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1                   A bill to be entitled  
2     An act relating to public employees; amending s.  
3     110.123, F.S.; revising applicability of certain  
4     definitions; defining the term "plan year";  
5     authorizing the state group insurance program to  
6     include additional benefits; authorizing an employee  
7     to use a specified portion of the state's contribution  
8     to purchase additional program benefits and  
9     supplemental benefits under certain circumstances;  
10    providing for the program to offer health plans in  
11    specified benefit levels; requiring the Department of  
12    Management Services to develop a plan for  
13    implementation of the benefit levels; providing  
14    reporting requirements; providing for expiration of  
15    the implementation plan; creating s. 110.12303, F.S.;  
16    authorizing additional benefits to be included in the  
17    program; requiring the department to contract with at  
18    least one entity that provides comprehensive pricing  
19    and inclusive services for surgery and other medical  
20    procedures; providing contract and reporting  
21    requirements; requiring the department to contract  
22    with an entity to provide enrollees with online  
23    information on health care services and providers;  
24    providing contract and reporting requirements;  
25    creating s. 110.12304, F.S.; requiring that the  
26    department procure an independent benefits consultant;  
27    providing qualifications and duties of the independent  
28    benefits consultant; providing reporting requirements;  
29    requiring that the department, for informational

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30 purposes only, calculate alternative premiums for  
31 enrollees for the 2018 plan year; providing  
32 requirements for the determination of premiums;  
33 requiring the department to report alternative premium  
34 rates to the Governor and the Legislature by a certain  
35 date; requiring that the department determine and  
36 recommend premiums for enrollees for the 2019 plan  
37 year; providing requirements for the determination of  
38 premiums; requiring premium rates to be consistent  
39 with the total budgeted amount for the program in the  
40 General Appropriations Act for the 2018-2019 fiscal  
41 year; requiring the department to report premium rates  
42 to the Governor and the Legislature by a certain date;  
43 providing an appropriation and authorizing positions;  
44 amending s. 121.053, F.S.; authorizing renewed  
45 membership in the Florida Retirement System for  
46 retirees who are reemployed in a position eligible for  
47 the Elected Officers' Class under certain  
48 circumstances; amending s. 121.055, F.S.; providing  
49 for renewed membership in the retirement system for  
50 retirees of the Senior Management Service Optional  
51 Annuity Program who are reemployed on or after a  
52 specified date; closing the Senior Management Service  
53 Optional Annuity Program to new members after a  
54 specified date; amending s. 121.091, F.S.; revising  
55 criteria for eligibility of payment of death benefits  
56 to the surviving children of a Special Risk Class  
57 member killed in the line of duty under specified  
58 circumstances; conforming a provision to changes made

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59 by the act; amending s. 121.122, F.S.; requiring that  
60 certain retirees who are reemployed on or after a  
61 specified date be renewed members in the investment  
62 plan; providing exceptions; specifying that creditable  
63 service does not accrue for employment during a  
64 specified period; prohibiting certain funds from being  
65 paid into a renewed member's investment plan account  
66 for a specified period of employment; requiring the  
67 renewed member to satisfy vesting requirements;  
68 prohibiting a renewed member from receiving specified  
69 disability benefits; specifying limitations and  
70 requirements; requiring the employer and the retiree  
71 to make applicable contributions to the renewed  
72 member's investment plan account; providing for the  
73 transfer of contributions; authorizing a renewed  
74 member to receive additional credit toward the health  
75 insurance subsidy under certain circumstances;  
76 prohibiting participation in the pension plan;  
77 providing that a retiree reemployed on or after a  
78 specified date in a regularly established position  
79 eligible for the State University System Optional  
80 Retirement Program or State Community College System  
81 Optional Retirement Program is a renewed member of  
82 that program; specifying limitations and requirements;  
83 requiring the employer and the retiree to make  
84 applicable contributions; amending s. 121.4501, F.S.;  
85 revising definitions; revising a provision relating to  
86 acknowledgement of an employee's election to  
87 participate in the investment plan; enrolling certain

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88 employees in the pension plan from their date of hire  
89 until they are automatically enrolled in the  
90 investment plan or timely elect enrollment in the  
91 pension plan; creating an exception for special risk  
92 class members; conforming provisions to changes made  
93 by the act; revising requirements related to the  
94 education component; amending s. 121.591, F.S.;  
95 authorizing payment of death benefits to the surviving  
96 spouse or surviving children of a member in the  
97 investment plan; establishing qualifications and  
98 eligibility requirements for receipt of such benefits;  
99 prescribing the method of calculating the benefit;  
100 specifying circumstances under which benefit payments  
101 are terminated; amending s. 121.5912, F.S.; revising a  
102 provision regarding program qualification under the  
103 Internal Revenue Code and rulemaking authority, to  
104 conform to changes made by the act; amending s.  
105 121.71, F.S.; revising required employer retirement  
106 contribution rates for each membership class and  
107 subclass of the Florida Retirement System; amending s.  
108 121.735, F.S.; revising allocations to fund line-of-  
109 duty death benefits for investment plan members, to  
110 conform to changes made by the act; declaring that the  
111 act fulfills an important state interest; providing a  
112 purpose and legislative intent with respect to  
113 provisions governing salary and benefit adjustments  
114 for specified state employees; providing for  
115 compensation adjustments for specified law enforcement  
116 personnel, the Department of Corrections, certain

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117 judicial officers, commissioners, and designated  
118 employees, and other state employees and officers;  
119 authorizing the use of specified pay additives and  
120 other incentive programs for the 2017-2018 fiscal  
121 year; providing appropriations to fund the salary and  
122 benefit adjustments; requiring the Office of Policy  
123 and Budget in the Executive Office of the Governor, in  
124 consultation with the Legislature, to distribute funds  
125 and budget authority; providing effective dates.  
126

127 Be It Enacted by the Legislature of the State of Florida:  
128

129 Section 1. Subsection (2) and paragraphs (b), (f), (h), and  
130 (j) of subsection (3) of section 110.123, Florida Statutes, are  
131 amended, and paragraph (k) is added to subsection (3) of that  
132 section, to read:

133 110.123 State group insurance program.—

134 (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~  
135 ~~section~~, the term:

136 (a) "Department" means the Department of Management  
137 Services.

138 (b) "Enrollee" means all state officers and employees,  
139 retired state officers and employees, surviving spouses of  
140 deceased state officers and employees, and terminated employees  
141 or individuals with continuation coverage who are enrolled in an  
142 insurance plan offered by the state group insurance program.

143 "Enrollee" includes all state university officers and employees,  
144 retired state university officers and employees, surviving  
145 spouses of deceased state university officers and employees, and

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146 terminated state university employees or individuals with  
147 continuation coverage who are enrolled in an insurance plan  
148 offered by the state group insurance program.

149 (c) "Full-time state employees" means employees of all  
150 branches or agencies of state government holding salaried  
151 positions who are paid by state warrant or from agency funds and  
152 who work or are expected to work an average of at least 30 or  
153 more hours per week; employees paid from regular salary  
154 appropriations for 8 months' employment, including university  
155 personnel on academic contracts; and employees paid from other-  
156 personal-services (OPS) funds as described in subparagraphs 1.  
157 and 2. The term includes all full-time employees of the state  
158 universities. The term does not include seasonal workers who are  
159 paid from OPS funds.

160 1. For persons hired before April 1, 2013, the term  
161 includes any person paid from OPS funds who:

162 a. Has worked an average of at least 30 hours or more per  
163 week during the initial measurement period from April 1, 2013,  
164 through September 30, 2013; or

165 b. Has worked an average of at least 30 hours or more per  
166 week during a subsequent measurement period.

167 2. For persons hired after April 1, 2013, the term includes  
168 any person paid from OPS funds who:

169 a. Is reasonably expected to work an average of at least 30  
170 hours or more per week; or

171 b. Has worked an average of at least 30 hours or more per  
172 week during the person's measurement period.

173 (d) "Health maintenance organization" or "HMO" means an  
174 entity certified under part I of chapter 641.

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175 (e) "Health plan member" means any person participating in  
176 a state group health insurance plan, a TRICARE supplemental  
177 insurance plan, or a health maintenance organization plan under  
178 the state group insurance program, including enrollees and  
179 covered dependents thereof.

180 (f) "Part-time state employee" means an employee of any  
181 branch or agency of state government paid by state warrant from  
182 salary appropriations or from agency funds, and who is employed  
183 for less than an average of 30 hours per week or, if on academic  
184 contract or seasonal or other type of employment which is less  
185 than year-round, is employed for less than 8 months during any  
186 12-month period, but does not include a person paid from other-  
187 personal-services (OPS) funds. The term includes all part-time  
188 employees of the state universities.

189 (g) "Plan year" means a calendar year.

190 (h)~~(g)~~ "Retired state officer or employee" or "retiree"  
191 means any state or state university officer or employee who  
192 retires under a state retirement system or a state optional  
193 annuity or retirement program or is placed on disability  
194 retirement, and who was insured under the state group insurance  
195 program at the time of retirement, and who begins receiving  
196 retirement benefits immediately after retirement from state or  
197 state university office or employment. The term also includes  
198 any state officer or state employee who retires under the  
199 Florida Retirement System Investment Plan established under part  
200 II of chapter 121 if he or she:

- 201 1. Meets the age and service requirements to qualify for  
202 normal retirement as set forth in s. 121.021(29); or  
203 2. Has attained the age specified by s. 72(t)(2)(A)(i) of

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204 the Internal Revenue Code and has 6 years of creditable service.

205 (i)~~(h)~~ "State agency" or "agency" means any branch,  
206 department, or agency of state government. "State agency" or  
207 "agency" includes any state university for purposes of this  
208 section only.

209 (j)~~(i)~~ "Seasonal workers" has the same meaning as provided  
210 under 29 C.F.R. s. 500.20(s)(1).

211 (k)~~(j)~~ "State group health insurance plan or plans" or  
212 "state plan or plans" mean the state self-insured health  
213 insurance plan or plans offered to state officers and employees,  
214 retired state officers and employees, and surviving spouses of  
215 deceased state officers and employees pursuant to this section.

216 (l)~~(k)~~ "State-contracted HMO" means any health maintenance  
217 organization under contract with the department to participate  
218 in the state group insurance program.

219 (m)~~(l)~~ "State group insurance program" or "programs" means  
220 the package of insurance plans offered to state officers and  
221 employees, retired state officers and employees, and surviving  
222 spouses of deceased state officers and employees pursuant to  
223 this section, including the state group health insurance plan or  
224 plans, health maintenance organization plans, TRICARE  
225 supplemental insurance plans, and other plans required or  
226 authorized by law.

227 (n)~~(m)~~ "State officer" means any constitutional state  
228 officer, any elected state officer paid by state warrant, or any  
229 appointed state officer who is commissioned by the Governor and  
230 who is paid by state warrant.

231 (o)~~(n)~~ "Surviving spouse" means the widow or widower of a  
232 deceased state officer, full-time state employee, part-time



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233 state employee, or retiree if such widow or widower was covered  
234 as a dependent under the state group health insurance plan,~~a~~  
235 TRICARE supplemental insurance plan, or a health maintenance  
236 organization plan established pursuant to this section at the  
237 time of the death of the deceased officer, employee, or retiree.  
238 "Surviving spouse" also means any widow or widower who is  
239 receiving or eligible to receive a monthly state warrant from a  
240 state retirement system as the beneficiary of a state officer,  
241 full-time state employee, or retiree who died prior to July 1,  
242 1979. For the purposes of this section, any such widow or  
243 widower shall cease to be a surviving spouse upon his or her  
244 remarriage.

245 (p)~~(e)~~ "TRICARE supplemental insurance plan" means the  
246 Department of Defense Health Insurance Program for eligible  
247 members of the uniformed services authorized by 10 U.S.C. s.  
248 1097.

249 (3) STATE GROUP INSURANCE PROGRAM.—

250 (b) It is the intent of the Legislature to offer a  
251 comprehensive package of health insurance and retirement  
252 benefits and a personnel system for state employees which are  
253 provided in a cost-efficient and prudent manner, and to allow  
254 state employees the option to choose benefit plans which best  
255 suit their individual needs. ~~Therefore,~~ The state group  
256 insurance program ~~is established which~~ may include the state  
257 group health insurance plan or plans, health maintenance  
258 organization plans, group life insurance plans, TRICARE  
259 supplemental insurance plans, group accidental death and  
260 dismemberment plans, ~~and~~ group disability insurance plans,—  
261 ~~Furthermore, the department is additionally authorized to~~

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262 ~~establish and provide as part of the state group insurance~~  
263 ~~program any other group insurance plans or coverage choices, and~~  
264 ~~other benefits authorized by law that are consistent with the~~  
265 ~~provisions of this section.~~

266 (f) Except as provided for in subparagraph (h)2., the state  
267 contribution toward the cost of any plan in the state group  
268 insurance program shall be uniform with respect to all state  
269 employees in a state collective bargaining unit participating in  
270 the same coverage tier in the same plan. This section does not  
271 prohibit the development of separate benefit plans for officers  
272 and employees exempt from the career service or the development  
273 of separate benefit plans for each collective bargaining unit.  
274 For the 2020 plan year and each plan year thereafter, if the  
275 state's contribution is more than the premium cost of the health  
276 plan selected by the employee, subject to federal limitation,  
277 the employee may elect to have the balance:

- 278 1. Credited to the employee's flexible spending account;
- 279 2. Credited to the employee's health savings account;
- 280 3. Used to purchase additional benefits offered through the  
281 state group insurance program; or
- 282 4. Used to increase the employee's salary.

283 (h)1. A person eligible to participate in the state group  
284 insurance program may be authorized by rules adopted by the  
285 department, in lieu of participating in the state group health  
286 insurance plan, to exercise an option to elect membership in a  
287 health maintenance organization plan which is under contract  
288 with the state in accordance with criteria established by this  
289 section and by said rules. The offer of optional membership in a  
290 health maintenance organization plan permitted by this paragraph

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291 may be limited or conditioned by rule as may be necessary to  
292 meet the requirements of state and federal laws.

293 2. The department shall contract with health maintenance  
294 organizations seeking to participate in the state group  
295 insurance program through a request for proposal or other  
296 procurement process, as developed by the Department of  
297 Management Services and determined to be appropriate.

298 a. The department shall establish a schedule of minimum  
299 benefits for health maintenance organization coverage, and that  
300 schedule shall include: physician services; inpatient and  
301 outpatient hospital services; emergency medical services,  
302 including out-of-area emergency coverage; diagnostic laboratory  
303 and diagnostic and therapeutic radiologic services; mental  
304 health, alcohol, and chemical dependency treatment services  
305 meeting the minimum requirements of state and federal law;  
306 skilled nursing facilities and services; prescription drugs;  
307 age-based and gender-based wellness benefits; and other benefits  
308 as may be required by the department. Additional services may be  
309 provided subject to the contract between the department and the  
310 HMO. As used in this paragraph, the term "age-based and gender-  
311 based wellness benefits" includes aerobic exercise, education in  
312 alcohol and substance abuse prevention, blood cholesterol  
313 screening, health risk appraisals, blood pressure screening and  
314 education, nutrition education, program planning, safety belt  
315 education, smoking cessation, stress management, weight  
316 management, and women's health education.

317 b. The department may establish uniform deductibles,  
318 copayments, coverage tiers, or coinsurance schedules for all  
319 participating HMO plans.

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320 c. The department may require detailed information from  
321 each health maintenance organization participating in the  
322 procurement process, including information pertaining to  
323 organizational status, experience in providing prepaid health  
324 benefits, accessibility of services, financial stability of the  
325 plan, quality of management services, accreditation status,  
326 quality of medical services, network access and adequacy,  
327 performance measurement, ability to meet the department's  
328 reporting requirements, and the actuarial basis of the proposed  
329 rates and other data determined by the director to be necessary  
330 for the evaluation and selection of health maintenance  
331 organization plans and negotiation of appropriate rates for  
332 these plans. Upon receipt of proposals by health maintenance  
333 organization plans and the evaluation of those proposals, the  
334 department may enter into negotiations with all of the plans or  
335 a subset of the plans, as the department determines appropriate.  
336 Nothing shall preclude the department from negotiating regional  
337 or statewide contracts with health maintenance organization  
338 plans when this is cost-effective and when the department  
339 determines that the plan offers high value to enrollees.

340 d. The department may limit the number of HMOs that it  
341 contracts with in each service area based on the nature of the  
342 bids the department receives, the number of state employees in  
343 the service area, or any unique geographical characteristics of  
344 the service area. The department shall establish by rule service  
345 areas throughout the state.

346 e. All persons participating in the state group insurance  
347 program may be required to contribute towards a total state  
348 group health premium that may vary depending upon the plan,

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349 coverage level, and coverage tier selected by the enrollee and  
350 the level of state contribution authorized by the Legislature.

351 3. The department is authorized to negotiate and to  
352 contract with specialty psychiatric hospitals for mental health  
353 benefits, on a regional basis, for alcohol, drug abuse, and  
354 mental and nervous disorders. The department may establish,  
355 subject to the approval of the Legislature pursuant to  
356 subsection (5), any such regional plan upon completion of an  
357 actuarial study to determine any impact on plan benefits and  
358 premiums.

359 4. In addition to contracting pursuant to subparagraph 2.,  
360 the department may enter into contract with any HMO to  
361 participate in the state group insurance program which:

362 a. Serves greater than 5,000 recipients on a prepaid basis  
363 under the Medicaid program;

364 b. Does not currently meet the 25-percent non-Medicare/non-  
365 Medicaid enrollment composition requirement established by the  
366 Department of Health excluding participants enrolled in the  
367 state group insurance program;

368 c. Meets the minimum benefit package and copayments and  
369 deductibles contained in sub-subparagraphs 2.a. and b.;

370 d. Is willing to participate in the state group insurance  
371 program at a cost of premiums that is not greater than 95  
372 percent of the cost of HMO premiums accepted by the department  
373 in each service area; and

374 e. Meets the minimum surplus requirements of s. 641.225.

375

376 The department is authorized to contract with HMOs that meet the  
377 requirements of sub-subparagraphs a.-d. prior to the open

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378 enrollment period for state employees. The department is not  
379 required to renew the contract with the HMOs as set forth in  
380 this paragraph more than twice. Thereafter, the HMOs shall be  
381 eligible to participate in the state group insurance program  
382 only through the request for proposal or invitation to negotiate  
383 process described in subparagraph 2.

384 5. All enrollees in a state group health insurance plan, a  
385 TRICARE supplemental insurance plan, or any health maintenance  
386 organization plan have the option of changing to any other  
387 health plan that is offered by the state within any open  
388 enrollment period designated by the department. Open enrollment  
389 shall be held at least once each calendar year.

390 6. When a contract between a treating provider and the  
391 state-contracted health maintenance organization is terminated  
392 for any reason other than for cause, each party shall allow any  
393 enrollee for whom treatment was active to continue coverage and  
394 care when medically necessary, through completion of treatment  
395 of a condition for which the enrollee was receiving care at the  
396 time of the termination, until the enrollee selects another  
397 treating provider, or until the next open enrollment period  
398 offered, whichever is longer, but no longer than 6 months after  
399 termination of the contract. Each party to the terminated  
400 contract shall allow an enrollee who has initiated a course of  
401 prenatal care, regardless of the trimester in which care was  
402 initiated, to continue care and coverage until completion of  
403 postpartum care. This does not prevent a provider from refusing  
404 to continue to provide care to an enrollee who is abusive,  
405 noncompliant, or in arrears in payments for services provided.  
406 For care continued under this subparagraph, the program and the

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407 provider shall continue to be bound by the terms of the  
408 terminated contract. Changes made within 30 days before  
409 termination of a contract are effective only if agreed to by  
410 both parties.

411 7. Any HMO participating in the state group insurance  
412 program shall submit health care utilization and cost data to  
413 the department, in such form and in such manner as the  
414 department shall require, as a condition of participating in the  
415 program. The department shall enter into negotiations with its  
416 contracting HMOs to determine the nature and scope of the data  
417 submission and the final requirements, format, penalties  
418 associated with noncompliance, and timetables for submission.  
419 These determinations shall be adopted by rule.

420 8. The department may establish and direct, with respect to  
421 collective bargaining issues, a comprehensive package of  
422 insurance benefits that may include supplemental health and life  
423 coverage, dental care, long-term care, vision care, and other  
424 benefits it determines necessary to enable state employees to  
425 select from among benefit options that best suit their  
426 individual and family needs. Beginning with the 2018 plan year,  
427 the package of benefits may also include products and services  
428 described in s. 110.12303.

429 a. Based upon a desired benefit package, the department  
430 shall issue a request for proposal or invitation to negotiate  
431 for ~~health insurance~~ providers interested in participating in  
432 the state group insurance program, and the department shall  
433 issue a request for proposal or invitation to negotiate for  
434 ~~insurance~~ providers interested in participating in the non-  
435 health-related components of the state group insurance program.

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436 Upon receipt of all proposals, the department may enter into  
437 contract negotiations with ~~insurance~~ providers submitting bids  
438 or negotiate a specially designed benefit package. ~~Insurance~~  
439 Providers offering or providing supplemental coverage as of May  
440 30, 1991, which qualify for pretax benefit treatment pursuant to  
441 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more  
442 state employees currently enrolled may be included by the  
443 department in the supplemental insurance benefit plan  
444 established by the department without participating in a request  
445 for proposal, submitting bids, negotiating contracts, or  
446 negotiating a specially designed benefit package. These  
447 contracts shall provide state employees with the most cost-  
448 effective and comprehensive coverage available; however, except  
449 as provided in subparagraph (f)3., no state or agency funds  
450 shall be contributed toward the cost of any part of the premium  
451 of such supplemental benefit plans. With respect to dental  
452 coverage, the division shall include in any solicitation or  
453 contract for any state group dental program made after July 1,  
454 2001, a comprehensive indemnity dental plan option which offers  
455 enrollees a completely unrestricted choice of dentists. If a  
456 dental plan is endorsed, or in some manner recognized as the  
457 preferred product, such plan shall include a comprehensive  
458 indemnity dental plan option which provides enrollees with a  
459 completely unrestricted choice of dentists.

460 b. Pursuant to the applicable provisions of s. 110.161, and  
461 s. 125 of the Internal Revenue Code of 1986, the department  
462 shall enroll in the pretax benefit program those state employees  
463 who voluntarily elect coverage in any of the supplemental  
464 insurance benefit plans as provided by sub-subparagraph a.



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465 c. Nothing herein contained shall be construed to prohibit  
466 insurance providers from continuing to provide or offer  
467 supplemental benefit coverage to state employees as provided  
468 under existing agency plans.

469 (j) For the 2020 plan year and each plan year thereafter,  
470 health plans shall be offered in the following benefit levels:

471 1. Platinum level, which shall have an actuarial value of  
472 at least 90 percent.

473 2. Gold level, which shall have an actuarial value of at  
474 least 80 percent.

475 3. Silver level, which shall have an actuarial value of at  
476 least 70 percent.

477 4. Bronze level, which shall have an actuarial value of at  
478 least 60 percent ~~Notwithstanding paragraph (f) requiring uniform~~  
479 ~~contributions, and for the 2011-2012 fiscal year only, the state~~  
480 ~~contribution toward the cost of any plan in the state group~~  
481 ~~insurance plan is the difference between the overall premium and~~  
482 ~~the employee contribution. This subsection expires June 30,~~  
483 ~~2012.~~

484 (k) In consultation with the independent benefits  
485 consultant described in s. 110.12304, the department shall  
486 develop a plan for implementation of the benefit levels  
487 described in paragraph (j). The plan shall be submitted to the  
488 Governor, the President of the Senate, and the Speaker of the  
489 House of Representatives by January 1, 2019, and include  
490 recommendations for:

491 1. Employer and employee contribution policies.

492 2. Steps necessary for maintaining or improving total  
493 employee compensation levels when the transition is initiated.

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494 3. An education strategy to inform employees of the  
495 additional choices available in the state group insurance  
496 program.

497  
498 This paragraph expires July 1, 2019.

499 Section 2. Section 110.12303, Florida Statutes, is created  
500 to read:

501 110.12303 State group insurance program; additional  
502 benefits; price transparency program; reporting.—Beginning with  
503 the 2018 plan year:

504 (1) In addition to the comprehensive package of health  
505 insurance and other benefits required or authorized to be  
506 included in the state group insurance program, the package of  
507 benefits may also include products and services offered by:

508 (a) Prepaid limited health service organizations authorized  
509 pursuant to part I of chapter 636.

510 (b) Discount medical plan organizations authorized pursuant  
511 to part II of chapter 636.

512 (c) Prepaid health clinics licensed under part II of  
513 chapter 641.

514 (d) Licensed health care providers, including hospitals and  
515 other health care facilities, health care clinics, and health  
516 professionals, who sell service contracts and arrangements for a  
517 specified amount and type of health services.

518 (e) Provider organizations, including service networks,  
519 group practices, professional associations, and other  
520 incorporated organizations of providers, who sell service  
521 contracts and arrangements for a specified amount and type of  
522 health services.

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523 (f) Entities that provide specific health services in  
524 accordance with applicable state law and sell service contracts  
525 and arrangements for a specified amount and type of health  
526 services.

527 (g) Entities that provide health services or treatments  
528 through a bidding process.

529 (h) Entities that provide health services or treatments  
530 through the bundling or aggregating of health services or  
531 treatments.

532 (i) Entities that provide other innovative and cost-  
533 effective health service delivery methods.

534 (2) (a) The department shall contract with at least one  
535 entity that provides comprehensive pricing and inclusive  
536 services for surgery and other medical procedures which may be  
537 accessed at the option of the enrollee. The contract shall  
538 require the entity to:

539 1. Have procedures and evidence-based standards to ensure  
540 the inclusion of only high-quality health care providers.

541 2. Provide assistance to the enrollee in accessing and  
542 coordinating care.

543 3. Provide cost savings to the state group insurance  
544 program to be shared with both the state and the enrollee. Cost  
545 savings payable to an enrollee may be:

546 a. Credited to the enrollee's flexible spending account;

547 b. Credited to the enrollee's health savings account;

548 c. Credited to the enrollee's health reimbursement account;

549 or

550 d. Paid as additional health plan reimbursements not  
551 exceeding the amount of the enrollee's out-of-pocket medical

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552 expenses.

553 4. Provide an educational campaign for enrollees to learn  
554 about the services offered by the entity.

555 (b) On or before January 15 of each year, the department  
556 shall report to the Governor, the President of the Senate, and  
557 the Speaker of the House of Representatives on the participation  
558 level and cost-savings to both the enrollee and the state  
559 resulting from the contract or contracts described in this  
560 subsection.

561 (3) The department shall contract with an entity that  
562 provides enrollees with online information on the cost and  
563 quality of health care services and providers, allows an  
564 enrollee to shop for health care services and providers, and  
565 rewards the enrollee by sharing savings generated by the  
566 enrollee's choice of services or providers. The contract shall  
567 require the entity to:

568 (a) Establish an Internet-based, consumer-friendly platform  
569 that educates and informs enrollees about the price and quality  
570 of health care services and providers, including the average  
571 amount paid in each county for health care services and  
572 providers. The average amounts paid for such services and  
573 providers may be expressed for service bundles, which include  
574 all products and services associated with a particular treatment  
575 or episode of care, or for separate and distinct products and  
576 services.

577 (b) Allow enrollees to shop for health care services and  
578 providers using the price and quality information provided on  
579 the Internet-based platform.

580 (c) Permit a certified bargaining agent of state employees

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581 to provide educational materials and counseling to enrollees  
582 regarding the Internet-based platform.

583 (d) Identify the savings realized to the enrollee and state  
584 if the enrollee chooses high-quality, lower-cost health care  
585 services or providers, and facilitate a shared savings payment  
586 to the enrollee. The amount of shared savings shall be  
587 determined by a methodology approved by the department and shall  
588 maximize value-based purchasing by enrollees. The amount payable  
589 to the enrollee may be:

- 590 1. Credited to the enrollee's flexible spending account;
- 591 2. Credited to the enrollee's health savings account;
- 592 3. Credited to the enrollee's health reimbursement account;

593 or

- 594 4. Paid as additional health plan reimbursements not  
595 exceeding the amount of the enrollee's out-of-pocket medical  
596 expenses.

597 (e) On or before January 1 of 2019, 2020, and 2021, the  
598 department shall report to the Governor, the President of the  
599 Senate, and the Speaker of the House of Representatives on the  
600 participation level, amount paid to enrollees, and cost-savings  
601 to both the enrollees and the state resulting from the  
602 implementation of this subsection.

603 Section 3. Section 110.12304, Florida Statutes, is created  
604 to read:

605 110.12304 Independent benefits consultant.—

606 (1) The department shall competitively procure an  
607 independent benefits consultant.

608 (2) The independent benefits consultant may not:

609 (a) Be owned or controlled by a health maintenance

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610 organization or insurer.

611 (b) Have an ownership interest in a health maintenance  
612 organization or insurer.

613 (c) Have a direct or indirect financial interest in a  
614 health maintenance organization or insurer.

615 (3) The independent benefits consultant must have  
616 substantial experience in consultation and design of employee  
617 benefit programs for large employers and public employers,  
618 including experience with plans that qualify as cafeteria plans  
619 under s. 125 of the Internal Revenue Code of 1986.

620 (4) The independent benefits consultant shall:

621 (a) Provide an ongoing assessment of trends in benefits and  
622 employer-sponsored insurance that affect the state group  
623 insurance program.

624 (b) Conduct a comprehensive analysis of the state group  
625 insurance program, including available benefits, coverage  
626 options, and claims experience.

627 (c) Identify and establish appropriate adjustment  
628 procedures necessary to respond to any risk segmentation that  
629 may occur when increased choices are offered to employees.

630 (d) Assist the department with the submission of any  
631 necessary plan revisions for federal review.

632 (e) Assist the department in ensuring compliance with  
633 applicable federal and state regulations.

634 (f) Assist the department in monitoring the adequacy of  
635 funding and reserves for the state self-insured plan.

636 (g) Assist the department in preparing recommendations for  
637 any modifications to the state group insurance program which  
638 shall be submitted to the Governor, the President of the Senate,

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639 and the Speaker of the House of Representatives by January 1 of  
640 each year.

641 Section 4. For the 2018 plan year, for informational  
642 purposes only, the Department of Management Services shall  
643 calculate alternative premiums for enrollees that reflect the  
644 actual differences in costs to the program for each of the  
645 health maintenance organization and the preferred provider  
646 organization plan options offered in the state group insurance  
647 program for both self-insured and fully insured plans. The  
648 premium alternatives for the plan options shall reflect the  
649 costs to the program for both medical and prescription drug  
650 benefits. By October 1, 2017, the department shall report the  
651 alternative enrollee premium rates for the 2018 plan year to the  
652 Governor, the President of the Senate, and the Speaker of the  
653 House of Representatives.

654 Section 5. For the 2019 plan year, the Department of  
655 Management Services shall determine and recommend premiums for  
656 enrollees that reflect the actual differences in costs to the  
657 program for each of the health maintenance organization and the  
658 preferred provider organization plan options offered in the  
659 state group insurance program for both self-insured and fully  
660 insured plans. The premiums for the plan options shall reflect  
661 the costs to the program for both medical and prescription drug  
662 benefits. The premium rate for employers shall be the same as  
663 those established for the state group insurance program in the  
664 General Appropriations Act for the 2018-2019 fiscal year. By  
665 July 1, 2018, the department shall report the premium rates to  
666 the Governor, the President of the Senate, and the Speaker of  
667 the House of Representatives.

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668           Section 6. (1) For the 2017-2018 fiscal year, the sums of  
669 \$151,216 in recurring funds and \$507,546 in nonrecurring funds  
670 are appropriated from the State Employees Health Insurance Trust  
671 Fund to the Department of Management Services, and two full-time  
672 equivalent positions and associated salary rate of 120,000 are  
673 authorized, for the purpose of implementing this act.

674           (2) (a) The recurring funds appropriated in this section  
675 shall be allocated to the following specific appropriation  
676 categories within the Insurance Benefits Administration Program:  
677 \$150,528 in Salaries and Benefits and \$688 in Special Categories  
678 Transfer to Department of Management Services—Human Resources  
679 Purchased per Statewide Contract.

680           (b) The nonrecurring funds appropriated in this section  
681 shall be allocated to the following specific appropriation  
682 categories: \$500,000 in Special Categories Contracted Services  
683 and \$7,546 in Expenses.

684           Section 7. Paragraph (a) of subsection (3) and subsection  
685 (5) of section 121.053, Florida Statutes, are amended to read:

686           121.053 Participation in the Elected Officers' Class for  
687 retired members.—

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

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

694           (5) Any renewed member, as described in s. 121.122(1), (3),  
695 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
696 receiving the maximum health insurance subsidy provided in s.



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697 112.363 is entitled to earn additional credit toward the maximum  
698 health insurance subsidy. Any additional subsidy due because of  
699 such additional credit may be received only at the time of  
700 payment of the second career retirement benefit. The total  
701 health insurance subsidy received from initial and renewed  
702 membership may not exceed the maximum allowed in s. 112.363.

703 Section 8. Paragraph (f) of subsection (1) and paragraph  
704 (c) of subsection (6) of section 121.055, Florida Statutes, are  
705 amended to read:

706 121.055 Senior Management Service Class.—There is hereby  
707 established a separate class of membership within the Florida  
708 Retirement System to be known as the "Senior Management Service  
709 Class," which shall become effective February 1, 1987.

710 (1)

711 (f) Effective July 1, 1997:

712 1. Except as provided in subparagraph 3., an elected state  
713 officer eligible for membership in the Elected Officers' Class  
714 under s. 121.052(2)(a), (b), or (c) who elects membership in the  
715 Senior Management Service Class under s. 121.052(3)(c) may,  
716 within 6 months after assuming office or within 6 months after  
717 this act becomes a law for serving elected state officers, elect  
718 to participate in the Senior Management Service Optional Annuity  
719 Program, as provided in subsection (6), in lieu of membership in  
720 the Senior Management Service Class.

721 2. Except as provided in subparagraph 3., an elected  
722 officer of a local agency employer eligible for membership in  
723 the Elected Officers' Class under s. 121.052(2)(d) who elects  
724 membership in the Senior Management Service Class under s.  
725 121.052(3)(c) may, within 6 months after assuming office, or

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726 within 6 months after this act becomes a law for serving elected  
727 officers of a local agency employer, elect to withdraw from the  
728 Florida Retirement System, as provided in subparagraph (b)2., in  
729 lieu of membership in the Senior Management Service Class.

730 3. A retiree of a state-administered retirement system who  
731 is initially reemployed in a regularly established position on  
732 or after July 1, 2010, through June 30, 2017, as an elected  
733 official eligible for the Elected Officers' Class may not be  
734 enrolled in renewed membership in the Senior Management Service  
735 Class or in the Senior Management Service Optional Annuity  
736 Program as provided in subsection (6), and may not withdraw from  
737 the Florida Retirement System as a renewed member as provided in  
738 subparagraph (b)2., as applicable, in lieu of membership in the  
739 Senior Management Service Class. Effective July 1, 2017, a  
740 retiree of the Senior Management Service Optional Annuity  
741 Program who is reemployed in a regularly established position  
742 with a covered employer shall be enrolled as a renewed member as  
743 provided in s. 121.122.

744 (6)

745 (c) *Participation.*—

746 1. An eligible employee who is employed on or before  
747 February 1, 1987, may elect to participate in the optional  
748 annuity program in lieu of participating in the Senior  
749 Management Service Class. Such election shall ~~must~~ be made in  
750 writing and filed with the department and the personnel officer  
751 of the employer on or before May 1, 1987. An eligible employee  
752 who is employed on or before February 1, 1987, and who fails to  
753 make an election to participate in the optional annuity program  
754 by May 1, 1987, is ~~shall be~~ deemed to have elected membership in

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755 the Senior Management Service Class.

756 2. Except as provided in subparagraph 6., an employee who  
757 becomes eligible to participate in the optional annuity program  
758 by reason of initial employment commencing after February 1,  
759 1987, may, within 90 days after the date of commencing  
760 employment, elect to participate in the optional annuity  
761 program. Such election shall ~~must~~ be made in writing and filed  
762 with the personnel officer of the employer. An eligible employee  
763 who does not within 90 days after commencing employment elect to  
764 participate in the optional annuity program is ~~shall be~~ deemed  
765 to have elected membership in the Senior Management Service  
766 Class.

767 3. A person who is appointed to a position in the Senior  
768 Management Service Class and who is a member of an existing  
769 retirement system or the Special Risk or Special Risk  
770 Administrative Support Classes of the Florida Retirement System  
771 may elect to remain in such system or class in lieu of  
772 participating in the Senior Management Service Class or optional  
773 annuity program. Such election shall ~~must~~ be made in writing and  
774 filed with the department and the personnel officer of the  
775 employer within 90 days after such appointment. An eligible  
776 employee who fails to make an election to participate in the  
777 existing system, the Special Risk Class of the Florida  
778 Retirement System, the Special Risk Administrative Support Class  
779 of the Florida Retirement System, or the optional annuity  
780 program is ~~shall be~~ deemed to have elected membership in the  
781 Senior Management Service Class.

782 4. Except as provided in subparagraph 5., an employee's  
783 election to participate in the optional annuity program is

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784 irrevocable if the employee continues to be employed in an  
785 eligible position and continues to meet the eligibility  
786 requirements set forth in this paragraph.

787 5. Effective from July 1, 2002, through September 30, 2002,  
788 an active employee in a regularly established position who has  
789 elected to participate in the Senior Management Service Optional  
790 Annuity Program has one opportunity to choose to move from the  
791 Senior Management Service Optional Annuity Program to the  
792 Florida Retirement System Pension Plan.

793 a. The election shall ~~must~~ be made in writing and ~~must be~~  
794 filed with the department and the personnel officer of the  
795 employer before October 1, 2002, or, in the case of an active  
796 employee who is on a leave of absence on July 1, 2002, within 90  
797 days after the conclusion of the leave of absence. This election  
798 is irrevocable.

799 b. The employee shall receive service credit under the  
800 pension plan equal to his or her years of service under the  
801 Senior Management Service Optional Annuity Program. The cost for  
802 such credit is the amount representing the present value of that  
803 employee's accumulated benefit obligation for the affected  
804 period of service.

805 c. The employee shall ~~must~~ transfer the total accumulated  
806 employer contributions and earnings on deposit in his or her  
807 Senior Management Service Optional Annuity Program account. If  
808 the transferred amount is not sufficient to pay the amount due,  
809 the employee shall ~~must~~ pay a sum representing the remainder of  
810 the amount due. The employee may not retain any employer  
811 contributions or earnings from the Senior Management Service  
812 Optional Annuity Program account.

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813           6. A retiree of a state-administered retirement system who  
814 is initially reemployed on or after July 1, 2010, through June  
815 30, 2017, may not renew membership in the Senior Management  
816 Service Optional Annuity Program. Effective July 1, 2017, a  
817 retiree of the Senior Management Service Optional Annuity  
818 Program who is reemployed in a regularly established position  
819 with a covered employer shall be enrolled as a renewed member as  
820 provided in s. 121.122.

821           7. Effective July 1, 2017, the Senior Management Service  
822 Optional Annuity Program is closed to new members. A member  
823 enrolled in the Senior Management Service Optional Annuity  
824 Program before July 1, 2017, may retain his or her membership in  
825 the annuity program.

826           Section 9. Paragraphs (d) and (i) of subsection (7) and  
827 paragraph (c) of subsection (9) of section 121.091, Florida  
828 Statutes, are amended to read:

829           121.091 Benefits payable under the system.—Benefits may not  
830 be paid under this section unless the member has terminated  
831 employment as provided in s. 121.021(39) (a) or begun  
832 participation in the Deferred Retirement Option Program as  
833 provided in subsection (13), and a proper application has been  
834 filed in the manner prescribed by the department. The department  
835 may cancel an application for retirement benefits when the  
836 member or beneficiary fails to timely provide the information  
837 and documents required by this chapter and the department's  
838 rules. The department shall adopt rules establishing procedures  
839 for application for retirement benefits and for the cancellation  
840 of such application when the required information or documents  
841 are not received.

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842 (7) DEATH BENEFITS.—

843 (d) Notwithstanding any other provision in this chapter to  
844 the contrary, with the exception of the Deferred Retirement  
845 Option Program, as provided in subsection (13):

846 1. The surviving spouse of any member killed in the line of  
847 duty may receive a monthly pension equal to one-half of the  
848 monthly salary being received by the member at the time of death  
849 for the rest of the surviving spouse's lifetime or, if the  
850 member was vested, such surviving spouse may elect to receive a  
851 benefit as provided in paragraph (b). Benefits provided by this  
852 paragraph shall supersede any other distribution that may have  
853 been provided by the member's designation of beneficiary.

854 2. If the surviving spouse of a member killed in the line  
855 of duty dies, the monthly payments that would have been payable  
856 to such surviving spouse had such surviving spouse lived shall  
857 be paid for the use and benefit of such member's child or  
858 children under 18 years of age and unmarried until the 18th  
859 birthday of the member's youngest child. Beginning July 1, 2016,  
860 such payments may be extended, for the surviving child of a  
861 member in the Special Risk Class at the time he or she was  
862 killed in the line of duty on or after July 1, 2013, until the  
863 25th birthday of any child of the member if the child is  
864 unmarried and enrolled as a full-time student. Beginning July 1,  
865 2017, such payments may be extended, for the surviving child of  
866 a member in the Special Risk Class at the time he or she was  
867 killed in the line of duty on or after July 1, 2002, until the  
868 25th birthday of any child of the member if the child is  
869 unmarried and enrolled as a full-time student.

870 3. If a member killed in the line of duty leaves no

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871 surviving spouse but is survived by a child or children under 18  
872 years of age, the benefits provided by subparagraph 1., normally  
873 payable to a surviving spouse, shall be paid for the use and  
874 benefit of such member's child or children under 18 years of age  
875 and unmarried until the 18th birthday of the member's youngest  
876 child. Beginning July 1, 2016, such monthly payments may be  
877 extended, for the surviving child of a member in the Special  
878 Risk Class at the time he or she was killed in the line of duty  
879 on or after July 1, 2013, until the 25th birthday of any child  
880 of the member if the child is unmarried and enrolled as a full-  
881 time student. Beginning July 1, 2017, such monthly payments may  
882 be extended, for the surviving child of a member in the Special  
883 Risk Class at the time he or she was killed in the line of duty  
884 on or after July 1, 2002, until the 25th birthday of any child  
885 of the member if the child is unmarried and enrolled as a full-  
886 time student.

887 4. The surviving spouse of a member whose benefit  
888 terminated because of remarriage shall have the benefit  
889 reinstated beginning July 1, 1993, at an amount that would have  
890 been payable had the benefit not been terminated.

891 (i) ~~Effective July 1, 2016, and~~ Notwithstanding any  
892 provision in this chapter to the contrary, if a member in the  
893 Special Risk Class, other than a participant in the Deferred  
894 Retirement Option Program under subsection (13), is killed in  
895 the line of duty on or after July 1, 2002 ~~2013~~, the following  
896 benefits are payable in addition to the benefits provided in  
897 paragraph (d):

898 1. The surviving spouse may receive a monthly pension equal  
899 to one-half of the monthly salary being received by the member

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900 at the time of the member's death for the rest of the surviving  
901 spouse's lifetime or, if the member was vested, such surviving  
902 spouse may elect to receive a benefit as provided in paragraph  
903 (b). Benefits provided by this paragraph supersede any other  
904 distribution that may have been provided by the member's  
905 designation of beneficiary.

906 2. If the surviving spouse dies, the monthly payments that  
907 otherwise would have been payable to such surviving spouse shall  
908 be paid for the use and benefit of the member's child or  
909 children under 18 years of age and unmarried until the 18th  
910 birthday of the member's youngest child. Such monthly payments  
911 may be extended until the 25th birthday of the member's child if  
912 the child is unmarried and enrolled as a full-time student.

913 3. If the member leaves no surviving spouse but is survived  
914 by a child or children under 18 years of age, the benefits  
915 provided by subparagraph 1., normally payable to a surviving  
916 spouse, shall be paid for the use and benefit of such member's  
917 child or children under 18 years of age and unmarried until the  
918 18th birthday of the member's youngest child. Such monthly  
919 payments may be extended until the 25th birthday of any of the  
920 member's children if the child is unmarried and enrolled as a  
921 full-time student.

922 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

923 (c) Any person whose retirement is effective on or after  
924 July 1, 2010, or whose participation in the Deferred Retirement  
925 Option Program terminates on or after July 1, 2010, who is  
926 retired under this chapter, except under the disability  
927 retirement provisions of subsection (4) or as provided in s.  
928 121.053, may be reemployed by an employer that participates in a



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929 state-administered retirement system and receive retirement  
930 benefits and compensation from that employer. However, a person  
931 may not be reemployed by an employer participating in the  
932 Florida Retirement System before meeting the definition of  
933 termination in s. 121.021 and may not receive both a salary from  
934 the employer and retirement benefits for 6 calendar months after  
935 meeting the definition of termination. However, a DROP  
936 participant shall continue employment and receive a salary  
937 during the period of participation in the Deferred Retirement  
938 Option Program, as provided in subsection (13).

939 1. The reemployed retiree may not renew membership in the  
940 Florida Retirement System, except as provided in s. 121.122.

941 2. The employer shall pay retirement contributions in an  
942 amount equal to the unfunded actuarial liability portion of the  
943 employer contribution that would be required for active members  
944 of the Florida Retirement System in addition to the  
945 contributions required by s. 121.76.

946 3. A retiree initially reemployed in violation of this  
947 paragraph and an employer that employs or appoints such person  
948 are jointly and severally liable for reimbursement of any  
949 retirement benefits paid to the retirement trust fund from which  
950 the benefits were paid, including the Florida Retirement System  
951 Trust Fund and the Public Employee Optional Retirement Program  
952 Trust Fund, as appropriate. The employer must have a written  
953 statement from the employee that he or she is not retired from a  
954 state-administered retirement system. Retirement benefits shall  
955 remain suspended until repayment is made. Benefits suspended  
956 beyond the end of the retiree's 6-month reemployment limitation  
957 period shall apply toward the repayment of benefits received in

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958 violation of this paragraph.

959 Section 10. Subsection (2) of section 121.122, Florida  
960 Statutes, is amended, and subsections (3), (4), and (5) are  
961 added to that section, to read:

962 121.122 Renewed membership in system.—

963 (2) Except as otherwise provided in subsections (3), (4),  
964 and (5), a retiree of a state-administered retirement system who  
965 is initially reemployed in a regularly established position on  
966 or after July 1, 2010, may not be enrolled as a renewed member.

967 (3) A retiree of the investment plan, the State University  
968 System Optional Retirement Program, the Senior Management  
969 Service Optional Annuity Program, or the State Community College  
970 System Optional Retirement Program who is reemployed with a  
971 covered employer in a regularly established position on or after  
972 July 1, 2017, shall be enrolled as a renewed member of the  
973 investment plan unless employed in a position eligible for  
974 participation in the State University System Optional Retirement  
975 Program as provided in subsection (4) or the State Community  
976 College System Optional Retirement Program as provided in  
977 subsection (5). The renewed member must satisfy the vesting  
978 requirements and other provisions of this chapter.

979 (a) A renewed member of the investment plan shall be  
980 enrolled in one of the following membership classes:

981 1. In the Regular Class, if the position does not meet the  
982 requirements for membership under s. 121.0515, s. 121.053, or s.  
983 121.055.

984 2. In the Special Risk Class, if the position meets the  
985 requirements of s. 121.0515.

986 3. In the Elected Officers' Class, if the position meets

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987 the requirements of s. 121.053.

988 4. In the Senior Management Service Class, if the position  
989 meets the requirements of s. 121.055.

990 (b) Creditable service, including credit toward the retiree  
991 health insurance subsidy provided in s. 112.363, does not accrue  
992 for a renewed member's employment in a regularly established  
993 position with a covered employer from July 1, 2010, through June  
994 30, 2017.

995 (c) Employer and employee contributions, interest,  
996 earnings, or any other funds may not be paid into a renewed  
997 member's investment plan account for any employment in a  
998 regularly established position with a covered employer on or  
999 after July 1, 2010, through June 30, 2017, by the renewed member  
1000 or the employer on behalf of the renewed member.

1001 (d) To be eligible to receive a retirement benefit, the  
1002 renewed member must satisfy the vesting requirements in s.  
1003 121.4501(6).

1004 (e) The renewed member is ineligible to receive disability  
1005 benefits as provided in s. 121.091(4) or s. 121.591(2).

1006 (f) The renewed member is subject to the limitations on  
1007 reemployment after retirement provided in s. 121.091(9), as  
1008 applicable.

1009 (g) The renewed member must satisfy the requirements for  
1010 termination from employment provided in s. 121.021(39).

1011 (h) Upon renewed membership or reemployment of a retiree,  
1012 the employer and the renewed member shall pay the applicable  
1013 employer and employee contributions required under ss. 112.363,  
1014 121.71, 121.74, and 121.76. The contributions are payable only  
1015 for employment and salary earned in a regularly established

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1016 position with a covered employer on or after July 1, 2017. The  
1017 employer and employee contributions shall be transferred to the  
1018 investment plan and placed in a default fund as designated by  
1019 the state board. The renewed member may move the contributions  
1020 once an account is activated in the investment plan.

1021 (i) A renewed member who earns creditable service under the  
1022 investment plan and who is not receiving the maximum health  
1023 insurance subsidy provided in s. 112.363 is entitled to earn  
1024 additional credit toward the subsidy. Such credit may be earned  
1025 only for employment in a regularly established position with a  
1026 covered employer on or after July 1, 2017. Any additional  
1027 subsidy due because of additional credit may be received only at  
1028 the time of paying the second career retirement benefit. The  
1029 total health insurance subsidy received by a retiree receiving  
1030 benefits from initial and renewed membership may not exceed the  
1031 maximum allowed under s. 112.363.

1032 (j) Notwithstanding s. 121.4501(4)(f), the renewed member  
1033 is not eligible to elect membership in the pension plan.

1034 (4) A retiree of the investment plan, the State University  
1035 System Optional Retirement Program, the Senior Management  
1036 Service Optional Annuity Program, or the State Community College  
1037 System Optional Retirement Program who is reemployed on or after  
1038 July 1, 2017, in a regularly established position eligible for  
1039 participation in the State University System Optional Retirement  
1040 Program shall become a renewed member of the optional retirement  
1041 program. The renewed member must satisfy the vesting  
1042 requirements and other provisions of this chapter. Once  
1043 enrolled, a renewed member remains enrolled in the optional  
1044 retirement program while employed in an eligible position for

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1045 the optional retirement program. If employment in a different  
1046 covered position results in the renewed member's enrollment in  
1047 the investment plan, the renewed member is no longer eligible to  
1048 participate in the optional retirement program unless employed  
1049 in a mandatory position under s. 121.35.

1050 (a) The renewed member is subject to the limitations on  
1051 reemployment after retirement provided in s. 121.091(9), as  
1052 applicable.

1053 (b) The renewed member must satisfy the requirements for  
1054 termination from employment provided in s. 121.021(39).

1055 (c) Upon renewed membership or reemployment of a retiree,  
1056 the employer and the renewed member shall pay the applicable  
1057 employer and employee contributions required under s. 121.35.

1058 (d) Employer and employee contributions, interest,  
1059 earnings, or any other funds may not be paid into a renewed  
1060 member's optional retirement program account for any employment  
1061 in a regularly established position with a covered employer on  
1062 or after July 1, 2010, through June 30, 2017, by the renewed  
1063 member or the employer on behalf of the renewed member.

1064 (e) Notwithstanding s. 121.4501(4)(f), the renewed member  
1065 is not eligible to elect membership in the pension plan.

1066 (5) A retiree of the investment plan, the State University  
1067 System Optional Retirement Program, the Senior Management  
1068 Service Optional Annuity Program, or the State Community College  
1069 System Optional Retirement Program who is reemployed on or after  
1070 July 1, 2017, in a regularly established position eligible for  
1071 participation in the State Community College System Optional  
1072 Retirement Program shall become a renewed member of the optional  
1073 retirement program. The renewed member must satisfy the

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1074 eligibility requirements of this chapter and s. 1012.875 for the  
1075 optional retirement program. Once enrolled, a renewed member  
1076 remains enrolled in the optional retirement program while  
1077 employed in an eligible position for the optional retirement  
1078 program. If employment in a different covered position results  
1079 in the renewed member's enrollment in the investment plan, the  
1080 renewed member is no longer eligible to participate in the  
1081 optional retirement program.

1082 (a) The renewed member is subject to the limitations on  
1083 reemployment after retirement provided in s. 121.091(9), as  
1084 applicable.

1085 (b) The renewed member must satisfy the requirements for  
1086 termination from employment provided in s. 121.021(39).

1087 (c) Upon renewed membership or reemployment of a retiree,  
1088 the employer and the renewed member shall pay the applicable  
1089 employer and employee contributions required under ss.  
1090 121.051(2)(c) and 1012.875.

1091 (d) Employer and employee contributions, interest,  
1092 earnings, or any other funds may not be paid into a renewed  
1093 member's optional retirement program account for any employment  
1094 in a regularly established position with a covered employer on  
1095 or after July 1, 2010, through June 30, 2017, by the renewed  
1096 member or the employer on behalf of the renewed member.

1097 (e) Notwithstanding s. 121.4501(4)(f), the renewed member  
1098 is not eligible to elect membership in the pension plan.

1099 Section 11. Paragraphs (e) and (i) of subsection (2),  
1100 paragraph (b) of subsection (3), subsection (4), paragraph (c)  
1101 of subsection (5), and paragraphs (a) and (h) of subsection (10)  
1102 of section 121.4501, Florida Statutes, are amended to read:

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1103 121.4501 Florida Retirement System Investment Plan.—

1104 (2) DEFINITIONS.—As used in this part, the term:

1105 (e) “Eligible employee” means an officer or employee, as  
1106 defined in s. 121.021, who:

1107 1. Is a member of, or is eligible for membership in, the  
1108 Florida Retirement System, including any renewed member of the  
1109 Florida Retirement System initially enrolled before July 1,  
1110 2010; ~~or~~

1111 2. Participates in, or is eligible to participate in, the  
1112 Senior Management Service Optional Annuity Program as  
1113 established under s. 121.055(6), the State Community College  
1114 System Optional Retirement Program as established under s.  
1115 121.051(2)(c), or the State University System Optional  
1116 Retirement Program established under s. 121.35; or

1117 3. Is a retired member of the investment plan, the State  
1118 University System Optional Retirement Program, the Senior  
1119 Management Service Optional Annuity Program, or the State  
1120 Community College System Optional Retirement Program who is  
1121 reemployed in a regularly established position on or after July  
1122 1, 2017, and enrolled as a renewed member as provided in s.  
1123 121.122.

1124  
1125 The term does not include any member participating in the  
1126 Deferred Retirement Option Program established under s.  
1127 121.091(13), a retiree of the pension plan who is reemployed in  
1128 a regularly established position on or after July 1, 2010, a  
1129 retiree of a state-administered retirement system initially  
1130 reemployed in a regularly established position on or after July  
1131 1, 2010, through June 30, 2017, or a mandatory participant of

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1132 the State University System Optional Retirement Program  
1133 established under s. 121.35.

1134 (i) "Member" or "employee" means an eligible employee who  
1135 enrolls in, or who defaults into, the investment plan as  
1136 provided in subsection (4), a terminated Deferred Retirement  
1137 Option Program member as described in subsection (21), or a  
1138 beneficiary or alternate payee of a member or employee.

1139 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

1140 (b) Notwithstanding paragraph (a), an eligible employee who  
1141 elects to participate in, or who defaults into, the investment  
1142 plan and establishes one or more individual member accounts may  
1143 elect to transfer to the investment plan a sum representing the  
1144 present value of the employee's accumulated benefit obligation  
1145 under the pension plan, except as provided in paragraph (4)(b).  
1146 Upon transfer, all service credit earned under the pension plan  
1147 is nullified for purposes of entitlement to a future benefit  
1148 under the pension plan. A member may not transfer the  
1149 accumulated benefit obligation balance from the pension plan  
1150 after the time period for enrolling in the investment plan has  
1151 expired.

1152 1. For purposes of this subsection, the present value of  
1153 the member's accumulated benefit obligation is based upon the  
1154 member's estimated creditable service and estimated average  
1155 final compensation under the pension plan, subject to  
1156 recomputation under subparagraph 2. For state employees, initial  
1157 estimates shall be based upon creditable service and average  
1158 final compensation as of midnight on June 30, 2002; for district  
1159 school board employees, initial estimates shall be based upon  
1160 creditable service and average final compensation as of midnight



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1161 on September 30, 2002; and for local government employees,  
1162 initial estimates shall be based upon creditable service and  
1163 average final compensation as of midnight on December 31, 2002.  
1164 The dates specified are the "estimate date" for these employees.  
1165 The actuarial present value of the employee's accumulated  
1166 benefit obligation shall be based on the following:

1167 a. The discount rate and other relevant actuarial  
1168 assumptions used to value the Florida Retirement System Trust  
1169 Fund at the time the amount to be transferred is determined,  
1170 consistent with the factors provided in sub-subparagraphs b. and  
1171 c.

1172 b. A benefit commencement age, based on the member's  
1173 estimated creditable service as of the estimate date.

1174 c. Except as provided under sub-subparagraph d., for a  
1175 member initially enrolled:

1176 (I) Before July 1, 2011, the benefit commencement age is  
1177 the younger of the following, but may not be younger than the  
1178 member's age as of the estimate date:

1179 (A) Age 62; or

1180 (B) The age the member would attain if the member completed  
1181 30 years of service with an employer, assuming the member worked  
1182 continuously from the estimate date, and disregarding any  
1183 vesting requirement that would otherwise apply under the pension  
1184 plan.

1185 (II) On or after July 1, 2011, the benefit commencement age  
1186 is the younger of the following, but may not be younger than the  
1187 member's age as of the estimate date:

1188 (A) Age 65; or

1189 (B) The age the member would attain if the member completed

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1190 33 years of service with an employer, assuming the member worked  
1191 continuously from the estimate date, and disregarding any  
1192 vesting requirement that would otherwise apply under the pension  
1193 plan.

1194 d. For members of the Special Risk Class and for members of  
1195 the Special Risk Administrative Support Class entitled to retain  
1196 the special risk normal retirement date:

1197 (I) Initially enrolled before July 1, 2011, the benefit  
1198 commencement age is the younger of the following, but may not be  
1199 younger than the member's age as of the estimate date:

1200 (A) Age 55; or

1201 (B) The age the member would attain if the member completed  
1202 25 years of service with an employer, assuming the member worked  
1203 continuously from the estimate date, and disregarding any  
1204 vesting requirement that would otherwise apply under the pension  
1205 plan.

1206 (II) Initially enrolled on or after July 1, 2011, the  
1207 benefit commencement age is the younger of the following, but  
1208 may not be younger than the member's age as of the estimate  
1209 date:

1210 (A) Age 60; or

1211 (B) The age the member would attain if the member completed  
1212 30 years of service with an employer, assuming the member worked  
1213 continuously from the estimate date, and disregarding any  
1214 vesting requirement that would otherwise apply under the pension  
1215 plan.

1216 e. The calculation must disregard vesting requirements and  
1217 early retirement reduction factors that would otherwise apply  
1218 under the pension plan.

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1219           2. For each member who elects to transfer moneys from the  
1220 pension plan to his or her account in the investment plan, the  
1221 division shall recompute the amount transferred under  
1222 subparagraph 1. within 60 days after the actual transfer of  
1223 funds based upon the member's actual creditable service and  
1224 actual final average compensation as of the initial date of  
1225 participation in the investment plan. If the recomputed amount  
1226 differs from the amount transferred by \$10 or more, the division  
1227 shall:

1228           a. Transfer, or cause to be transferred, from the Florida  
1229 Retirement System Trust Fund to the member's account the excess,  
1230 if any, of the recomputed amount over the previously transferred  
1231 amount together with interest from the initial date of transfer  
1232 to the date of transfer under this subparagraph, based upon the  
1233 effective annual interest equal to the assumed return on the  
1234 actuarial investment which was used in the most recent actuarial  
1235 valuation of the system, compounded annually.

1236           b. Transfer, or cause to be transferred, from the member's  
1237 account to the Florida Retirement System Trust Fund the excess,  
1238 if any, of the previously transferred amount over the recomputed  
1239 amount, together with interest from the initial date of transfer  
1240 to the date of transfer under this subparagraph, based upon 6  
1241 percent effective annual interest, compounded annually, pro rata  
1242 based on the member's allocation plan.

1243           3. If contribution adjustments are made as a result of  
1244 employer errors or corrections, including plan corrections,  
1245 following recomputation of the amount transferred under  
1246 subparagraph 1., the member is entitled to the additional  
1247 contributions or is responsible for returning any excess

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1248 contributions resulting from the correction. However, a ~~any~~  
1249 return of such erroneous excess pretax contribution by the plan  
1250 must be made within the period allowed by the Internal Revenue  
1251 Service. The present value of the member's accumulated benefit  
1252 obligation may ~~shall~~ not be recalculated.

1253 4. As directed by the member, the state board shall  
1254 transfer or cause to be transferred the appropriate amounts to  
1255 the designated accounts within 30 days after the effective date  
1256 of the member's participation in the investment plan unless the  
1257 major financial markets for securities available for a transfer  
1258 are seriously disrupted by an unforeseen event that causes the  
1259 suspension of trading on a ~~any~~ national securities exchange in  
1260 the country where the securities were issued. In that event, the  
1261 30-day period may be extended by a resolution of the state  
1262 board. Transfers are not commissionable or subject to other fees  
1263 and may be in the form of securities or cash, as determined by  
1264 the state board. Such securities are valued as of the date of  
1265 receipt in the member's account.

1266 5. If the state board or the division receives notification  
1267 from the United States Internal Revenue Service that this  
1268 paragraph or any portion of this paragraph will cause the  
1269 retirement system, or a portion thereof, to be disqualified for  
1270 tax purposes under the Internal Revenue Code, the portion that  
1271 will cause the disqualification does not apply. Upon such  
1272 notice, the state board and the division shall notify the  
1273 presiding officers of the Legislature.

1274 (4) PARTICIPATION; ENROLLMENT.—

1275 (a)1. Effective June 1, 2002, through February 28, 2003, a  
1276 90-day election period was provided to each eligible employee

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1277 participating in the Florida Retirement System, preceded by a  
1278 90-day education period, permitting each eligible employee to  
1279 elect membership in the investment plan. An employee who failed  
1280 to elect the investment plan during the election period remained  
1281 in the pension plan. An eligible employee who was employed in a  
1282 regularly established position during the election period was  
1283 granted the option to make one subsequent election, as provided  
1284 in paragraph (f). With respect to an eligible employee who did  
1285 not participate in the initial election period or who is  
1286 initially employed in a regularly established position after the  
1287 close of the initial election period but before January 1, 2018,  
1288 on June 1, 2002, by a state employer:

1289 ~~a. Any such employee may elect to participate in the~~  
1290 ~~investment plan in lieu of retaining his or her membership in~~  
1291 ~~the pension plan. The election must be made in writing or by~~  
1292 ~~electronic means and must be filed with the third-party~~  
1293 ~~administrator by August 31, 2002, or, in the case of an active~~  
1294 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
1295 ~~last business day of the 5th month following the month the leave~~  
1296 ~~of absence concludes. This election is irrevocable, except as~~  
1297 ~~provided in paragraph (g). Upon making such election, the~~  
1298 ~~employee shall be enrolled as a member of the investment plan,~~  
1299 ~~the employee's membership in the Florida Retirement System is~~  
1300 ~~governed by the provisions of this part, and the employee's~~  
1301 ~~membership in the pension plan terminates. The employee's~~  
1302 ~~enrollment in the investment plan is effective the first day of~~  
1303 ~~the month for which a full month's employer contribution is made~~  
1304 ~~to the investment plan.~~

1305 ~~b. Any such employee who fails to elect to participate in~~

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1306 ~~the investment plan within the prescribed time period is deemed~~  
1307 ~~to have elected to retain membership in the pension plan, and~~  
1308 ~~the employee's option to elect to participate in the investment~~  
1309 ~~plan is forfeited.~~

1310 ~~2. With respect to employees who become eligible to~~  
1311 ~~participate in the investment plan by reason of employment in a~~  
1312 ~~regularly established position with a state employer commencing~~  
1313 ~~after April 1, 2002:~~

1314 ~~a. Any such employee shall, by default, be enrolled in the~~  
1315 ~~pension plan at the commencement of employment, and may, by the~~  
1316 ~~last business day of the 5th month following the employee's~~  
1317 ~~month of hire, elect to participate in the investment plan. The~~  
1318 ~~employee's election must be made in writing or by electronic~~  
1319 ~~means and must be filed with the third-party administrator. The~~  
1320 ~~election to participate in the investment plan is irrevocable,~~  
1321 ~~except as provided in paragraph (f) ~~(g)~~.~~

1322 ~~a.b.~~ If the employee files such election within the  
1323 prescribed time period, enrollment in the investment plan is  
1324 effective on the first day of employment. The retirement  
1325 contributions paid through the month of the employee plan change  
1326 shall be transferred to the investment program, and, effective  
1327 the first day of the next month, the employer and employee must  
1328 pay the applicable contributions based on the employee  
1329 membership class in the program.

1330 ~~b.c.~~ An employee who fails to elect to participate in the  
1331 investment plan within the prescribed time period is deemed to  
1332 have elected to retain membership in the pension plan, and the  
1333 employee's option to elect to participate in the investment plan  
1334 is forfeited.

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1335        ~~2.3.~~ With respect to employees who become eligible to  
1336 participate in the investment plan pursuant to s.  
1337 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
1338 participate in the investment plan in lieu of retaining his or  
1339 her membership in the State Community College System Optional  
1340 Retirement Program or the State University System Optional  
1341 Retirement Program. The election must be made in writing or by  
1342 electronic means and must be filed with the third-party  
1343 administrator. This election is irrevocable, except as provided  
1344 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
1345 shall be enrolled as a member in the investment plan, the  
1346 employee's membership in the Florida Retirement System is  
1347 governed by the provisions of this part, and the employee's  
1348 participation in the State Community College System Optional  
1349 Retirement Program or the State University System Optional  
1350 Retirement Program terminates. The employee's enrollment in the  
1351 investment plan is effective on the first day of the month for  
1352 which a full month's employer and employee contribution is made  
1353 to the investment plan.

1354        (b)1. With respect to employees who become eligible to  
1355 participate in the investment plan by reason of employment in a  
1356 regularly established position commencing on or after January 1,  
1357 2018, or who did not complete an election window before January  
1358 1, 2018, any such employee shall be enrolled in the pension plan  
1359 at the commencement of employment and may, by the last business  
1360 day of the eighth month following the employee's month of hire,  
1361 elect to participate in the pension plan or the investment plan.  
1362 Eligible employees may make a plan election only if they are  
1363 earning service credit in an employer-employee relationship

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1364 consistent with s. 121.021(17) (b), excluding leaves of absence  
1365 without pay.

1366 2. The employee's election must be made in writing or by  
1367 electronic means and must be filed with the third-party  
1368 administrator. The election to participate in the pension plan  
1369 or investment plan is irrevocable, except as provided in  
1370 paragraph (f).

1371 3.a. Except as provided in subparagraph 4., if the employee  
1372 fails to make an election to either the pension plan or the  
1373 investment plan during the 8-month period following the month of  
1374 hire, the employee is deemed to have elected the investment plan  
1375 and shall default into the investment plan retroactively to the  
1376 employee's date of employment. The employee's option to  
1377 participate in the pension plan is forfeited, except as provided  
1378 in paragraph (f).

1379 b. The amount of the employee and employer contributions  
1380 paid through the date of default to the investment plan shall be  
1381 transferred to the investment plan and shall be placed in a  
1382 default fund as designated by the State Board of Administration.  
1383 The employee may move the contributions once an account is  
1384 activated in the investment plan.

1385 4. If the employee is employed in a position included in  
1386 the Special Risk Class and fails to make an election to either  
1387 the pension plan or the investment plan during the 8-month  
1388 period following the month of hire, the employee is deemed to  
1389 have elected the pension plan and shall default into the pension  
1390 plan retroactively to the employee's date of employment. The  
1391 employee's option to participate in the investment plan is  
1392 forfeited, except as provided in paragraph (f).



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1393 5. Effective the first day of the month after an eligible  
1394 employee makes a plan election of the pension plan or investment  
1395 plan, or the first day of the month after default, the employee  
1396 and employer shall pay the applicable contributions based on the  
1397 employee membership class in the program.

1398 ~~4. For purposes of this paragraph, "state employer" means~~  
1399 ~~any agency, board, branch, commission, community college,~~  
1400 ~~department, institution, institution of higher education, or~~  
1401 ~~water management district of the state, which participates in~~  
1402 ~~the Florida Retirement System for the benefit of certain~~  
1403 ~~employees.~~

1404 ~~(b)1. With respect to an eligible employee who is employed~~  
1405 ~~in a regularly established position on September 1, 2002, by a~~  
1406 ~~district school board employer:~~

1407 ~~a. Any such employee may elect to participate in the~~  
1408 ~~investment plan in lieu of retaining his or her membership in~~  
1409 ~~the pension plan. The election must be made in writing or by~~  
1410 ~~electronic means and must be filed with the third party~~  
1411 ~~administrator by November 30, or, in the case of an active~~  
1412 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
1413 ~~last business day of the 5th month following the month the leave~~  
1414 ~~of absence concludes. This election is irrevocable, except as~~  
1415 ~~provided in paragraph (g). Upon making such election, the~~  
1416 ~~employee shall be enrolled as a member of the investment plan,~~  
1417 ~~the employee's membership in the Florida Retirement System is~~  
1418 ~~governed by the provisions of this part, and the employee's~~  
1419 ~~membership in the pension plan terminates. The employee's~~  
1420 ~~enrollment in the investment plan is effective the first day of~~  
1421 ~~the month for which a full month's employer contribution is made~~

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1422 ~~to the investment program.~~

1423 ~~b. Any such employee who fails to elect to participate in~~  
1424 ~~the investment plan within the prescribed time period is deemed~~  
1425 ~~to have elected to retain membership in the pension plan, and~~  
1426 ~~the employee's option to elect to participate in the investment~~  
1427 ~~plan is forfeited.~~

1428 ~~2. With respect to employees who become eligible to~~  
1429 ~~participate in the investment plan by reason of employment in a~~  
1430 ~~regularly established position with a district school board~~  
1431 ~~employer commencing after July 1, 2002:~~

1432 ~~a. Any such employee shall, by default, be enrolled in the~~  
1433 ~~pension plan at the commencement of employment, and may, by the~~  
1434 ~~last business day of the 5th month following the employee's~~  
1435 ~~month of hire, elect to participate in the investment plan. The~~  
1436 ~~employee's election must be made in writing or by electronic~~  
1437 ~~means and must be filed with the third-party administrator. The~~  
1438 ~~election to participate in the investment plan is irrevocable,~~  
1439 ~~except as provided in paragraph (g).~~

1440 ~~b. If the employee files such election within the~~  
1441 ~~prescribed time period, enrollment in the investment plan is~~  
1442 ~~effective on the first day of employment. The employer~~  
1443 ~~retirement contributions paid through the month of the employee~~  
1444 ~~plan change shall be transferred to the investment plan, and,~~  
1445 ~~effective the first day of the next month, the employer shall~~  
1446 ~~pay the applicable contributions based on the employee~~  
1447 ~~membership class in the investment plan.~~

1448 ~~e. Any such employee who fails to elect to participate in~~  
1449 ~~the investment plan within the prescribed time period is deemed~~  
1450 ~~to have elected to retain membership in the pension plan, and~~

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1451 ~~the employee's option to elect to participate in the investment~~  
1452 ~~plan is forfeited.~~

1453 ~~3. For purposes of this paragraph, "district school board~~  
1454 ~~employer" means any district school board that participates in~~  
1455 ~~the Florida Retirement System for the benefit of certain~~  
1456 ~~employees, or a charter school or charter technical career~~  
1457 ~~center that participates in the Florida Retirement System as~~  
1458 ~~provided in s. 121.051(2) (d).~~

1459 ~~(c)1. With respect to an eligible employee who is employed~~  
1460 ~~in a regularly established position on December 1, 2002, by a~~  
1461 ~~local employer:~~

1462 ~~a. Any such employee may elect to participate in the~~  
1463 ~~investment plan in lieu of retaining his or her membership in~~  
1464 ~~the pension plan. The election must be made in writing or by~~  
1465 ~~electronic means and must be filed with the third party~~  
1466 ~~administrator by February 28, 2003, or, in the case of an active~~  
1467 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
1468 ~~last business day of the 5th month following the month the leave~~  
1469 ~~of absence concludes. This election is irrevocable, except as~~  
1470 ~~provided in paragraph (g). Upon making such election, the~~  
1471 ~~employee shall be enrolled as a participant of the investment~~  
1472 ~~plan, the employee's membership in the Florida Retirement System~~  
1473 ~~is governed by the provisions of this part, and the employee's~~  
1474 ~~membership in the pension plan terminates. The employee's~~  
1475 ~~enrollment in the investment plan is effective the first day of~~  
1476 ~~the month for which a full month's employer contribution is made~~  
1477 ~~to the investment plan.~~

1478 ~~b. Any such employee who fails to elect to participate in~~  
1479 ~~the investment plan within the prescribed time period is deemed~~

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1480 ~~to have elected to retain membership in the pension plan, and~~  
1481 ~~the employee's option to elect to participate in the investment~~  
1482 ~~plan is forfeited.~~

1483 ~~2. With respect to employees who become eligible to~~  
1484 ~~participate in the investment plan by reason of employment in a~~  
1485 ~~regularly established position with a local employer commencing~~  
1486 ~~after October 1, 2002:~~

1487 ~~a. Any such employee shall, by default, be enrolled in the~~  
1488 ~~pension plan at the commencement of employment, and may, by the~~  
1489 ~~last business day of the 5th month following the employee's~~  
1490 ~~month of hire, elect to participate in the investment plan. The~~  
1491 ~~employee's election must be made in writing or by electronic~~  
1492 ~~means and must be filed with the third-party administrator. The~~  
1493 ~~election to participate in the investment plan is irrevocable,~~  
1494 ~~except as provided in paragraph (g).~~

1495 ~~b. If the employee files such election within the~~  
1496 ~~prescribed time period, enrollment in the investment plan is~~  
1497 ~~effective on the first day of employment. The employer~~  
1498 ~~retirement contributions paid through the month of the employee~~  
1499 ~~plan change shall be transferred to the investment plan, and,~~  
1500 ~~effective the first day of the next month, the employer shall~~  
1501 ~~pay the applicable contributions based on the employee~~  
1502 ~~membership class in the investment plan.~~

1503 ~~e. Any such employee who fails to elect to participate in~~  
1504 ~~the investment plan within the prescribed time period is deemed~~  
1505 ~~to have elected to retain membership in the pension plan, and~~  
1506 ~~the employee's option to elect to participate in the investment~~  
1507 ~~plan is forfeited.~~

1508 ~~3. For purposes of this paragraph, "local employer" means~~

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1509 ~~any employer not included in paragraph (a) or paragraph (b).~~

1510 (c)~~(d)~~ Contributions available for self-direction by a  
1511 member who has not selected one or more specific investment  
1512 products shall be allocated as prescribed by the state board.  
1513 The third-party administrator shall notify the member at least  
1514 quarterly that the member should take an affirmative action to  
1515 make an asset allocation among the investment products.

1516 (d)~~(e)~~ On or after July 1, 2011, a member of the pension  
1517 plan who obtains a refund of employee contributions retains his  
1518 or her prior plan choice upon return to employment in a  
1519 regularly established position with a participating employer.

1520 (e)1.~~(f)~~ A member of the investment plan who takes a  
1521 distribution of any contributions from his or her investment  
1522 plan account is considered a retiree. A retiree who is initially  
1523 reemployed in a regularly established position on or after July  
1524 1, 2010, through June 30, 2017, is not eligible for to be  
1525 enrolled in renewed membership, except as provided in s.  
1526 121.122.

1527 2. A retiree who is reemployed on or after July 1, 2017,  
1528 shall be enrolled as a renewed member as provided in s. 121.122.

1529 (f)~~(g)~~ After the period during which an eligible employee  
1530 had the choice to elect the pension plan or the investment plan,  
1531 or the month following the receipt of the eligible employee's  
1532 plan election, if sooner, the employee shall have one  
1533 opportunity, at the employee's discretion, to choose to move  
1534 from the pension plan to the investment plan or from the  
1535 investment plan to the pension plan. Eligible employees may  
1536 elect to move between plans only if they are earning service  
1537 credit in an employer-employee relationship consistent with s.

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1538 121.021(17)(b), excluding leaves of absence without pay.  
1539 Effective July 1, 2005, such elections are effective on the  
1540 first day of the month following the receipt of the election by  
1541 the third-party administrator and are not subject to the  
1542 requirements regarding an employer-employee relationship or  
1543 receipt of contributions for the eligible employee in the  
1544 effective month, except when the election is received by the  
1545 third-party administrator. This paragraph is contingent upon  
1546 approval by the Internal Revenue Service.

1547 1. If the employee chooses to move to the investment plan,  
1548 the provisions of subsection (3) govern the transfer.

1549 2. If the employee chooses to move to the pension plan, the  
1550 employee must transfer from his or her investment plan account,  
1551 and from other employee moneys as necessary, a sum representing  
1552 the present value of that employee's accumulated benefit  
1553 obligation immediately following the time of such movement,  
1554 determined assuming that attained service equals the sum of  
1555 service in the pension plan and service in the investment plan.  
1556 Benefit commencement occurs on the first date the employee is  
1557 eligible for unreduced benefits, using the discount rate and  
1558 other relevant actuarial assumptions that were used to value the  
1559 pension plan liabilities in the most recent actuarial valuation.  
1560 For any employee who, at the time of the second election,  
1561 already maintains an accrued benefit amount in the pension plan,  
1562 the then-present value of the accrued benefit is deemed part of  
1563 the required transfer amount. The division must ensure that the  
1564 transfer sum is prepared using a formula and methodology  
1565 certified by an enrolled actuary. A refund of any employee  
1566 contributions or additional member payments made which exceed

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1567 the employee contributions that would have accrued had the  
1568 member remained in the pension plan and not transferred to the  
1569 investment plan is not permitted.

1570 3. Notwithstanding subparagraph 2., an employee who chooses  
1571 to move to the pension plan and who became eligible to  
1572 participate in the investment plan by reason of employment in a  
1573 regularly established position with a state employer after June  
1574 1, 2002; a district school board employer after September 1,  
1575 2002; or a local employer after December 1, 2002, must transfer  
1576 from his or her investment plan account, and from other employee  
1577 moneys as necessary, a sum representing the employee's actuarial  
1578 accrued liability. A refund of any employee contributions or  
1579 additional member ~~participant~~ payments made which exceed the  
1580 employee contributions that would have accrued had the member  
1581 remained in the pension plan and not transferred to the  
1582 investment plan is not permitted.

1583 4. An employee's ability to transfer from the pension plan  
1584 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
1585 ~~(d)~~, and the ability of a current employee to have an option to  
1586 later transfer back into the pension plan under subparagraph 2.,  
1587 shall be deemed a significant system amendment. Pursuant to s.  
1588 121.031(4), any resulting unfunded liability arising from actual  
1589 original transfers from the pension plan to the investment plan  
1590 must be amortized within 30 plan years as a separate unfunded  
1591 actuarial base independent of the reserve stabilization  
1592 mechanism defined in s. 121.031(3)(f). For the first 25 years, a  
1593 direct amortization payment may not be calculated for this base.  
1594 During this 25-year period, the separate base shall be used to  
1595 offset the impact of employees exercising their second program

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1596 election under this paragraph. The actuarial funded status of  
1597 the pension plan will not be affected by such second program  
1598 elections in any significant manner, after due recognition of  
1599 the separate unfunded actuarial base. Following the initial 25-  
1600 year period, any remaining balance of the original separate base  
1601 shall be amortized over the remaining 5 years of the required  
1602 30-year amortization period.

1603 5. If the employee chooses to transfer from the investment  
1604 plan to the pension plan and retains an excess account balance  
1605 in the investment plan after satisfying the buy-in requirements  
1606 under this paragraph, the excess may not be distributed until  
1607 the member retires from the pension plan. The excess account  
1608 balance may be rolled over to the pension plan and used to  
1609 purchase service credit or upgrade creditable service in the  
1610 pension plan.

1611 (5) CONTRIBUTIONS.—

1612 (c) The state board, acting as plan fiduciary, must ensure  
1613 that all plan assets are held in a trust, pursuant to s. 401 of  
1614 the Internal Revenue Code. The fiduciary must ensure that such  
1615 contributions are allocated as follows:

1616 1. The employer and employee contribution portion earmarked  
1617 for member accounts shall be used to purchase interests in the  
1618 appropriate investment vehicles as specified by the member, or  
1619 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1620 2. The employer contribution portion earmarked for  
1621 administrative and educational expenses shall be transferred to  
1622 the state board's Administrative Trust Fund.

1623 3. The employer contribution portion earmarked for  
1624 disability benefits and line-of-duty death benefits shall be



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1625 transferred to the Florida Retirement System Trust Fund.

1626 (10) EDUCATION COMPONENT.—

1627 (a) The state board, in coordination with the department,  
1628 shall provide for an education component for eligible employees  
1629 ~~system members~~ in a manner consistent with ~~the provisions of~~  
1630 this subsection ~~section~~. ~~The education component must be~~  
1631 ~~available to eligible employees at least 90 days prior to the~~  
1632 ~~beginning date of the election period for the employees of the~~  
1633 ~~respective types of employers.~~

1634 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
1635 ~~System employers have an obligation to regularly communicate the~~  
1636 ~~existence of the two Florida Retirement System plans and the~~  
1637 ~~plan choice in the natural course of administering their~~  
1638 ~~personnel functions, using the educational materials supplied by~~  
1639 ~~the state board and the Department of Management Services.~~

1640 Section 12. Subsection (4) of section 121.591, Florida  
1641 Statutes, is amended to read:

1642 121.591 Payment of benefits.—Benefits may not be paid under  
1643 the Florida Retirement System Investment Plan unless the member  
1644 has terminated employment as provided in s. 121.021(39)(a) or is  
1645 deceased and a proper application has been filed as prescribed  
1646 by the state board or the department. Benefits, including  
1647 employee contributions, are not payable under the investment  
1648 plan for employee hardships, unforeseeable emergencies, loans,  
1649 medical expenses, educational expenses, purchase of a principal  
1650 residence, payments necessary to prevent eviction or foreclosure  
1651 on an employee's principal residence, or any other reason except  
1652 a requested distribution for retirement, a mandatory de minimis  
1653 distribution authorized by the administrator, or a required

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1654 minimum distribution provided pursuant to the Internal Revenue  
1655 Code. The state board or department, as appropriate, may cancel  
1656 an application for retirement benefits if the member or  
1657 beneficiary fails to timely provide the information and  
1658 documents required by this chapter and the rules of the state  
1659 board and department. In accordance with their respective  
1660 responsibilities, the state board and the department shall adopt  
1661 rules establishing procedures for application for retirement  
1662 benefits and for the cancellation of such application if the  
1663 required information or documents are not received. The state  
1664 board and the department, as appropriate, are authorized to cash  
1665 out a de minimis account of a member who has been terminated  
1666 from Florida Retirement System covered employment for a minimum  
1667 of 6 calendar months. A de minimis account is an account  
1668 containing employer and employee contributions and accumulated  
1669 earnings of not more than \$5,000 made under the provisions of  
1670 this chapter. Such cash-out must be a complete lump-sum  
1671 liquidation of the account balance, subject to the provisions of  
1672 the Internal Revenue Code, or a lump-sum direct rollover  
1673 distribution paid directly to the custodian of an eligible  
1674 retirement plan, as defined by the Internal Revenue Code, on  
1675 behalf of the member. Any nonvested accumulations and associated  
1676 service credit, including amounts transferred to the suspense  
1677 account of the Florida Retirement System Investment Plan Trust  
1678 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1679 payment of any vested benefit to a member or beneficiary, except  
1680 for de minimis distributions or minimum required distributions  
1681 as provided under this section. If any financial instrument  
1682 issued for the payment of retirement benefits under this section

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1683 is not presented for payment within 180 days after the last day  
1684 of the month in which it was originally issued, the third-party  
1685 administrator or other duly authorized agent of the state board  
1686 shall cancel the instrument and credit the amount of the  
1687 instrument to the suspense account of the Florida Retirement  
1688 System Investment Plan Trust Fund authorized under s.  
1689 121.4501(6). Any amounts transferred to the suspense account are  
1690 payable upon a proper application, not to include earnings  
1691 thereon, as provided in this section, within 10 years after the  
1692 last day of the month in which the instrument was originally  
1693 issued, after which time such amounts and any earnings  
1694 attributable to employer contributions shall be forfeited. Any  
1695 forfeited amounts are assets of the trust fund and are not  
1696 subject to chapter 717.

1697 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN ~~SPECIAL~~  
1698 ~~RISK CLASS~~ MEMBERS.—Benefits are provided under this subsection  
1699 to the spouse and child or children of members in the investment  
1700 plan ~~Special Risk Class~~ when such members are killed in the line  
1701 of duty and are payable in lieu of the benefits that would  
1702 otherwise be payable under subsection (1) or subsection (3).  
1703 Benefits provided by this subsection supersede any other  
1704 distribution that may have been provided by the member's  
1705 designation of beneficiary. Such benefits must be funded from  
1706 employer contributions made under s. 121.571, transferred  
1707 employee contributions and funds accumulated pursuant to  
1708 paragraph (a), and interest and earnings thereon.

1709 (a) *Transfer of funds.*—To qualify to receive monthly  
1710 benefits under this subsection:

1711 1. All moneys accumulated in the member's account,

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1712 including vested and nonvested accumulations as described in s.  
1713 121.4501(6), must be transferred from such individual accounts  
1714 to the division for deposit in the survivor benefit account of  
1715 the Florida Retirement System Trust Fund. Moneys in the survivor  
1716 benefit account must be accounted for separately. Earnings must  
1717 be credited on an annual basis for amounts held in the survivor  
1718 benefit account of the Florida Retirement System Trust Fund  
1719 based on actual earnings of the trust fund.

1720 2. If the member has retained retirement credit earned  
1721 under the pension plan as provided in s. 121.4501(3), a sum  
1722 representing the actuarial present value of such credit within  
1723 the Florida Retirement System Trust Fund shall be transferred by  
1724 the division from the pension plan to the survivor benefit  
1725 retirement program as implemented under this subsection and  
1726 shall be deposited in the survivor benefit account of the trust  
1727 fund.

1728 (b) *Survivor retirement; entitlement.*—An investment plan  
1729 member who is ~~in the Special Risk Class at the time the member~~  
1730 ~~is~~ killed in the line of duty on or after July 1, 2002 ~~2013~~,  
1731 regardless of length of creditable service, may have survivor  
1732 benefits paid as provided in s. 121.091(7)(d) and (i) to:

- 1733 1. The surviving spouse for the spouse's lifetime; or
- 1734 2. If there is no surviving spouse or the surviving spouse  
1735 dies, the member's child or children under 18 years of age and  
1736 unmarried until the 18th birthday of the member's youngest  
1737 child. Such payments may be extended until the 25th birthday of  
1738 any child of the member if the child is unmarried and enrolled  
1739 as a full-time student as provided in s. 121.091(7)(d) and (i).

1740 (c) *Survivor benefit retirement effective date.*—

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1741       1. The effective retirement date for the surviving spouse  
1742 or eligible child of a Special Risk Class member who is killed  
1743 in the line of duty is:

1744       ~~a.1.~~ The first day of the month following the member's  
1745 death if the member dies on or after July 1, 2016.

1746       b.2. July 1, 2016, for a member of the Special Risk Class  
1747 when killed in the line of duty on or after July 1, 2013, but  
1748 before July 1, 2016, if the application is received before July  
1749 1, 2016; or the first day of the month following the receipt of  
1750 such application.

1751       2. Except as provided in subparagraph 1., the effective  
1752 retirement date for the surviving spouse or eligible child of an  
1753 investment plan member who is killed in the line of duty is:

1754       a. The first day of the month following the member's death  
1755 if the member dies on or after July 1, 2017.

1756       b. July 1, 2017, if the member is killed in the line of  
1757 duty on or after July 1, 2002, but before July 1, 2017, if the  
1758 application is received before July 1, 2017; or the first day of  
1759 the month following the receipt of such application.

1760  
1761 If the investment plan account balance has already been paid out  
1762 to the surviving spouse or the eligible unmarried dependent  
1763 child or children, the benefit payable shall be actuarially  
1764 reduced by the amount of the payout.

1765       (d) *Line-of-duty death benefit.*—

1766       1. The following individuals are eligible to receive a  
1767 retirement benefit under s. 121.091(7) (d) and (i) if the  
1768 member's account balance is surrendered and an application is  
1769 received and approved:

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1770 a. The surviving spouse.

1771 b. If there is no surviving spouse or the surviving spouse  
1772 dies, the member's child or children under 18 years of age and  
1773 unmarried until the 18th birthday of the member's youngest  
1774 child, or until the 25th birthday of the member's child if the  
1775 child is unmarried and enrolled as a full-time student.

1776 2. Such surviving spouse or such child or children shall  
1777 receive a monthly survivor benefit that begins accruing on the  
1778 first day of the month of survivor benefit retirement, as  
1779 approved by the division, and is payable on the last day of that  
1780 month and each month thereafter during the surviving spouse's  
1781 lifetime or on behalf of the unmarried children of the member  
1782 until the 18th birthday of the youngest child, or until the 25th  
1783 birthday of any of the member's unmarried children who are  
1784 enrolled as full-time students. Survivor benefits must be paid  
1785 out of the survivor benefit account of the Florida Retirement  
1786 System Trust Fund established under this subsection.

1787  
1788 If the investment plan account balance has already been paid out  
1789 to the surviving spouse or the eligible unmarried dependent  
1790 child or children, the benefit payable shall be actuarially  
1791 reduced by the amount of the payout.

1792 (e) *Computation of survivor benefit retirement benefit.*—The  
1793 amount of each monthly payment must be calculated as provided  
1794 under s. 121.091(7) (d) and (i).

1795 (f) *Death of the surviving spouse or children.*—

1796 1. Upon the death of a surviving spouse, the monthly  
1797 benefits shall be paid through the last day of the month of  
1798 death and shall terminate or be paid on behalf of the unmarried

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1799 child or children until the 18th birthday of the youngest child,  
1800 or the 25th birthday of any of the member's unmarried children  
1801 who are enrolled as full-time students.

1802 2. If the surviving spouse dies and the benefits are being  
1803 paid on behalf of the member's unmarried children as provided in  
1804 subparagraph 1., benefits shall be paid through the last day of  
1805 the month until the later of the month the youngest child  
1806 reaches his or her 18th birthday, the month of the 25th birthday  
1807 of any of the member's unmarried children enrolled as full-time  
1808 students, or the month of the death of the youngest child.

1809 Section 13. Section 121.5912, Florida Statutes, is amended  
1810 to read:

1811 121.5912 Survivor benefit retirement program; qualified  
1812 status; rulemaking authority.—It is the intent of the  
1813 Legislature that the survivor benefit retirement program for  
1814 ~~Special Risk Class~~ members of the Florida Retirement System  
1815 Investment Plan meet all applicable requirements for a qualified  
1816 plan. If the state board or the division receives notification  
1817 from the Internal Revenue Service that this program or any  
1818 portion of this program will cause the retirement system, or any  
1819 portion thereof, to be disqualified for tax purposes under the  
1820 Internal Revenue Code, the portion that will cause the  
1821 disqualification does not apply. Upon such notice, the state  
1822 board or the division shall notify the presiding officers of the  
1823 Legislature. The state board and the department may adopt any  
1824 rules necessary to maintain the qualified status of the survivor  
1825 benefit retirement program.

1826 Section 14. Subsections (4) and (5) of section 121.71,  
1827 Florida Statutes, are amended to read:

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1828 121.71 Uniform rates; process; calculations; levy.—  
 1829 (4) Required employer retirement contribution rates for  
 1830 each membership class and subclass of the Florida Retirement  
 1831 System for both retirement plans are as follows:  
 1832

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2017</u> <del>2016</del>
1833	
1834 Regular Class	<u>2.90%</u> <del>2.97%</del>
1835 Special Risk Class	<u>11.86%</u> <del>11.80%</del>
1836 Special Risk Administrative Support Class	<u>3.83%</u> <del>3.87%</del>
1837 Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.45%</u> <del>6.63%</del>
1838 Elected Officers' Class—	<u>11.67%</u> <del>11.68%</del>



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1839	Justices, Judges	
	Elected Officers' Class-	
	County Elected Officers	<u>8.54%</u> <del>8.55%</del>
1840		
	Senior Management Class	<u>4.29%</u> <del>4.38%</del>
1841		
	DROP	<u>4.17%</u> <del>4.23%</del>

1842  
1843  
1844 (5)

1845 In order to address unfunded actuarial liabilities of the  
1846 system, the required employer retirement contribution rates for  
1847 each membership class and subclass of the Florida Retirement  
1848 System for both retirement plans are as follows:

1849		
1850		
		Percentage of
		Gross
		Compensation,
		Effective
	Membership Class	July 1, <u>2017</u> <del>2016</del>

1851		
1852		
	Regular Class	<u>3.30%</u> <del>2.83%</del>
1853		
	Special Risk Class	<u>9.69%</u> <del>9.05%</del>

1854

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1855	Special Risk Administrative Support Class	<u>29.08%</u> <del>22.47%</del>
1856	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>42.69%</u> <del>33.75%</del>
1857	Elected Officers' Class— Justices, Judges	<u>26.25%</u> <del>23.30%</del>
1858	Elected Officers' Class— County Elected Officers	<u>35.24%</u> <del>32.20%</del>
1859	Senior Management Service Class	<u>16.70%</u> <del>15.67%</del>
1860	DROP	<u>7.43%</u> <del>7.10%</del>

1861

1862 Section 15. Subsections (1) and (3) of section 121.735,

1863 Florida Statutes, are amended to read:

1864 121.735 Allocations for member line-of-duty death benefits;

1865 percentage amounts.—

1866 (1) The allocations established in subsection (3) shall be

1867 used to provide line-of-duty death benefit coverage for ~~Special~~

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1868 ~~Risk Class~~ members in the investment plan and shall be  
 1869 transferred monthly by the division from the Florida Retirement  
 1870 System Contributions Clearing Trust Fund to the survivor benefit  
 1871 account of the Florida Retirement System Trust Fund.

1872 (3) Effective July 1, 2017 ~~2016~~, allocations from the  
 1873 Florida Retirement System Contributions Clearing Trust Fund to  
 1874 provide line-of-duty death benefits for ~~Special Risk Class~~  
 1875 members in the investment plan and to offset the costs of  
 1876 administering said coverage, are as follows:  
 1877

Membership Class	Percentage of Gross Compensation
<u>Regular Class</u>	<u>0.05%</u>
Special Risk Class	<u>1.15%</u> <del>0.82%</del>
<u>Special Risk Administrative Support Class</u>	<u>0.03%</u>
<u>Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders</u>	<u>0.15%</u>

1883

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Elected Officers' Class— 0.09%  
Justices, Judges

1884

Elected Officers' Class— 0.20%  
County Elected Officers

1885

Senior Management Service 0.05%  
Class

1886

1887

1888 Section 16. The Legislature finds that a proper and  
1889 legitimate state purpose is served when employees and retirees  
1890 of the state and its political subdivisions, and the dependents,  
1891 survivors, and beneficiaries of such employees and retirees, are  
1892 extended the basic protections afforded by governmental  
1893 retirement systems. These persons must be provided benefits that  
1894 are fair and adequate and that are managed, administered, and  
1895 funded in an actuarially sound manner, as required by s. 14,  
1896 Article X of the State Constitution and part VII of chapter 112,  
1897 Florida Statutes. Therefore, the Legislature determines and  
1898 declares that this act fulfills an important state interest.

1899 Section 17. (1) PURPOSE.—This section provides instructions  
1900 for implementing the 2017-2018 fiscal year salary and benefit  
1901 adjustments provided in this act. All allocations,  
1902 distributions, and uses of these funds are to be made in strict  
1903 accordance with the provisions of this act and chapter 216,  
1904 Florida Statutes.

1905 (2) LEGISLATIVE INTENT.—It is the intent of the Legislature  
1906 that the minimum for each pay grade and pay band may not be

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1907 adjusted during the 2017-2018 fiscal year and that the maximums  
1908 for each pay grade and pay band shall be adjusted upward by 6  
1909 percent, effective July 1, 2017. In addition, the Legislature  
1910 intends that all eligible employees receive the increases  
1911 specified in this section, even if the implementation of such  
1912 increases results in an employee's salary exceeding the adjusted  
1913 pay grade maximum. Salary increases provided under this section  
1914 shall be prorated based on the full-time equivalency of the  
1915 employee's position. Employees classified as other-personnel-  
1916 services employees are not eligible for an increase based on the  
1917 implementation of increases authorized in this section.

1918 (3) LAW ENFORCEMENT COMPENSATION ADJUSTMENTS.—

1919 (a) Effective July 1, 2017, funds are provided in section  
1920 18 of this act to grant a competitive pay adjustment of 5  
1921 percent of each eligible law enforcement employee's base rate of  
1922 pay on June 30, 2017, in the Department of Legal Affairs, the  
1923 Department of Agriculture and Consumer Services, the Department  
1924 of Financial Services, the Department of Law Enforcement, the  
1925 Department of Highway Safety and Motor Vehicles, the Department  
1926 of Business and Professional Regulation, and the Department of  
1927 the Lottery; the Fish and Wildlife Conservation Commission; the  
1928 offices of State Attorneys; the Florida Commission on Offender  
1929 Review; and the Florida School for the Deaf and the Blind.

1930 (b) For purposes of this subsection, the term "law  
1931 enforcement employee" means:

1932 1. Sworn officers of the Law Enforcement, Florida Highway  
1933 Patrol, Special Agent, and Lottery Law Enforcement bargaining  
1934 units in the following classification codes: Law Enforcement  
1935 Officer (8515); Law Enforcement Corporal (8517); Law Enforcement

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1936 Sergeant (8519); Law Enforcement Investigator I (8540); Law  
1937 Enforcement Investigator II (8541); Law Enforcement Airplane  
1938 Pilot I (8532); Law Enforcement Airplane Pilot II (8534);  
1939 Special Agent Trainee (8580); Special Agent (8581); Special  
1940 Agent I (2724); Special Agent II (2608); Security Agent-FDLE  
1941 (8593); and Security Agent Supervisor-FDLE (8596).

1942 2. Sworn officers in the following classification codes:  
1943 Law Enforcement Lieutenant (8522); Law Enforcement Captain (8525  
1944 and 8632); Law Enforcement Major (8526, 8626, and 8630); Special  
1945 Agent Supervisor (1126 and 8584); Inspector-FDLE (8590); and  
1946 Investigators I-VI (6661, 6662, 6663, 6664, 6665, and 6666).

1947 (4) DEPARTMENT OF CORRECTIONS COMPENSATION ADJUSTMENTS.—

1948 (a) Effective October 1, 2017, the Department of  
1949 Corrections shall adjust the minimum base rate of pay for its  
1950 positions in the correctional officer classification series as  
1951 follows:

1952 1. Correctional officer (8003) to \$33,500.

1953 2. Correctional officer sergeant (8005) to \$36,850.

1954 3. Correctional officer lieutenant (8011) to \$40,535.

1955 4. Correctional officer captain (8013) to \$44,589.

1956 (b) Effective October 1, 2017, funds are provided in  
1957 section 18 of this act to fund the adjustments to the minimum  
1958 base rates of pay authorized in paragraph (a) and to fund  
1959 competitive pay adjustments to all other employees of the  
1960 Department of Corrections filling a position in the correctional  
1961 officer classification series (class codes 8003, 8005, 8011, and  
1962 8013). The adjustments to the base rate of pay shall be the  
1963 amount necessary to increase the employee's base rate of pay as  
1964 of September 30, 2017, to the applicable class minimum specified

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1965 in paragraph (a) or by \$2,500, whichever amount is greater.

1966 (5) COMPENSATION ADJUSTMENTS FOR CERTAIN OFFICERS AND  
1967 DESIGNATED EMPLOYEES.—Beginning October 1, 2017, from the funds  
1968 provided in section 18 of this act and notwithstanding the  
1969 provisions of ss. 27.35, 27.5301(1), 27.5301(3), and 29.23,  
1970 Florida Statutes, which require the salaries of certain officers  
1971 and employees to be established in the general appropriations  
1972 act, the following officers and designated employees shall be  
1973 paid at the annual rate authorized in this subsection:

1974 (a) Supreme Court Justices at the annual rate of \$178,420.

1975 (b) District Court of Appeal Judges at the annual rate of  
1976 \$169,554.

1977 (c) Circuit Court Judges at the annual rate of \$160,688.

1978 (d) County Court Judges at the annual rate of \$151,822.

1979 (e) State Attorneys at the annual rate of \$169,554.

1980 (f) Public Defenders at the annual rate of \$169,554.

1981 (g) Criminal Conflict and Civil Regional Counsels at the  
1982 annual rate of \$115,000.

1983 (h) Public Service Commissioner at the annual rate of  
1984 \$132,036.

1985 (i) Chair of the Public Employees Relations Commission at  
1986 the annual rate of \$97,789.

1987 (j) Commissioners of the Public Employees Relations  
1988 Commission at the rate of \$46,362.

1989 (k) Parole Commissioners at the annual rate of \$92,724.

1990  
1991 None of the officers, commission members, or employees whose  
1992 salaries have been fixed in this subsection shall receive any  
1993 supplemental salary or benefits from any county or municipality.

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1994 (6) EMPLOYEE AND OFFICER COMPENSATION ADJUSTMENTS.—

1995 (a) For purposes of this subsection, the term "competitive  
1996 pay adjustment" means:

1997 1. For employees with a base rate of pay of \$40,000 or less  
1998 on September 30, 2017, an annual increase of \$1,400.

1999 2. For employees with a base rate of pay greater than  
2000 \$40,000 on September 30, 2017, an annual increase of \$1,000;  
2001 provided however, in no instance may an employee's base rate of  
2002 pay be increased to an annual amount less than \$41,400.

2003  
2004 For the purpose of determining the applicable increase for part-  
2005 time employees, the full-time equivalent value of the base rate  
2006 of pay on September 30, 2017, shall be used; but the amount of  
2007 the annual increase for a part-time employee must be  
2008 proportional to the full-time equivalency of the employee's  
2009 position.

2010 (b) For purposes of this subsection, the term "eligible  
2011 employees" means employees who are, at a minimum, meeting their  
2012 required performance standards, if applicable. If an ineligible  
2013 employee achieves performance standards subsequent to the salary  
2014 increase implementation date but on or before the end of the  
2015 2017-2018 fiscal year, the employee may receive an increase;  
2016 however, such increase shall take effect on the date the  
2017 employee becomes eligible and is not retroactive to the salary  
2018 increase implementation date. In addition, the salary increase  
2019 provided under this section shall be prorated based on the full-  
2020 time equivalency of the employee's position. Employees  
2021 classified as being other-personnel-services employees are not  
2022 eligible for an increase.



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2023 (c) Effective October 1, 2017, funds are provided in  
2024 section 18 of this act to grant competitive pay adjustments for  
2025 all eligible employees in the Career Service, the Selected  
2026 Exempt Service, the Senior Management Service, the lottery pay  
2027 plan, the judicial branch pay plan, the legislative pay plan,  
2028 and the pay plans administered by the Justice Administration  
2029 Commission, except those officers and employees receiving  
2030 compensation adjustments pursuant to subsections (3), (4), and  
2031 (5), paragraph (7) (c), and subparagraphs (7) (d)2. and 3.

2032 (7) SPECIAL PAY ISSUES.—

2033 (a) The Department of Highway Safety and Motor Vehicles is  
2034 authorized to increase the minimum annual salaries of current  
2035 and new employees hired to fill positions in the law enforcement  
2036 officer class (class code 8515) to \$36,223. This paragraph is  
2037 effective upon becoming a law.

2038 (b) The Department of Veterans' Affairs is authorized to  
2039 implement its competitive pay plan proposed in the department's  
2040 initial legislative budget request to address recruitment and  
2041 retention of its employees who hold an active nursing assistant  
2042 certification and fill a position in one of the following  
2043 classification codes: certified nursing assistant (class code  
2044 5707); senior certified nursing assistant (class code 5708);  
2045 therapy aide I (class code 5556); or therapy aide II (class code  
2046 5557).

2047 (c) From funds in section 18 of this act, and beginning  
2048 October 1, 2017, the Justice Administrative Commission is  
2049 authorized to implement the salary adjustment proposed in its  
2050 initial legislative budget request for the Statewide Guardian Ad  
2051 Litem Program. To be eligible to receive this competitive pay

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2052 adjustment, the employee must be an employee of the Statewide  
2053 Guardian Ad Litem Program and must fill a position in one of the  
2054 following classification codes: child advocate manager (class  
2055 code 8401); senior child advocate manager (class code 8402);  
2056 volunteer recruiter (class code 8403); program attorney (class  
2057 code 8700); or senior program attorney (class code 8701).

2058 (d) From the funds in section 18 of this act, and beginning  
2059 October 1, 2017, the Department of Legal Affairs is authorized  
2060 to:

2061 1. Increase the starting salary of employees in the  
2062 Attorney-Assistant Attorney General class (class code 7737) to  
2063 \$43,900;

2064 2. Grant a competitive pay adjustment of \$6,000 to each  
2065 employee employed as an Assistant Attorney General (class code  
2066 7746) who has worked for the department for at least 2 years and  
2067 meets or exceeds performance expectations; and

2068 3. Grant a competitive pay adjustment of \$3,000 to each  
2069 employee employed as a Senior Assistant Attorney General (class  
2070 code 7747); Attorney Supervisor-Assistant Attorney General  
2071 (class code 7744); Special Counsel-Assistant Attorney General  
2072 (class code 7165); Chief-Assistant Attorney General (class code  
2073 7748); Assistant Statewide Prosecutor-Attorney (class code  
2074 8681); Assistant Statewide Prosecutor-Senior Attorney (class  
2075 code 8682); Assistant Statewide Prosecutor-Special Counsel  
2076 (class code 6120); or Assistant Statewide Prosecutor-Chief  
2077 (class code 9191) who has worked for the department for at least  
2078 2 years and meets or exceeds performance expectations.

2079 (8) PAY ADDITIVES AND OTHER INCENTIVE PROGRAMS.—The  
2080 following pay additives and other incentive programs are

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2081 authorized for the 2017-2018 fiscal year from existing agency  
2082 resources consistent with the provisions of ss. 110.2035 and  
2083 216.251, Florida Statutes, the applicable rules adopted by the  
2084 Department of Management Services, and negotiated collective  
2085 bargaining agreements.

2086 (a) The Department of Corrections is authorized to award a  
2087 temporary special duties pay additive of up to 10 percent of the  
2088 employee's base rate of pay for each certified correctional  
2089 officer (class code 8003); certified correctional officer  
2090 sergeant (class code 8005); certified correctional officer  
2091 lieutenant (class code 8011); and certified correctional officer  
2092 captain (class code 8013). For purposes of determining  
2093 eligibility for this special pay additive, the term "certified"  
2094 means the employee has obtained a correctional behavioral mental  
2095 health certification as provided through the American  
2096 Correctional Association. Such additive may be awarded only  
2097 during the time the certified officer is employed in an assigned  
2098 mental health unit post.

2099 (b) The Department of Corrections is authorized to award a  
2100 one-time \$1,000 hiring bonus to newly-hired correctional  
2101 officers (class code 8003) who are hired to fill positions at a  
2102 correctional institution that had a vacancy rate for such  
2103 positions of more than 10 percent for the preceding calendar  
2104 quarter. The bonus may not be awarded before the officer obtains  
2105 his or her correctional officer certification. Current employees  
2106 and former employees who have had a break in service with the  
2107 Department of Corrections of 31 days or less, are not eligible  
2108 for this bonus.

2109 Section 18. The sums of \$109,675,610 of recurring funds in

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2110 the General Revenue Fund and \$73,389,000 of recurring funds from  
2111 trust funds are appropriated for the salary adjustments  
2112 authorized in section 17 of this act. The Office of Policy and  
2113 Budget in the Executive Office of the Governor, in consultation  
2114 with the Legislature, shall distribute the funds and budget  
2115 authority to the state agencies and the legislative and judicial  
2116 branches in accordance with chapter 216, Florida Statutes.

2117       Section 19. Except as otherwise expressly provided in this  
2118 act and except for this section, which shall take effect upon  
2119 becoming a law, this act shall take effect July 1, 2017.