumulated pursuant to paragraph (a), and interest and earnings
1356 thereon.

1357 (b) *Disability retirement; entitlement.*—

1358 1.a. A member of the investment plan initially enrolled
1359 before July 1, 2015, who becomes totally and permanently
1360 disabled, as defined in paragraph (d), after completing 8 years
1361 of creditable service, or a member who becomes totally and
1362 permanently disabled in the line of duty regardless of length of
1363 service, is entitled to a monthly disability benefit.

1364 b. A member of the investment plan initially enrolled on or
1365 after July 1, 2015, who becomes totally and permanently
1366 disabled, as defined in paragraph (d), after completing 10 years
1367 of creditable service, or a member who becomes totally and
1368 permanently disabled in the line of duty regardless of service,
1369 is entitled to a monthly disability benefit.

1370 2. In order for service to apply toward the 8 years of
1371 creditable service required for regular disability benefits, or
1372 toward the creditable service used in calculating a service-
1373 based benefit as provided under paragraph (g), the service must
1374 be creditable service as described below:



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1375 a. The member's period of service under the investment plan
1376 ~~is shall be~~ considered creditable service, except as provided in
1377 subparagraph d.

1378 b. If the member has elected to retain credit for service
1379 under the pension plan as provided under s. 121.4501(3), all
1380 such service ~~is shall be~~ considered creditable service.

1381 c. If the member elects to transfer to his or her member
1382 accounts a sum representing the present value of his or her
1383 retirement credit under the pension plan as provided under s.
1384 121.4501(3), the period of service under the pension plan
1385 represented in the present value amounts transferred ~~is shall be~~
1386 considered creditable service, except as provided in
1387 subparagraph d.

1388 d. If a member has terminated employment and has taken
1389 distribution of his or her funds as provided in subsection (1),
1390 all creditable service represented by such distributed funds is
1391 forfeited for purposes of this subsection.

1392 Section 11. Section 238.072, Florida Statutes, is amended
1393 to read:

1394 238.072 Special service provisions for extension
1395 personnel.—All state and county cooperative extension personnel
1396 holding appointments by the United States Department of
1397 Agriculture for extension work in agriculture and home economics
1398 in this state who are joint representatives of the University of
1399 Florida and the United States Department of Agriculture, as
1400 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the
1401 Teachers' Retirement System, chapter 238, and who are prohibited
1402 from transferring to and participating in the Florida Retirement
1403 System, chapter 121, may retire with full benefits upon



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1404 completion of 30 years of creditable service and shall be
1405 considered to have attained normal retirement age under this
1406 chapter, any law to the contrary notwithstanding. In order to
1407 comply with ~~the provisions of~~ s. 14, Art. X of the State
1408 Constitution, any liability accruing to the Florida Retirement
1409 System Trust Fund as a result of ~~the provisions of~~ this section
1410 shall be paid on an annual basis from the General Revenue Fund.

1411 Section 12. Subsection (11) of section 413.051, Florida
1412 Statutes, is amended to read:

1413 413.051 Eligible blind persons; operation of vending
1414 stands.-

1415 (11) Effective July 1, 1996, blind licensees who remain
1416 members of the Florida Retirement System pursuant to s.
1417 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1418 retirement costs from their net profits or from program income.
1419 Within 30 days after the effective date of this act, each blind
1420 licensee who is eligible to maintain membership in the Florida
1421 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1422 who elects to withdraw from the system as provided in s.
1423 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1424 1996, notify the Division of Blind Services and the Department
1425 of Management Services in writing of his or her election to
1426 withdraw. Failure to timely notify the divisions shall be deemed
1427 a decision to remain a compulsory member of the Florida
1428 Retirement System. However, if, at any time after July 1, 1996,
1429 sufficient funds are not paid by a blind licensee to cover the
1430 required contribution to the Florida Retirement System, that
1431 blind licensee shall become ineligible to participate in the
1432 Florida Retirement System on the last day of the first month for



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1433 which no contribution is made or the amount contributed is
1434 insufficient to cover the required contribution. For any blind
1435 licensee who becomes ineligible to participate in the Florida
1436 Retirement System as described in this subsection, ~~no~~ creditable
1437 service may not ~~shall~~ be earned under the Florida Retirement
1438 System for any period following the month that retirement
1439 contributions ceased to be reported. However, ~~any~~ such person
1440 may participate in the Florida Retirement System in the future
1441 if employed by a participating employer in a covered position.

1442 Section 13. (1) As soon as practicable, the State Board of
1443 Administration and the Department of Management Services shall
1444 request a determination letter from the United States Internal
1445 Revenue Service as to whether any portion of this act will cause
1446 the Florida Retirement System or a portion thereof to be
1447 disqualified for tax purposes under the Internal Revenue Code.
1448 If the Internal Revenue Service refuses to act upon a request
1449 for a determination letter, a legal opinion from a qualified tax
1450 attorney or firm may be substituted for the determination
1451 letter. If the board or the department receives notification
1452 from the Internal Revenue Service that this act or any portion
1453 of this act will cause the Florida Retirement System, or a
1454 portion thereof, to be disqualified for tax purposes under the
1455 Internal Revenue Code, that portion that will cause the
1456 disqualification does not apply. Upon receipt of such notice,
1457 the state board and the department shall notify the President of
1458 the Senate and the Speaker of the House of Representatives.

1459 (2) The State Board of Administration and the Department of
1460 Management Services shall also seek guidance from the United
1461 States Internal Revenue Service regarding potential consequences



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1462 to the qualified status of the Florida Retirement System if the
1463 pension plan and the investment plan were to offer different
1464 pretax employee contributions rates to members participating in
1465 the same membership class. Upon receipt of such guidance, the
1466 state board and the department shall notify the President of the
1467 Senate and the Speaker of the House of Representatives.

1468 Section 14. The Department of Management Services shall
1469 commission a special actuarial study to determine the costs of
1470 providing a new death benefit through the pension plan for
1471 members of the Florida Retirement System Investment Plan who are
1472 killed in the line of duty. The study must examine the costs
1473 associated with offering a death benefit that allows the
1474 surviving spouse or surviving dependent children of an
1475 investment plan member killed in the line of duty to elect the
1476 death benefit provided under s. 121.091(7)(d), Florida Statutes,
1477 after transferring the value of the member's investment account
1478 to the pension plan, in lieu of the current death benefit
1479 provided under the investment plan. The Department of Management
1480 Services shall consult with the Legislature about the
1481 alternatives to be considered and the level of detail to be
1482 included in the special study results. The results of such study
1483 shall be provided to the Governor, the President of the Senate,
1484 and the Speaker of the House of Representatives by March 1,
1485 2015.

1486 Section 15. The Legislature finds that a proper and
1487 legitimate state purpose is served when employees and retirees
1488 of the state and its political subdivisions, and the dependents,
1489 survivors, and beneficiaries of such employees and retirees, are
1490 extended the basic protections afforded by governmental



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1491 retirement systems. These persons must be provided benefits that
1492 are fair and adequate and that are managed, administered, and
1493 funded in an actuarially sound manner, as required by s. 14,
1494 Article X of the State Constitution and part VII of chapter 112,
1495 Florida Statutes. Therefore, the Legislature determines and
1496 declares that this act fulfills an important state interest.

1497 Section 16. This act shall take effect July 1, 2014.

1498
1499 ===== T I T L E A M E N D M E N T =====

1500 And the title is amended as follows:

1501 Delete everything before the enacting clause
1502 and insert:

1503 A bill to be entitled

1504 An act relating to retirement; amending s. 121.021,
1505 F.S.; revising the definition of "vested" or "vesting"
1506 to provide that a member initially enrolled in the
1507 Florida Retirement System after a certain date is
1508 vested in the pension plan after completing 10 years
1509 of creditable service; amending s. 121.051, F.S.;
1510 providing for compulsory membership in the Florida
1511 Retirement System Investment Plan for certain members
1512 of the Elected Officers' Class initially enrolled
1513 after a certain date; amending s. 121.052, F.S.;
1514 differentiating between cabinet members and judicial
1515 members of the Elected Officers Class; prohibiting
1516 members of the Elected Officers' Class from joining
1517 the Senior Management Service Class after a specified
1518 date; amending s. 121.053, F.S.; authorizing renewed
1519 membership in the retirement system for retirees who



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1520 are reemployed in a position eligible for the Elected
1521 Officers' Class under certain circumstances; amending
1522 s. 121.055, F.S.; limiting the options of elected
1523 officers employed after a certain date to enroll in
1524 the Senior Management Service Class or in the Senior
1525 Management Service Optional Annuity Program; closing
1526 the Senior Management Optional Annuity Program to new
1527 members after a specified date; amending s. 121.091,
1528 F.S.; providing that certain members are entitled to a
1529 monthly disability benefit; revising provisions to
1530 conform to changes made by the act; amending s.
1531 121.122, F.S.; requiring that certain retirees who are
1532 employed on or after a specified date be renewed
1533 members in the investment plan; providing exceptions;
1534 providing that creditable service does not accrue for
1535 a reemployed retiree during a specified period;
1536 prohibiting certain funds from being paid into a
1537 renewed member's investment plan account for a
1538 specified period of employment; requiring the renewed
1539 member to satisfy vesting requirements; prohibiting a
1540 renewed member from receiving disability benefits;
1541 specifying requirements and limitations; requiring the
1542 employer and the retiree to make applicable
1543 contributions to the member's investment plan account;
1544 providing for the administration of the employer and
1545 employee contributions; prohibiting the purchase of
1546 past service in the investment plan during certain
1547 dates; authorizing a renewed member to receive
1548 additional credit toward the health insurance subsidy



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1549 under certain circumstances; providing that a retiree
1550 employed on or after a specified date in a regularly
1551 established position eligible for the State University
1552 System Optional Retirement Program is a renewed member
1553 of that program; specifying requirements and
1554 limitations; requiring the employer and the retiree to
1555 make applicable contributions; prohibiting the
1556 purchase of past service in the program during certain
1557 dates; providing that a retiree employed on or after a
1558 specified date in a regularly established position
1559 eligible for the State Community College System
1560 Optional Retirement Program is a renewed member of
1561 that program; specifying requirements and limitations;
1562 requiring the employer and the retiree to make
1563 applicable contributions; prohibiting the purchase of
1564 past service in the program for certain dates;
1565 amending s. 121.35, F.S.; providing that certain
1566 participants in the optional retirement program for
1567 the State University System have a choice between the
1568 optional retirement program and the Florida Retirement
1569 System Investment Plan; amending s. 121.4501, F.S.;
1570 requiring certain employees initially enrolled in the
1571 Florida Retirement System on or after a specified date
1572 to be compulsory members of the investment plan;
1573 revising the definition of the terms "eligible
1574 employee" and "member" or "employee"; revising a
1575 provision relating to acknowledgment of an employee's
1576 election to participate in the investment plan;
1577 placing certain employees in the pension plan from



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1578 their respective dates of hire until they are
1579 automatically enrolled in the investment plan or
1580 timely elect enrollment in the pension plan;
1581 authorizing certain employees to elect to participate
1582 in the pension plan, rather than the default
1583 investment plan, within a specified time; specifying
1584 that a retiree who has returned to covered employment
1585 before a specified date may continue membership in his
1586 or her selected retirement plan; conforming a
1587 provision to changes made by the act; providing for
1588 the transfer of certain contributions; revising the
1589 education component; deleting the obligation of system
1590 employers to communicate the existence of both
1591 retirement plans; conforming provisions and cross-
1592 references to changes made by the act; amending s.
1593 121.591, F.S.; revising provisions relating to
1594 disability retirement benefits; amending ss. 238.072
1595 and 413.051, F.S.; conforming cross-references;
1596 requiring the State Board of Administration and
1597 Department of Management Services to request a
1598 determination letter from the Internal Revenue Service
1599 as to whether any provision under the act will cause
1600 the Florida Retirement System to be disqualified for
1601 tax purposes and, if so, to notify the Legislature;
1602 requiring the board and department to also seek
1603 guidance regarding the consequences of differing tax
1604 contributions; requiring the Department of Management
1605 Services to conduct an actuarial study to determine
1606 the costs of providing a new death benefit through the



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1607 pension plan for the families of members of the
1608 investment plan killed in the line of duty and provide
1609 the results of the study to the Governor and the
1610 Legislature by a certain date; providing that the act
1611 fulfills an important state interest; providing an
1612 effective date.