

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Taylor offered the following:

**Amendment (with directory and title amendments)**

Remove lines 443-696 and insert:

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

(b) Notwithstanding paragraph (a), an eligible employee who elects to participate in the investment plan and establishes one or more individual member accounts may elect to transfer to the investment plan a sum representing the present value of the employee's accumulated benefit obligation under the pension plan, except as provided in paragraph (4) (b). Upon transfer, all service credit earned under the pension plan is nullified for purposes of entitlement to a future benefit under the pension plan. A member may not transfer the accumulated benefit

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15 obligation balance from the pension plan after the time period  
16 for enrolling in the investment plan has expired.

17 1. For purposes of this subsection, the present value of  
18 the member's accumulated benefit obligation is based upon the  
19 member's estimated creditable service and estimated average  
20 final compensation under the pension plan, subject to  
21 recomputation under subparagraph 2. For state employees, initial  
22 estimates shall be based upon creditable service and average  
23 final compensation as of midnight on June 30, 2002; for district  
24 school board employees, initial estimates shall be based upon  
25 creditable service and average final compensation as of midnight  
26 on September 30, 2002; and for local government employees,  
27 initial estimates shall be based upon creditable service and  
28 average final compensation as of midnight on December 31, 2002.  
29 The dates specified are the "estimate date" for these employees.  
30 The actuarial present value of the employee's accumulated  
31 benefit obligation shall be based on the following:

32 a. The discount rate and other relevant actuarial  
33 assumptions used to value the Florida Retirement System Trust  
34 Fund at the time the amount to be transferred is determined,  
35 consistent with the factors provided in sub-subparagraphs b. and  
36 c.

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

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

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

44 (A) Age 62; or

45 (B) The age the member would attain if the member  
46 completed 30 years of service with an employer, assuming the  
47 member worked continuously from the estimate date, and  
48 disregarding any vesting requirement that would otherwise apply  
49 under the pension plan.

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

53 (A) Age 65; or

54 (B) The age the member would attain if the member  
55 completed 33 years of service with an employer, assuming the  
56 member worked continuously from the estimate date, and  
57 disregarding any vesting requirement that would otherwise apply  
58 under the pension plan.

59 d. For members of the Special Risk Class and for members  
60 of the Special Risk Administrative Support Class entitled to  
61 retain the special risk normal retirement date:

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

65 (A) Age 55; or

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66 (B) The age the member would attain if the member  
67 completed 25 years of service with an employer, assuming the  
68 member worked continuously from the estimate date, and  
69 disregarding any vesting requirement that would otherwise apply  
70 under the pension plan.

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

75 (A) Age 60; or

76 (B) The age the member would attain if the member  
77 completed 30 years of service with an employer, assuming the  
78 member worked continuously from the estimate date, and  
79 disregarding any vesting requirement that would otherwise apply  
80 under the pension plan.

81 e. The calculation must disregard vesting requirements and  
82 early retirement reduction factors that would otherwise apply  
83 under the pension plan.

84 2. For each member who elects to transfer moneys from the  
85 pension plan to his or her account in the investment plan, the  
86 division shall recompute the amount transferred under  
87 subparagraph 1. within 60 days after the actual transfer of  
88 funds based upon the member's actual creditable service and  
89 actual final average compensation as of the initial date of  
90 participation in the investment plan. If the recomputed amount

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91 differs from the amount transferred by \$10 or more, the division  
92 shall:

93 a. Transfer, or cause to be transferred, from the Florida  
94 Retirement System Trust Fund to the member's account the excess,  
95 if any, of the recomputed amount over the previously transferred  
96 amount together with interest from the initial date of transfer  
97 to the date of transfer under this subparagraph, based upon the  
98 effective annual interest equal to the assumed return on the  
99 actuarial investment which was used in the most recent actuarial  
100 valuation of the system, compounded annually.

101 b. Transfer, or cause to be transferred, from the member's  
102 account to the Florida Retirement System Trust Fund the excess,  
103 if any, of the previously transferred amount over the recomputed  
104 amount, together with interest from the initial date of transfer  
105 to the date of transfer under this subparagraph, based upon 6  
106 percent effective annual interest, compounded annually, pro rata  
107 based on the member's allocation plan.

108 3. If contribution adjustments are made as a result of  
109 employer errors or corrections, including plan corrections,  
110 following recomputation of the amount transferred under  
111 subparagraph 1., the member is entitled to the additional  
112 contributions or is responsible for returning any excess  
113 contributions resulting from the correction. However, a ~~any~~  
114 return of such erroneous excess pretax contribution by the plan  
115 must be made within the period allowed by the Internal Revenue

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116 Service. The present value of the member's accumulated benefit  
117 obligation may ~~shall~~ not be recalculated.

118 4. As directed by the member, the state board shall  
119 transfer or cause to be transferred the appropriate amounts to  
120 the designated accounts within 30 days after the effective date  
121 of the member's participation in the investment plan unless the  
122 major financial markets for securities available for a transfer  
123 are seriously disrupted by an unforeseen event that causes the  
124 suspension of trading on a ~~any~~ national securities exchange in  
125 the country where the securities were issued. In that event, the  
126 30-day period may be extended by a resolution of the state  
127 board. Transfers are not commissionable or subject to other fees  
128 and may be in the form of securities or cash, as determined by  
129 the state board. Such securities are valued as of the date of  
130 receipt in the member's account.

131 5. If the state board or the division receives  
132 notification from the United States Internal Revenue Service  
133 that this paragraph or any portion of this paragraph will cause  
134 the retirement system, or a portion thereof, to be disqualified  
135 for tax purposes under the Internal Revenue Code, the portion  
136 that will cause the disqualification does not apply. Upon such  
137 notice, the state board and the division shall notify the  
138 presiding officers of the Legislature.

139 (4) PARTICIPATION; ENROLLMENT.—

140 (a)1. Effective June 1, 2002, through February 28, 2003, a  
141 90-day election period was provided to each eligible employee

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142 participating in the Florida Retirement System, preceded by a  
143 90-day education period, permitting each eligible employee to  
144 elect membership in the investment plan. An employee who failed  
145 to elect the investment plan during the election period remained  
146 in the pension plan. An eligible employee who was employed in a  
147 regularly established position during the election period was  
148 granted the option to make one subsequent election, as provided  
149 in paragraph (f). With respect to an eligible employee who did  
150 not participate in the initial election period or who is  
151 initially employed in a regularly established position after the  
152 close of the initial election period but before July 1, 2017, ~~on~~  
153 June 1, 2002, by a state employer:

154 ~~a. Any such employee may elect to participate in the~~  
155 ~~investment plan in lieu of retaining his or her membership in~~  
156 ~~the pension plan. The election must be made in writing or by~~  
157 ~~electronic means and must be filed with the third-party~~  
158 ~~administrator by August 31, 2002, or, in the case of an active~~  
159 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
160 ~~last business day of the 5th month following the month the leave~~  
161 ~~of absence concludes. This election is irrevocable, except as~~  
162 ~~provided in paragraph (g). Upon making such election, the~~  
163 ~~employee shall be enrolled as a member of the investment plan,~~  
164 ~~the employee's membership in the Florida Retirement System is~~  
165 ~~governed by the provisions of this part, and the employee's~~  
166 ~~membership in the pension plan terminates. The employee's~~  
167 ~~enrollment in the investment plan is effective the first day of~~

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168 ~~the month for which a full month's employer contribution is made~~  
169 ~~to the investment plan.~~

170 ~~b. Any such employee who fails to elect to participate in~~  
171 ~~the investment plan within the prescribed time period is deemed~~  
172 ~~to have elected to retain membership in the pension plan, and~~  
173 ~~the employee's option to elect to participate in the investment~~  
174 ~~plan is forfeited.~~

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

179 ~~a. Any such employee shall, by default, be enrolled in the~~  
180 ~~pension plan at the commencement of employment, and may, by the~~  
181 ~~last business day of the 5th month following the employee's~~  
182 ~~month of hire, elect to participate in the investment plan. The~~  
183 ~~employee's election must be made in writing or by electronic~~  
184 ~~means and must be filed with the third-party administrator. The~~  
185 ~~election to participate in the investment plan is irrevocable,~~  
186 ~~except as provided in paragraph (f) ~~(g)~~.~~

187 ~~a.b.~~ If the employee files such election within the  
188 prescribed time period, enrollment in the investment plan is  
189 effective on the first day of employment. The retirement  
190 contributions paid through the month of the employee plan change  
191 shall be transferred to the investment program, and, effective  
192 the first day of the next month, the employer and employee must

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193 pay the applicable contributions based on the employee  
194 membership class in the program.

195 ~~b.e.~~ An employee who fails to elect to participate in the  
196 investment plan within the prescribed time period is deemed to  
197 have elected to retain membership in the pension plan, and the  
198 employee's option to elect to participate in the investment plan  
199 is forfeited.

200 ~~2.3.~~ With respect to employees who become eligible to  
201 participate in the investment plan pursuant to s.  
202 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
203 participate in the investment plan in lieu of retaining his or  
204 her membership in the State Community College System Optional  
205 Retirement Program or the State University System Optional  
206 Retirement Program. The election must be made in writing or by  
207 electronic means and must be filed with the third-party  
208 administrator. This election is irrevocable, except as provided  
209 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
210 shall be enrolled as a member in the investment plan, the  
211 employee's membership in the Florida Retirement System is  
212 governed by the provisions of this part, and the employee's  
213 participation in the State Community College System Optional  
214 Retirement Program or the State University System Optional  
215 Retirement Program terminates. The employee's enrollment in the  
216 investment plan is effective on the first day of the month for  
217 which a full month's employer and employee contribution is made  
218 to the investment plan.

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219       (b)1. With respect to employees who become eligible to  
 220 participate in the investment plan by reason of employment in a  
 221 regularly established position commencing on or after July 1,  
 222 2017, or who did not complete an election window before July 1,  
 223 2017, any such employee shall be enrolled in the pension plan at  
 224 the commencement of employment and may, by the last business day  
 225 of the 8th month following the employee's month of hire, elect  
 226 to participate in the pension plan or the investment plan.  
 227 Eligible employees may make a plan election only if they are  
 228 earning service credit in an employer-employee relationship  
 229 consistent with s. 121.021(17)(b), excluding leaves of absence  
 230 without pay.

231       2. The employee's election must be made in writing or by  
 232 electronic means and must be filed with the third-party  
 233 administrator. The election to participate in the pension plan  
 234 or investment plan is irrevocable, except as provided in  
 235 paragraph (f).

236       3. Effective the first day of the month after an eligible  
 237 employee makes a plan election of the pension plan or investment  
 238 plan, the employee and employer shall pay the

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**D I R E C T O R Y   A M E N D M E N T**

Remove line 408 and insert:

Section 5. Paragraph (e) of subsection (2),

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246

**T I T L E   A M E N D M E N T**

247

Remove lines 44-46 and insert:

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pension plan; conforming provisions to

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