

By Senator Brandes

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1 A bill to be entitled
 2 An act relating to local government participation in
 3 the Florida Retirement System; amending s. 121.051,
 4 F.S.; providing that employees of a governing body of
 5 a municipality, metropolitan planning organization, or
 6 special district that applies to participate in the
 7 Florida Retirement System on or after a certain date
 8 may enroll only in the defined contribution program;
 9 authorizing enrollment in the pension plan for
 10 employees of governing bodies that have elected or
 11 applied to participate in the Florida Retirement
 12 System before a certain date; providing for
 13 retroactive application; providing an effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:
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17 Section 1. Paragraph (b) of subsection (2) of section
 18 121.051, Florida Statutes, is amended to read:

19 121.051 Participation in the system.—

20 (2) OPTIONAL PARTICIPATION.—

21 (b)1. The governing body of any municipality, metropolitan
 22 planning organization, or special district in the state may
 23 elect to participate in the Florida Retirement System upon
 24 proper application to the administrator and may cover all of its
 25 units as approved by the Secretary of Health and Human Services
 26 and the administrator. The department shall adopt rules
 27 establishing procedures for the submission of documents
 28 necessary for such application. Before being approved for
 29 participation in the system, the governing body of a
 30 municipality, metropolitan planning organization, or special
 31 district that has a local retirement system must submit to the
 32 administrator a certified financial statement showing the

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33 condition of the local retirement system within 3 months before
34 the proposed effective date of membership in the Florida
35 Retirement System. The statement must be certified by a
36 recognized accounting firm that is independent of the local
37 retirement system. All required documents necessary for
38 extending Florida Retirement System coverage must be received by
39 the department for consideration at least 15 days before the
40 proposed effective date of coverage. If the municipality,
41 metropolitan planning organization, or special district does not
42 comply with this requirement, the department may require that
43 the effective date of coverage be changed.

44 2. A municipality, metropolitan planning organization, or
45 special district that has an existing retirement system covering
46 the employees in the units that are to be brought under the
47 Florida Retirement System may participate only after holding a
48 referendum in which all employees in the affected units have the
49 right to participate. Only those employees electing coverage
50 under the Florida Retirement System by affirmative vote in the
51 referendum are eligible for coverage under this chapter, and
52 those not participating or electing not to be covered by the
53 Florida Retirement System shall remain in their present systems
54 and are not eligible for coverage under this chapter. After the
55 referendum is held, all future employees are compulsory members
56 of the Florida Retirement System.

57 3. At the time of joining the Florida Retirement System,
58 the governing body of a municipality, metropolitan planning
59 organization, or special district complying with subparagraph 1.
60 may elect to provide, or not provide, benefits based on past
61 service of officers and employees as described in s. 121.081(1).

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62 However, if such employer elects to provide past service
63 benefits, such benefits must be provided for all officers and
64 employees of its covered group.

65 4. Once this election is made and approved it may not be
66 revoked, except pursuant to subparagraphs 6. and 7. ~~5. and 6.~~,
67 and all present officers and employees electing coverage and all
68 future officers and employees are compulsory members of the
69 Florida Retirement System.

70 5. Enrollment in the pension plan is closed to the
71 employees of a governing body of any municipality, metropolitan
72 planning organization, or special district that submits an
73 application to the administrator to participate in the Florida
74 Retirement System pursuant to this paragraph on or after January
75 1, 2017. On or after January 1, 2017, such employees shall be
76 enrolled in the defined contribution program established
77 pursuant to s. 121.4501. Employees of a governing body
78 participating, or that has applied to participate, in the
79 Florida Retirement System before January 1, 2017, may continue
80 or choose enrollment in the pension plan.

81 ~~6.5.~~ Subject to subparagraph 7. 6., the governing body of a
82 hospital licensed under chapter 395 which is governed by the
83 governing body of a special district as defined in s. 189.012 or
84 by the board of trustees of a public health trust created under
85 s. 154.07, hereinafter referred to as "hospital district," and
86 which participates in the Florida Retirement System, may elect
87 to cease participation in the system with regard to future
88 employees in accordance with the following:

89 a. No more than 30 days and at least 7 days before adopting
90 a resolution to partially withdraw from the system and establish

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91 an alternative retirement plan for future employees, a public
92 hearing must be held on the proposed withdrawal and proposed
93 alternative plan.

94 b. From 7 to 15 days before such hearing, notice of intent
95 to withdraw, specifying the time and place of the hearing, must
96 be provided in writing to employees of the hospital district
97 proposing partial withdrawal and must be published in a
98 newspaper of general circulation in the area affected, as
99 provided by ss. 50.011-50.031. Proof of publication must be
100 submitted to the Department of Management Services.

101 c. The governing body of a hospital district seeking to
102 partially withdraw from the system must, before such hearing,
103 have an actuarial report prepared and certified by an enrolled
104 actuary, as defined in s. 112.625, illustrating the cost to the
105 hospital district of providing, through the retirement plan that
106 the hospital district is to adopt, benefits for new employees
107 comparable to those provided under the system.

108 d. Upon meeting all applicable requirements of this
109 subparagraph, and subject to subparagraph 7. 6., partial
110 withdrawal from the system and adoption of the alternative
111 retirement plan may be accomplished by resolution duly adopted
112 by the hospital district board. The hospital district board must
113 provide written notice of such withdrawal to the division by
114 mailing a copy of the resolution to the division, postmarked by
115 December 15, 1995. The withdrawal shall take effect January 1,
116 1996.

117 7.6. Following the adoption of a resolution under sub-
118 subparagraph 6.d. ~~5.d.~~, all employees of the withdrawing
119 hospital district who were members of the system before January

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120 1, 1996, shall remain as members of the system for as long as
121 they are employees of the hospital district, and all rights,
122 duties, and obligations between the hospital district, the
123 system, and the employees remain in full force and effect. Any
124 employee who is hired or appointed on or after January 1, 1996,
125 may not participate in the system, and the withdrawing hospital
126 district has no obligation to the system with respect to such
127 employees.

128 Section 2. This act shall apply retroactively to January 1,
129 2017.

130 Section 3. This act shall take effect upon becoming a law.