

By the Committee on Governmental Oversight and Accountability

585-04368-17

20177030__

1 A bill to be entitled
2 An act relating to retirement; creating s. 112.1816,
3 F.S.; defining the term "firefighter"; establishing a
4 presumption as to a firefighter's condition or
5 impairment of health caused by certain types of cancer
6 he or she contracts in the line of duty; specifying
7 criteria a firefighter must meet to be entitled to the
8 presumption; requiring an employing agency to provide
9 a physical examination for a firefighter; specifying
10 circumstances under which the presumption does not
11 apply; providing for applicability; amending s.
12 121.053, F.S.; authorizing renewed membership in the
13 Florida Retirement System for retirees who are
14 reemployed in a position eligible for the Elected
15 Officers' Class under certain circumstances; amending
16 s. 121.055, F.S.; providing for renewed membership in
17 the retirement system for retirees of the Senior
18 Management Service Optional Annuity Program who are
19 reemployed on or after a specified date; closing the
20 Senior Management Service Optional Annuity Program to
21 new members after a specified date; amending s.
22 121.091, F.S.; revising criteria for eligibility of
23 payment of death benefits to the surviving children of
24 a Special Risk Class member killed in the line of duty
25 under specified circumstances; conforming a provision
26 to changes made by the act; amending s. 121.122, F.S.;
27 requiring that certain retirees who are reemployed on
28 or after a specified date be renewed members in the
29 investment plan; providing exceptions; specifying that

585-04368-17

20177030__

30 creditable service does not accrue for employment
31 during a specified period; prohibiting certain funds
32 from being paid into a renewed member's investment
33 plan account for a specified period of employment;
34 requiring the renewed member to satisfy vesting
35 requirements; prohibiting a renewed member from
36 receiving specified disability benefits; specifying
37 limitations and requirements; requiring the employer
38 and the retiree to make applicable contributions to
39 the renewed member's investment plan account;
40 providing for the transfer of contributions;
41 authorizing a renewed member to receive additional
42 credit toward the health insurance subsidy under
43 certain circumstances; prohibiting participation in
44 the pension plan; providing that a retiree reemployed
45 on or after a specified date in a regularly
46 established position eligible for the State University
47 System Optional Retirement Program or State Community
48 College System Optional Retirement Program is a
49 renewed member of that program; specifying limitations
50 and requirements; requiring the employer and the
51 retiree to make applicable contributions; amending s.
52 121.4501, F.S.; revising definitions; revising a
53 provision relating to acknowledgement of an employee's
54 election to participate in the investment plan;
55 enrolling certain employees in the pension plan from
56 their date of hire until they are automatically
57 enrolled in the investment plan or timely elect
58 enrollment in the pension plan; providing certain

585-04368-17

20177030__

59 members with a specified time to choose participation
60 in the pension plan or the investment plan; conforming
61 provisions to changes made by the act; amending s.
62 121.591, F.S.; authorizing payment of death benefits
63 to the surviving spouse or surviving children of a
64 member in the investment plan; establishing
65 qualifications and eligibility requirements for
66 receipt of such benefits; prescribing the method of
67 calculating the benefit; specifying circumstances
68 under which benefit payments are terminated; amending
69 s. 121.5912, F.S.; revising a provision regarding
70 program qualification under the Internal Revenue Code
71 and rulemaking authority, to conform to changes made
72 by the act; amending s. 121.735, F.S.; revising
73 allocations to fund line-of-duty death benefits for
74 investment plan members, to conform to changes made by
75 the act; requiring the Legislature to review specified
76 cancer research programs by a certain date; revising
77 employer contribution rates to fund changes made by
78 the act; providing a directive to the Division of Law
79 Revision and Information; providing a declaration of
80 important state interest; providing an effective date.

81

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

83

84 Section 1. Section 112.1816, Florida Statutes, is created
85 to read:

86 112.1816 Firefighter disability or death from cancer
87 presumed contracted in the line of duty.-

585-04368-17

20177030__

88 (1) DEFINITION.—As used in this section, the term
89 “firefighter” has the same meaning as in s. 112.81.

90 (2) PRESUMPTION; ELIGIBILITY CONDITIONS.—

91 (a) Any condition or impairment of the health of a
92 firefighter employed full time by the state or any municipality,
93 county, port authority, special tax district, or fire control
94 district which is caused by multiple myeloma, non-Hodgkin’s
95 lymphoma, prostate cancer, or testicular cancer and results in
96 total or partial disability or death is presumed to have been
97 accidental and to have been contracted in the line of duty
98 unless the contrary is shown by competent evidence. In order to
99 be entitled to this presumption, the firefighter:

100 1. Must have successfully passed a physical examination
101 administered before the individual began service as a
102 firefighter and which failed to reveal any evidence of such a
103 health condition;

104 2. Must have been employed as a firefighter with his or her
105 current employer for at least 5 continuous years before becoming
106 totally or partially disabled or before his or her death;

107 3. Must not have used tobacco products for at least 5 years
108 before becoming totally or partially disabled or before his or
109 her death; and

110 4. Must not have been employed during the preceding 5 years
111 in any other position that is proven to create a higher risk for
112 multiple myeloma, non-Hodgkin’s lymphoma, prostate cancer, or
113 testicular cancer. This includes any other employment as a
114 firefighter at another employing agency within the preceding 5
115 years.

116 (b) An employing agency must provide a physical examination

585-04368-17

20177030__

117 for a firefighter before he or she begins service or immediately
118 thereafter. Notwithstanding subparagraph (a)1., if the employing
119 agency fails to provide a physical examination before the
120 firefighter begins service, or immediately thereafter, the
121 firefighter is entitled to the presumption, provided that he or
122 she meets the criteria specified in subparagraphs (a)2., (a)3.,
123 and (a)4.

124 (c) The presumption does not apply to benefits payable
125 under or granted in a life insurance or disability insurance
126 policy unless the insurer and insured have negotiated for the
127 additional benefits to be included in the policy contract.

128 (3) APPLICABILITY.—A firefighter employed on July 1, 2017,
129 is not required to meet the physical examination requirement in
130 subsection (2) in order to be entitled to the presumption set
131 forth in this section.

132 Section 2. Paragraph (a) of subsection (3) and subsection
133 (5) of section 121.053, Florida Statutes, are amended to read:

134 121.053 Participation in the Elected Officers' Class for
135 retired members.—

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

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

142 (5) Any renewed member, as described in s. 121.122(1), (3),
143 (4), or (5) subsection (1) or subsection (2), who is not
144 receiving the maximum health insurance subsidy provided in s.
145 112.363 is entitled to earn additional credit toward the maximum

585-04368-17

20177030__

146 health insurance subsidy. Any additional subsidy due because of
147 such additional credit may be received only at the time of
148 payment of the second career retirement benefit. The total
149 health insurance subsidy received from initial and renewed
150 membership may not exceed the maximum allowed in s. 112.363.

151 Section 3. Paragraph (f) of subsection (1) and paragraph
152 (c) of subsection (6) of section 121.055, Florida Statutes, are
153 amended to read:

154 121.055 Senior Management Service Class.—There is hereby
155 established a separate class of membership within the Florida
156 Retirement System to be known as the "Senior Management Service
157 Class," which shall become effective February 1, 1987.

158 (1)

159 (f) Effective July 1, 1997:

160 1. Except as provided in subparagraph 3., an elected state
161 officer eligible for membership in the Elected Officers' Class
162 under s. 121.052(2)(a), (b), or (c) who elects membership in the
163 Senior Management Service Class under s. 121.052(3)(c) may,
164 within 6 months after assuming office or within 6 months after
165 this act becomes a law for serving elected state officers, elect
166 to participate in the Senior Management Service Optional Annuity
167 Program, as provided in subsection (6), in lieu of membership in
168 the Senior Management Service Class.

169 2. Except as provided in subparagraph 3., an elected
170 officer of a local agency employer eligible for membership in
171 the Elected Officers' Class under s. 121.052(2)(d) who elects
172 membership in the Senior Management Service Class under s.
173 121.052(3)(c) may, within 6 months after assuming office, or
174 within 6 months after this act becomes a law for serving elected

585-04368-17

20177030__

175 officers of a local agency employer, elect to withdraw from the
176 Florida Retirement System, as provided in subparagraph (b)2., in
177 lieu of membership in the Senior Management Service Class.

178 3. A retiree of a state-administered retirement system who
179 is initially reemployed in a regularly established position on
180 or after July 1, 2010, through June 30, 2017, as an elected
181 official eligible for the Elected Officers' Class may not be
182 enrolled in renewed membership in the Senior Management Service
183 Class or in the Senior Management Service Optional Annuity
184 Program as provided in subsection (6), and may not withdraw from
185 the Florida Retirement System as a renewed member as provided in
186 subparagraph (b)2., as applicable, in lieu of membership in the
187 Senior Management Service Class. Effective July 1, 2017, a
188 retiree of the Senior Management Service Optional Annuity
189 Program who is reemployed in a regularly established position
190 with a covered employer shall be enrolled as a renewed member as
191 provided in s. 121.122.

192 (6)

193 (c) *Participation.*—

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

585-04368-17

20177030__

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

215 3. A person who is appointed to a position in the Senior
216 Management Service Class and who is a member of an existing
217 retirement system or the Special Risk or Special Risk
218 Administrative Support Classes of the Florida Retirement System
219 may elect to remain in such system or class in lieu of
220 participating in the Senior Management Service Class or optional
221 annuity program. Such election shall ~~must~~ be made in writing and
222 filed with the department and the personnel officer of the
223 employer within 90 days after such appointment. An eligible
224 employee who fails to make an election to participate in the
225 existing system, the Special Risk Class of the Florida
226 Retirement System, the Special Risk Administrative Support Class
227 of the Florida Retirement System, or the optional annuity
228 program is ~~shall be~~ deemed to have elected membership in the
229 Senior Management Service Class.

230 4. Except as provided in subparagraph 5., an employee's
231 election to participate in the optional annuity program is
232 irrevocable if the employee continues to be employed in an

585-04368-17

20177030__

233 eligible position and continues to meet the eligibility
234 requirements set forth in this paragraph.

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

241 a. The election shall ~~must~~ be made in writing and ~~must be~~
242 filed with the department and the personnel officer of the
243 employer before October 1, 2002, or, in the case of an active
244 employee who is on a leave of absence on July 1, 2002, within 90
245 days after the conclusion of the leave of absence. This election
246 is irrevocable.

247 b. The employee shall receive service credit under the
248 pension plan equal to his or her years of service under the
249 Senior Management Service Optional Annuity Program. The cost for
250 such credit is the amount representing the present value of that
251 employee's accumulated benefit obligation for the affected
252 period of service.

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

261 6. A retiree of a state-administered retirement system who

585-04368-17

20177030__

262 is initially reemployed on or after July 1, 2010, through June
263 30, 2017, may not renew membership in the Senior Management
264 Service Optional Annuity Program. Effective July 1, 2017, a
265 retiree of the Senior Management Service Optional Annuity
266 Program who is reemployed in a regularly established position
267 with a covered employer shall be enrolled as a renewed member as
268 provided in s. 121.122.

269 7. Effective July 1, 2017, the Senior Management Service
270 Optional Annuity Program is closed to new members. A member
271 enrolled in the Senior Management Service Optional Annuity
272 Program before July 1, 2017, may retain his or her membership in
273 the annuity program.

274 Section 4. Paragraphs (d) and (i) of subsection (7) and
275 paragraph (c) of subsection (9) of section 121.091, Florida
276 Statutes, are amended to read:

277 121.091 Benefits payable under the system.—Benefits may not
278 be paid under this section unless the member has terminated
279 employment as provided in s. 121.021(39) (a) or begun
280 participation in the Deferred Retirement Option Program as
281 provided in subsection (13), and a proper application has been
282 filed in the manner prescribed by the department. The department
283 may cancel an application for retirement benefits when the
284 member or beneficiary fails to timely provide the information
285 and documents required by this chapter and the department's
286 rules. The department shall adopt rules establishing procedures
287 for application for retirement benefits and for the cancellation
288 of such application when the required information or documents
289 are not received.

290 (7) DEATH BENEFITS.—

585-04368-17

20177030__

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

294 1. The surviving spouse of any member killed in the line of
295 duty may receive a monthly pension equal to one-half of the
296 monthly salary being received by the member at the time of death
297 for the rest of the surviving spouse's lifetime or, if the
298 member was vested, such surviving spouse may elect to receive a
299 benefit as provided in paragraph (b). Benefits provided by this
300 paragraph shall supersede any other distribution that may have
301 been provided by the member's designation of beneficiary.

302 2. If the surviving spouse of a member killed in the line
303 of duty dies, the monthly payments that would have been payable
304 to such surviving spouse had such surviving spouse lived shall
305 be paid for the use and benefit of such member's child or
306 children under 18 years of age and unmarried until the 18th
307 birthday of the member's youngest child. Beginning July 1, 2016,
308 such payments may be extended, for the surviving child of a
309 member in the Special Risk Class at the time he or she was
310 killed in the line of duty on or after July 1, 2013, until the
311 25th birthday of any child of the member if the child is
312 unmarried and enrolled as a full-time student. Beginning July 1,
313 2017, such payments may be extended, for the surviving child of
314 a member in the Special Risk Class at the time he or she was
315 killed in the line of duty on or after July 1, 2002, until the
316 25th birthday of any child of the member if the child is
317 unmarried and enrolled as a full-time student.

318 3. If a member killed in the line of duty leaves no
319 surviving spouse but is survived by a child or children under 18

585-04368-17

20177030__

320 years of age, the benefits provided by subparagraph 1., normally
321 payable to a surviving spouse, shall be paid for the use and
322 benefit of such member's child or children under 18 years of age
323 and unmarried until the 18th birthday of the member's youngest
324 child. Beginning July 1, 2016, such monthly payments may be
325 extended, for the surviving child of a member in the Special
326 Risk Class at the time he or she was killed in the line of duty
327 on or after July 1, 2013, until the 25th birthday of any child
328 of the member if the child is unmarried and enrolled as a full-
329 time student. Beginning July 1, 2017, such monthly payments may
330 be extended, for the surviving child of a member in the Special
331 Risk Class at the time he or she was killed in the line of duty
332 on or after July 1, 2002, until the 25th birthday of any child
333 of the member if the child is unmarried and enrolled as a full-
334 time student.

335 4. The surviving spouse of a member whose benefit
336 terminated because of remarriage shall have the benefit
337 reinstated beginning July 1, 1993, at an amount that would have
338 been payable had the benefit not been terminated.

339 (i) ~~Effective July 1, 2016, and~~ Notwithstanding any
340 provision in this chapter to the contrary, if a member in the
341 Special Risk Class, other than a participant in the Deferred
342 Retirement Option Program under subsection (13), is killed in
343 the line of duty on or after July 1, 2002 ~~2013~~, the following
344 benefits are payable in addition to the benefits provided in
345 paragraph (d):

346 1. The surviving spouse may receive a monthly pension equal
347 to one-half of the monthly salary being received by the member
348 at the time of the member's death for the rest of the surviving

585-04368-17

20177030__

349 spouse's lifetime or, if the member was vested, such surviving
350 spouse may elect to receive a benefit as provided in paragraph
351 (b). Benefits provided by this paragraph supersede any other
352 distribution that may have been provided by the member's
353 designation of beneficiary.

354 2. If the surviving spouse dies, the monthly payments that
355 otherwise would have been payable to such surviving spouse shall
356 be paid for the use and benefit of the member's child or
357 children under 18 years of age and unmarried until the 18th
358 birthday of the member's youngest child. Such monthly payments
359 may be extended until the 25th birthday of the member's child if
360 the child is unmarried and enrolled as a full-time student.

361 3. If the member leaves no surviving spouse but is survived
362 by a child or children under 18 years of age, the benefits
363 provided by subparagraph 1., normally payable to a surviving
364 spouse, shall be paid for the use and benefit of such member's
365 child or children under 18 years of age and unmarried until the
366 18th birthday of the member's youngest child. Such monthly
367 payments may be extended until the 25th birthday of any of the
368 member's children if the child is unmarried and enrolled as a
369 full-time student.

370 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

371 (c) Any person whose retirement is effective on or after
372 July 1, 2010, or whose participation in the Deferred Retirement
373 Option Program terminates on or after July 1, 2010, who is
374 retired under this chapter, except under the disability
375 retirement provisions of subsection (4) or as provided in s.
376 121.053, may be reemployed by an employer that participates in a
377 state-administered retirement system and receive retirement

585-04368-17

20177030__

378 benefits and compensation from that employer. However, a person
379 may not be reemployed by an employer participating in the
380 Florida Retirement System before meeting the definition of
381 termination in s. 121.021 and may not receive both a salary from
382 the employer and retirement benefits for 6 calendar months after
383 meeting the definition of termination. However, a DROP
384 participant shall continue employment and receive a salary
385 during the period of participation in the Deferred Retirement
386 Option Program, as provided in subsection (13).

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

389 2. The employer shall pay retirement contributions in an
390 amount equal to the unfunded actuarial liability portion of the
391 employer contribution that would be required for active members
392 of the Florida Retirement System in addition to the
393 contributions required by s. 121.76.

394 3. A retiree initially reemployed in violation of this
395 paragraph and an employer that employs or appoints such person
396 are jointly and severally liable for reimbursement of any
397 retirement benefits paid to the retirement trust fund from which
398 the benefits were paid, including the Florida Retirement System
399 Trust Fund and the Public Employee Optional Retirement Program
400 Trust Fund, as appropriate. The employer must have a written
401 statement from the employee that he or she is not retired from a
402 state-administered retirement system. Retirement benefits shall
403 remain suspended until repayment is made. Benefits suspended
404 beyond the end of the retiree's 6-month reemployment limitation
405 period shall apply toward the repayment of benefits received in
406 violation of this paragraph.

585-04368-17

20177030__

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

410 121.122 Renewed membership in system.—

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

415 (3) A retiree of the investment plan, the State University
416 System Optional Retirement Program, the Senior Management
417 Service Optional Annuity Program, or the State Community College
418 System Optional Retirement Program who is reemployed with a
419 covered employer in a regularly established position on or after
420 July 1, 2017, shall be enrolled as a renewed member of the
421 investment plan unless employed in a position eligible for
422 participation in the State University System Optional Retirement
423 Program as provided in subsection (4) or the State Community
424 College System Optional Retirement Program as provided in
425 subsection (5). The renewed member must satisfy the vesting
426 requirements and other provisions of this chapter.

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

429 1. In the Regular Class, if the position does not meet the
430 requirements for membership under s. 121.0515, s. 121.053, or s.
431 121.055.

432 2. In the Special Risk Class, if the position meets the
433 requirements of s. 121.0515.

434 3. In the Elected Officers' Class, if the position meets
435 the requirements of s. 121.053.

585-04368-17

20177030__

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

438 (b) Creditable service, including credit toward the retiree
439 health insurance subsidy provided in s. 112.363, does not accrue
440 for a renewed member's employment in a regularly established
441 position with a covered employer from July 1, 2010, through June
442 30, 2017.

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

449 (d) To be eligible to receive a retirement benefit, the
450 renewed member must satisfy the vesting requirements in s.
451 121.4501(6).

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

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

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

459 (h) Upon renewed membership or reemployment of a retiree,
460 the employer and the renewed member shall pay the applicable
461 employer and employee contributions required under ss. 112.363,
462 121.71, 121.74, and 121.76. The contributions are payable only
463 for employment and salary earned in a regularly established
464 position with a covered employer on or after July 1, 2017. The

585-04368-17

20177030__

465 employer and employee contributions shall be transferred to the
466 investment plan and placed in a default fund as designated by
467 the state board. The renewed member may move the contributions
468 once an account is activated in the investment plan.

469 (i) A renewed member who earns creditable service under the
470 investment plan and who is not receiving the maximum health
471 insurance subsidy provided in s. 112.363 is entitled to earn
472 additional credit toward the subsidy. Such credit may be earned
473 only for employment in a regularly established position with a
474 covered employer on or after July 1, 2017. Any additional
475 subsidy due because of additional credit may be received only at
476 the time of paying the second career retirement benefit. The
477 total health insurance subsidy received by a retiree receiving
478 benefits from initial and renewed membership may not exceed the
479 maximum allowed under s. 112.363.

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

482 (4) A retiree of the investment plan, the State University
483 System Optional Retirement Program, the Senior Management
484 Service Optional Annuity Program, or the State Community College
485 System Optional Retirement Program who is reemployed on or after
486 July 1, 2017, in a regularly established position eligible for
487 participation in the State University System Optional Retirement
488 Program shall become a renewed member of the optional retirement
489 program. The renewed member must satisfy the vesting
490 requirements and other provisions of this chapter. Once
491 enrolled, a renewed member remains enrolled in the optional
492 retirement program while employed in an eligible position for
493 the optional retirement program. If employment in a different

585-04368-17

20177030__

494 covered position results in the renewed member's enrollment in
495 the investment plan, the renewed member is no longer eligible to
496 participate in the optional retirement program unless employed
497 in a mandatory position under s. 121.35.

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

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

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

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

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

514 (5) A retiree of the investment plan, the State University
515 System Optional Retirement Program, the Senior Management
516 Service Optional Annuity Program, or the State Community College
517 System Optional Retirement Program who is reemployed on or after
518 July 1, 2017, in a regularly established position eligible for
519 participation in the State Community College System Optional
520 Retirement Program shall become a renewed member of the optional
521 retirement program. The renewed member must satisfy the
522 eligibility requirements of this chapter and s. 1012.875 for the

585-04368-17

20177030__

523 optional retirement program. Once enrolled, a renewed member
524 remains enrolled in the optional retirement program while
525 employed in an eligible position for the optional retirement
526 program. If employment in a different covered position results
527 in the renewed member's enrollment in the investment plan, the
528 renewed member is no longer eligible to participate in the
529 optional retirement program.

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

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

535 (c) Upon renewed membership or reemployment of a retiree,
536 the employer and the renewed member shall pay the applicable
537 employer and employee contributions required under ss.
538 121.051(2)(c) and 1012.875.

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

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

547 Section 6. Paragraphs (e) and (i) of subsection (2),
548 paragraph (b) of subsection (3), subsection (4), paragraph (c)
549 of subsection (5), and paragraphs (a) and (h) of subsection (10)
550 of section 121.4501, Florida Statutes, are amended to read:

551 121.4501 Florida Retirement System Investment Plan.—

585-04368-17

20177030__

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

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

555 1. Is a member of, or is eligible for membership in, the
556 Florida Retirement System, including any renewed member of the
557 Florida Retirement System initially enrolled before July 1,
558 2010; ~~or~~

559 2. Participates in, or is eligible to participate in, the
560 Senior Management Service Optional Annuity Program as
561 established under s. 121.055(6), the State Community College
562 System Optional Retirement Program as established under s.
563 121.051(2)(c), or the State University System Optional
564 Retirement Program established under s. 121.35; or

565 3. Is a retired member of the investment plan, the State
566 University System Optional Retirement Program, the Senior
567 Management Service Optional Annuity Program, or the State
568 Community College System Optional Retirement Program who is
569 reemployed in a regularly established position on or after July
570 1, 2017, and enrolled as a renewed member as provided in s.
571 121.122.

572
573 The term does not include any member participating in the
574 Deferred Retirement Option Program established under s.
575 121.091(13), a retiree of the pension plan who is reemployed in
576 a regularly established position on or after July 1, 2010, a
577 retiree of a state-administered retirement system initially
578 reemployed in a regularly established position on or after July
579 1, 2010, through June 30, 2017, or a mandatory participant of
580 the State University System Optional Retirement Program

585-04368-17

20177030__

581 established under s. 121.35.

582 (i) "Member" or "employee" means an eligible employee who
583 enrolls in, or who defaults into, the investment plan as
584 provided in subsection (4), a terminated Deferred Retirement
585 Option Program member as described in subsection (21), or a
586 beneficiary or alternate payee of a member or employee.

587 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.-

588 (b) Notwithstanding paragraph (a), an eligible employee who
589 elects to participate in, or who defaults into, the investment
590 plan and establishes one or more individual member accounts may
591 elect to transfer to the investment plan a sum representing the
592 present value of the employee's accumulated benefit obligation
593 under the pension plan, except as provided in paragraph (4) (b).
594 Upon transfer, all service credit earned under the pension plan
595 is nullified for purposes of entitlement to a future benefit
596 under the pension plan. A member may not transfer the
597 accumulated benefit obligation balance from the pension plan
598 after the time period for enrolling in the investment plan has
599 expired.

600 1. For purposes of this subsection, the present value of
601 the member's accumulated benefit obligation is based upon the
602 member's estimated creditable service and estimated average
603 final compensation under the pension plan, subject to
604 recomputation under subparagraph 2. For state employees, initial
605 estimates shall be based upon creditable service and average
606 final compensation as of midnight on June 30, 2002; for district
607 school board employees, initial estimates shall be based upon
608 creditable service and average final compensation as of midnight
609 on September 30, 2002; and for local government employees,

585-04368-17

20177030__

610 initial estimates shall be based upon creditable service and
611 average final compensation as of midnight on December 31, 2002.
612 The dates specified are the "estimate date" for these employees.
613 The actuarial present value of the employee's accumulated
614 benefit obligation shall be based on the following:

615 a. The discount rate and other relevant actuarial
616 assumptions used to value the Florida Retirement System Trust
617 Fund at the time the amount to be transferred is determined,
618 consistent with the factors provided in sub-subparagraphs b. and
619 c.

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

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

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

627 (A) Age 62; or

628 (B) The age the member would attain if the member completed
629 30 years of service with an employer, assuming the member worked
630 continuously from the estimate date, and disregarding any
631 vesting requirement that would otherwise apply under the pension
632 plan.

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

636 (A) Age 65; or

637 (B) The age the member would attain if the member completed
638 33 years of service with an employer, assuming the member worked

585-04368-17

20177030__

639 continuously from the estimate date, and disregarding any
640 vesting requirement that would otherwise apply under the pension
641 plan.

642 d. For members of the Special Risk Class and for members of
643 the Special Risk Administrative Support Class entitled to retain
644 the special risk normal retirement date:

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

648 (A) Age 55; or

649 (B) The age the member would attain if the member completed
650 25 years of service with an employer, assuming the member worked
651 continuously from the estimate date, and disregarding any
652 vesting requirement that would otherwise apply under the pension
653 plan.

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

658 (A) Age 60; or

659 (B) The age the member would attain if the member completed
660 30 years of service with an employer, assuming the member worked
661 continuously from the estimate date, and disregarding any
662 vesting requirement that would otherwise apply under the pension
663 plan.

664 e. The calculation must disregard vesting requirements and
665 early retirement reduction factors that would otherwise apply
666 under the pension plan.

667 2. For each member who elects to transfer moneys from the

585-04368-17

20177030__

668 pension plan to his or her account in the investment plan, the
669 division shall recompute the amount transferred under
670 subparagraph 1. within 60 days after the actual transfer of
671 funds based upon the member's actual creditable service and
672 actual final average compensation as of the initial date of
673 participation in the investment plan. If the recomputed amount
674 differs from the amount transferred by \$10 or more, the division
675 shall:

676 a. Transfer, or cause to be transferred, from the Florida
677 Retirement System Trust Fund to the member's account the excess,
678 if any, of the recomputed amount over the previously transferred
679 amount together with interest from the initial date of transfer
680 to the date of transfer under this subparagraph, based upon the
681 effective annual interest equal to the assumed return on the
682 actuarial investment which was used in the most recent actuarial
683 valuation of the system, compounded annually.

684 b. Transfer, or cause to be transferred, from the member's
685 account to the Florida Retirement System Trust Fund the excess,
686 if any, of the previously transferred amount over the recomputed
687 amount, together with interest from the initial date of transfer
688 to the date of transfer under this subparagraph, based upon 6
689 percent effective annual interest, compounded annually, pro rata
690 based on the member's allocation plan.

691 3. If contribution adjustments are made as a result of
692 employer errors or corrections, including plan corrections,
693 following recomputation of the amount transferred under
694 subparagraph 1., the member is entitled to the additional
695 contributions or is responsible for returning any excess
696 contributions resulting from the correction. However, a ~~any~~

585-04368-17

20177030__

697 return of such erroneous excess pretax contribution by the plan
698 must be made within the period allowed by the Internal Revenue
699 Service. The present value of the member's accumulated benefit
700 obligation may ~~shall~~ not be recalculated.

701 4. As directed by the member, the state board shall
702 transfer or cause to be transferred the appropriate amounts to
703 the designated accounts within 30 days after the effective date
704 of the member's participation in the investment plan unless the
705 major financial markets for securities available for a transfer
706 are seriously disrupted by an unforeseen event that causes the
707 suspension of trading on a a ~~any~~ national securities exchange in
708 the country where the securities were issued. In that event, the
709 30-day period may be extended by a resolution of the state
710 board. Transfers are not commissionable or subject to other fees
711 and may be in the form of securities or cash, as determined by
712 the state board. Such securities are valued as of the date of
713 receipt in the member's account.

714 5. If the state board or the division receives notification
715 from the United States Internal Revenue Service that this
716 paragraph or any portion of this paragraph will cause the
717 retirement system, or a portion thereof, to be disqualified for
718 tax purposes under the Internal Revenue Code, the portion that
719 will cause the disqualification does not apply. Upon such
720 notice, the state board and the division shall notify the
721 presiding officers of the Legislature.

722 (4) PARTICIPATION; ENROLLMENT.—

723 (a)1. Effective June 1, 2002, through February 28, 2003, a
724 90-day election period was provided to each eligible employee
725 participating in the Florida Retirement System, preceded by a

585-04368-17

20177030__

726 90-day education period, permitting each eligible employee to
727 elect membership in the investment plan. An employee who failed
728 to elect the investment plan during the election period remained
729 in the pension plan. An eligible employee who was employed in a
730 regularly established position during the election period was
731 granted the option to make one subsequent election, as provided
732 in paragraph (f). With respect to an eligible employee who did
733 not participate in the initial election period or who is
734 initially employed in a regularly established position after the
735 close of the initial election period but before January 1, 2018,
736 on June 1, 2002, by a state employer:

737 ~~a. Any such employee may elect to participate in the~~
738 ~~investment plan in lieu of retaining his or her membership in~~
739 ~~the pension plan. The election must be made in writing or by~~
740 ~~electronic means and must be filed with the third party~~
741 ~~administrator by August 31, 2002, or, in the case of an active~~
742 ~~employee who is on a leave of absence on April 1, 2002, by the~~
743 ~~last business day of the 5th month following the month the leave~~
744 ~~of absence concludes. This election is irrevocable, except as~~
745 ~~provided in paragraph (g). Upon making such election, the~~
746 ~~employee shall be enrolled as a member of the investment plan,~~
747 ~~the employee's membership in the Florida Retirement System is~~
748 ~~governed by the provisions of this part, and the employee's~~
749 ~~membership in the pension plan terminates. The employee's~~
750 ~~enrollment in the investment plan is effective the first day of~~
751 ~~the month for which a full month's employer contribution is made~~
752 ~~to the investment plan.~~

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

585-04368-17

20177030__

755 ~~to have elected to retain membership in the pension plan, and~~
756 ~~the employee's option to elect to participate in the investment~~
757 ~~plan is forfeited.~~

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

762 ~~a. Any such employee shall, by default, be enrolled in the~~
763 ~~pension plan at the commencement of employment, and may, by the~~
764 ~~last business day of the 5th month following the employee's~~
765 ~~month of hire, elect to participate in the investment plan. The~~
766 ~~employee's election must be made in writing or by electronic~~
767 ~~means and must be filed with the third-party administrator. The~~
768 ~~election to participate in the investment plan is irrevocable,~~
769 ~~except as provided in paragraph (f) ~~(g)~~.~~

770 ~~a.b.~~ If the employee files such election within the
771 prescribed time period, enrollment in the investment plan is
772 effective on the first day of employment. The retirement
773 contributions paid through the month of the employee plan change
774 shall be transferred to the investment program, and, effective
775 the first day of the next month, the employer and employee must
776 pay the applicable contributions based on the employee
777 membership class in the program.

778 ~~b.e.~~ An employee who fails to elect to participate in the
779 investment plan within the prescribed time period is deemed to
780 have elected to retain membership in the pension plan, and the
781 employee's option to elect to participate in the investment plan
782 is forfeited.

783 ~~2.3.~~ With respect to employees who become eligible to

585-04368-17

20177030__

784 participate in the investment plan pursuant to s.
785 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
786 participate in the investment plan in lieu of retaining his or
787 her membership in the State Community College System Optional
788 Retirement Program or the State University System Optional
789 Retirement Program. The election must be made in writing or by
790 electronic means and must be filed with the third-party
791 administrator. This election is irrevocable, except as provided
792 in paragraph (f) ~~(g)~~. Upon making such election, the employee
793 shall be enrolled as a member in the investment plan, the
794 employee's membership in the Florida Retirement System is
795 governed by the provisions of this part, and the employee's
796 participation in the State Community College System Optional
797 Retirement Program or the State University System Optional
798 Retirement Program terminates. The employee's enrollment in the
799 investment plan is effective on the first day of the month for
800 which a full month's employer and employee contribution is made
801 to the investment plan.

802 (b)1. With respect to employees who become eligible to
803 participate in the investment plan by reason of employment in a
804 regularly established position commencing on or after January 1,
805 2018, or who did not complete an election window before January
806 1, 2018, any such employee shall be enrolled in the pension plan
807 at the commencement of employment and may, by the last business
808 day of the fifth month following the employee's month of hire,
809 elect to participate in the pension plan or the investment plan.
810 Eligible employees may make a plan election only if they are
811 earning service credit in an employer-employee relationship
812 consistent with s. 121.021(17)(b), excluding leaves of absence

585-04368-17

20177030__

813 without pay.

814 2. The employee's election must be made in writing or by
815 electronic means and must be filed with the third-party
816 administrator. The election to participate in the pension plan
817 or investment plan is irrevocable, except as provided in
818 paragraph (f).

819 3. If the employee fails to make an election of the pension
820 plan or investment plan within 5 months following the month of
821 hire, the employee is deemed to have elected the investment plan
822 and shall default into the investment plan retroactively to the
823 employee's date of employment. The employee's option to
824 participate in the pension plan is forfeited, except as provided
825 in paragraph (f).

826 4. The amount of the employee and employer contributions
827 paid through the date of default to the investment plan shall be
828 transferred to the investment plan and shall be placed in a
829 default fund as designated by the State Board of Administration.
830 The employee may move the contributions once an account is
831 activated in the investment plan.

832 5. Effective the first day of the month after an eligible
833 employee makes a plan election of the pension plan or investment
834 plan, or the first day of the month after default to the
835 investment plan, the employee and employer shall pay the
836 applicable contributions based on the employee membership class
837 in the program.

838 ~~4. For purposes of this paragraph, "state employer" means~~
839 ~~any agency, board, branch, commission, community college,~~
840 ~~department, institution, institution of higher education, or~~
841 ~~water management district of the state, which participates in~~

585-04368-17

20177030__

842 ~~the Florida Retirement System for the benefit of certain~~
843 ~~employees.~~

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

847 ~~a. Any such employee may elect to participate in the~~
848 ~~investment plan in lieu of retaining his or her membership in~~
849 ~~the pension plan. The election must be made in writing or by~~
850 ~~electronic means and must be filed with the third party~~
851 ~~administrator by November 30, or, in the case of an active~~
852 ~~employee who is on a leave of absence on July 1, 2002, by the~~
853 ~~last business day of the 5th month following the month the leave~~
854 ~~of absence concludes. This election is irrevocable, except as~~
855 ~~provided in paragraph (g). Upon making such election, the~~
856 ~~employee shall be enrolled as a member of the investment plan,~~
857 ~~the employee's membership in the Florida Retirement System is~~
858 ~~governed by the provisions of this part, and the employee's~~
859 ~~membership in the pension plan terminates. The employee's~~
860 ~~enrollment in the investment plan is effective the first day of~~
861 ~~the month for which a full month's employer contribution is made~~
862 ~~to the investment program.~~

863 ~~b. Any such employee who fails to elect to participate in~~
864 ~~the investment plan within the prescribed time period is deemed~~
865 ~~to have elected to retain membership in the pension plan, and~~
866 ~~the employee's option to elect to participate in the investment~~
867 ~~plan is forfeited.~~

868 ~~2. With respect to employees who become eligible to~~
869 ~~participate in the investment plan by reason of employment in a~~
870 ~~regularly established position with a district school board~~

585-04368-17

20177030__

871 ~~employer commencing after July 1, 2002:~~

872 ~~a. Any such employee shall, by default, be enrolled in the~~
873 ~~pension plan at the commencement of employment, and may, by the~~
874 ~~last business day of the 5th month following the employee's~~
875 ~~month of hire, elect to participate in the investment plan. The~~
876 ~~employee's election must be made in writing or by electronic~~
877 ~~means and must be filed with the third-party administrator. The~~
878 ~~election to participate in the investment plan is irrevocable,~~
879 ~~except as provided in paragraph (g).~~

880 ~~b. If the employee files such election within the~~
881 ~~prescribed time period, enrollment in the investment plan is~~
882 ~~effective on the first day of employment. The employer~~
883 ~~retirement contributions paid through the month of the employee~~
884 ~~plan change shall be transferred to the investment plan, and,~~
885 ~~effective the first day of the next month, the employer shall~~
886 ~~pay the applicable contributions based on the employee~~
887 ~~membership class in the investment plan.~~

888 ~~e. Any such employee who fails to elect to participate in~~
889 ~~the investment plan within the prescribed time period is deemed~~
890 ~~to have elected to retain membership in the pension plan, and~~
891 ~~the employee's option to elect to participate in the investment~~
892 ~~plan is forfeited.~~

893 ~~3. For purposes of this paragraph, "district school board~~
894 ~~employer" means any district school board that participates in~~
895 ~~the Florida Retirement System for the benefit of certain~~
896 ~~employees, or a charter school or charter technical career~~
897 ~~center that participates in the Florida Retirement System as~~
898 ~~provided in s. 121.051(2) (d).~~

899 ~~(c)1. With respect to an eligible employee who is employed~~

585-04368-17

20177030__

900 ~~in a regularly established position on December 1, 2002, by a~~
901 ~~local employer:~~

902 ~~a. Any such employee may elect to participate in the~~
903 ~~investment plan in lieu of retaining his or her membership in~~
904 ~~the pension plan. The election must be made in writing or by~~
905 ~~electronic means and must be filed with the third party~~
906 ~~administrator by February 28, 2003, or, in the case of an active~~
907 ~~employee who is on a leave of absence on October 1, 2002, by the~~
908 ~~last business day of the 5th month following the month the leave~~
909 ~~of absence concludes. This election is irrevocable, except as~~
910 ~~provided in paragraph (g). Upon making such election, the~~
911 ~~employee shall be enrolled as a participant of the investment~~
912 ~~plan, the employee's membership in the Florida Retirement System~~
913 ~~is governed by the provisions of this part, and the employee's~~
914 ~~membership in the pension plan terminates. The employee's~~
915 ~~enrollment in the investment plan is effective the first day of~~
916 ~~the month for which a full month's employer contribution is made~~
917 ~~to the investment plan.~~

918 ~~b. Any such employee who fails to elect to participate in~~
919 ~~the investment plan within the prescribed time period is deemed~~
920 ~~to have elected to retain membership in the pension plan, and~~
921 ~~the employee's option to elect to participate in the investment~~
922 ~~plan is forfeited.~~

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

927 ~~a. Any such employee shall, by default, be enrolled in the~~
928 ~~pension plan at the commencement of employment, and may, by the~~

585-04368-17

20177030__

929 ~~last business day of the 5th month following the employee's~~
930 ~~month of hire, elect to participate in the investment plan. The~~
931 ~~employee's election must be made in writing or by electronic~~
932 ~~means and must be filed with the third party administrator. The~~
933 ~~election to participate in the investment plan is irrevocable,~~
934 ~~except as provided in paragraph (g).~~

935 ~~b. If the employee files such election within the~~
936 ~~prescribed time period, enrollment in the investment plan is~~
937 ~~effective on the first day of employment. The employer~~
938 ~~retirement contributions paid through the month of the employee~~
939 ~~plan change shall be transferred to the investment plan, and,~~
940 ~~effective the first day of the next month, the employer shall~~
941 ~~pay the applicable contributions based on the employee~~
942 ~~membership class in the investment plan.~~

943 ~~e. Any such employee who fails to elect to participate in~~
944 ~~the investment plan within the prescribed time period is deemed~~
945 ~~to have elected to retain membership in the pension plan, and~~
946 ~~the employee's option to elect to participate in the investment~~
947 ~~plan is forfeited.~~

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

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

956 ~~(d)(e)~~ On or after July 1, 2011, a member of the pension
957 plan who obtains a refund of employee contributions retains his

585-04368-17

20177030__

958 or her prior plan choice upon return to employment in a
959 regularly established position with a participating employer.

960 (e)1.~~(f)~~ A member of the investment plan who takes a
961 distribution of any contributions from his or her investment
962 plan account is considered a retiree. A retiree who is initially
963 reemployed in a regularly established position on or after July
964 1, 2010, through June 30, 2017, is not eligible for ~~to be~~
965 enrolled in renewed membership, except as provided in s.
966 121.122.

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

969 (f)~~(g)~~ After the period during which an eligible employee
970 had the choice to elect the pension plan or the investment plan,
971 or the month following the receipt of the eligible employee's
972 plan election, if sooner, the employee shall have one
973 opportunity, at the employee's discretion, to choose to move
974 from the pension plan to the investment plan or from the
975 investment plan to the pension plan. Eligible employees may
976 elect to move between plans only if they are earning service
977 credit in an employer-employee relationship consistent with s.
978 121.021(17)(b), excluding leaves of absence without pay.
979 Effective July 1, 2005, such elections are effective on the
980 first day of the month following the receipt of the election by
981 the third-party administrator and are not subject to the
982 requirements regarding an employer-employee relationship or
983 receipt of contributions for the eligible employee in the
984 effective month, except when the election is received by the
985 third-party administrator. This paragraph is contingent upon
986 approval by the Internal Revenue Service.

585-04368-17

20177030__

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

989 2. If the employee chooses to move to the pension plan, the
990 employee must transfer from his or her investment plan account,
991 and from other employee moneys as necessary, a sum representing
992 the present value of that employee's accumulated benefit
993 obligation immediately following the time of such movement,
994 determined assuming that attained service equals the sum of
995 service in the pension plan and service in the investment plan.
996 Benefit commencement occurs on the first date the employee is
997 eligible for unreduced benefits, using the discount rate and
998 other relevant actuarial assumptions that were used to value the
999 pension plan liabilities in the most recent actuarial valuation.
1000 For any employee who, at the time of the second election,
1001 already maintains an accrued benefit amount in the pension plan,
1002 the then-present value of the accrued benefit is deemed part of
1003 the required transfer amount. The division must ensure that the
1004 transfer sum is prepared using a formula and methodology
1005 certified by an enrolled actuary. A refund of any employee
1006 contributions or additional member payments made which exceed
1007 the employee contributions that would have accrued had the
1008 member remained in the pension plan and not transferred to the
1009 investment plan is not permitted.

1010 3. Notwithstanding subparagraph 2., an employee who chooses
1011 to move to the pension plan and who became eligible to
1012 participate in the investment plan by reason of employment in a
1013 regularly established position with a state employer after June
1014 1, 2002; a district school board employer after September 1,
1015 2002; or a local employer after December 1, 2002, must transfer

585-04368-17

20177030__

1016 from his or her investment plan account, and from other employee
1017 moneys as necessary, a sum representing the employee's actuarial
1018 accrued liability. A refund of any employee contributions or
1019 additional member ~~participant~~ payments made which exceed the
1020 employee contributions that would have accrued had the member
1021 remained in the pension plan and not transferred to the
1022 investment plan is not permitted.

1023 4. An employee's ability to transfer from the pension plan
1024 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
1025 ~~(d)~~, and the ability of a current employee to have an option to
1026 later transfer back into the pension plan under subparagraph 2.,
1027 shall be deemed a significant system amendment. Pursuant to s.
1028 121.031(4), any resulting unfunded liability arising from actual
1029 original transfers from the pension plan to the investment plan
1030 must be amortized within 30 plan years as a separate unfunded
1031 actuarial base independent of the reserve stabilization
1032 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
1033 direct amortization payment may not be calculated for this base.
1034 During this 25-year period, the separate base shall be used to
1035 offset the impact of employees exercising their second program
1036 election under this paragraph. The actuarial funded status of
1037 the pension plan will not be affected by such second program
1038 elections in any significant manner, after due recognition of
1039 the separate unfunded actuarial base. Following the initial 25-
1040 year period, any remaining balance of the original separate base
1041 shall be amortized over the remaining 5 years of the required
1042 30-year amortization period.

1043 5. If the employee chooses to transfer from the investment
1044 plan to the pension plan and retains an excess account balance

585-04368-17

20177030__

1045 in the investment plan after satisfying the buy-in requirements
1046 under this paragraph, the excess may not be distributed until
1047 the member retires from the pension plan. The excess account
1048 balance may be rolled over to the pension plan and used to
1049 purchase service credit or upgrade creditable service in the
1050 pension plan.

1051 (5) CONTRIBUTIONS.—

1052 (c) The state board, acting as plan fiduciary, must ensure
1053 that all plan assets are held in a trust, pursuant to s. 401 of
1054 the Internal Revenue Code. The fiduciary must ensure that such
1055 contributions are allocated as follows:

1056 1. The employer and employee contribution portion earmarked
1057 for member accounts shall be used to purchase interests in the
1058 appropriate investment vehicles as specified by the member, or
1059 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1060 2. The employer contribution portion earmarked for
1061 administrative and educational expenses shall be transferred to
1062 the state board's Administrative Trust Fund.

1063 3. The employer contribution portion earmarked for
1064 disability benefits and line-of-duty death benefits shall be
1065 transferred to the Florida Retirement System Trust Fund.

1066 (10) EDUCATION COMPONENT.—

1067 (a) The state board, in coordination with the department,
1068 shall provide for an education component for eligible employees
1069 ~~system members~~ in a manner consistent with ~~the provisions of~~
1070 ~~this subsection~~ section. ~~The education component must be~~
1071 ~~available to eligible employees at least 90 days prior to the~~
1072 ~~beginning date of the election period for the employees of the~~
1073 ~~respective types of employers.~~

585-04368-17

20177030__

1074 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1075 ~~System employers have an obligation to regularly communicate the~~
1076 ~~existence of the two Florida Retirement System plans and the~~
1077 ~~plan choice in the natural course of administering their~~
1078 ~~personnel functions, using the educational materials supplied by~~
1079 ~~the state board and the Department of Management Services.~~

1080 Section 7. Subsection (4) of section 121.591, Florida
1081 Statutes, is amended to read:

1082 121.591 Payment of benefits.—Benefits may not be paid under
1083 the Florida Retirement System Investment Plan unless the member
1084 has terminated employment as provided in s. 121.021(39)(a) or is
1085 deceased and a proper application has been filed as prescribed
1086 by the state board or the department. Benefits, including
1087 employee contributions, are not payable under the investment
1088 plan for employee hardships, unforeseeable emergencies, loans,
1089 medical expenses, educational expenses, purchase of a principal
1090 residence, payments necessary to prevent eviction or foreclosure
1091 on an employee's principal residence, or any other reason except
1092 a requested distribution for retirement, a mandatory de minimis
1093 distribution authorized by the administrator, or a required
1094 minimum distribution provided pursuant to the Internal Revenue
1095 Code. The state board or department, as appropriate, may cancel
1096 an application for retirement benefits if the member or
1097 beneficiary fails to timely provide the information and
1098 documents required by this chapter and the rules of the state
1099 board and department. In accordance with their respective
1100 responsibilities, the state board and the department shall adopt
1101 rules establishing procedures for application for retirement
1102 benefits and for the cancellation of such application if the

585-04368-17

20177030__

1103 required information or documents are not received. The state
1104 board and the department, as appropriate, are authorized to cash
1105 out a de minimis account of a member who has been terminated
1106 from Florida Retirement System covered employment for a minimum
1107 of 6 calendar months. A de minimis account is an account
1108 containing employer and employee contributions and accumulated
1109 earnings of not more than \$5,000 made under the provisions of
1110 this chapter. Such cash-out must be a complete lump-sum
1111 liquidation of the account balance, subject to the provisions of
1112 the Internal Revenue Code, or a lump-sum direct rollover
1113 distribution paid directly to the custodian of an eligible
1114 retirement plan, as defined by the Internal Revenue Code, on
1115 behalf of the member. Any nonvested accumulations and associated
1116 service credit, including amounts transferred to the suspense
1117 account of the Florida Retirement System Investment Plan Trust
1118 Fund authorized under s. 121.4501(6), shall be forfeited upon
1119 payment of any vested benefit to a member or beneficiary, except
1120 for de minimis distributions or minimum required distributions
1121 as provided under this section. If any financial instrument
1122 issued for the payment of retirement benefits under this section
1123 is not presented for payment within 180 days after the last day
1124 of the month in which it was originally issued, the third-party
1125 administrator or other duly authorized agent of the state board
1126 shall cancel the instrument and credit the amount of the
1127 instrument to the suspense account of the Florida Retirement
1128 System Investment Plan Trust Fund authorized under s.
1129 121.4501(6). Any amounts transferred to the suspense account are
1130 payable upon a proper application, not to include earnings
1131 thereon, as provided in this section, within 10 years after the

585-04368-17

20177030__

1132 last day of the month in which the instrument was originally
1133 issued, after which time such amounts and any earnings
1134 attributable to employer contributions shall be forfeited. Any
1135 forfeited amounts are assets of the trust fund and are not
1136 subject to chapter 717.

1137 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN ~~SPECIAL~~
1138 ~~RISK-CLASS~~ MEMBERS.—Benefits are provided under this subsection
1139 to the spouse and child or children of members in the investment
1140 plan ~~Special Risk Class~~ when such members are killed in the line
1141 of duty and are payable in lieu of the benefits that would
1142 otherwise be payable under subsection (1) or subsection (3).
1143 Benefits provided by this subsection supersede any other
1144 distribution that may have been provided by the member's
1145 designation of beneficiary. Such benefits must be funded from
1146 employer contributions made under s. 121.571, transferred
1147 employee contributions and funds accumulated pursuant to
1148 paragraph (a), and interest and earnings thereon.

1149 (a) *Transfer of funds.*—To qualify to receive monthly
1150 benefits under this subsection:

1151 1. All moneys accumulated in the member's account,
1152 including vested and nonvested accumulations as described in s.
1153 121.4501(6), must be transferred from such individual accounts
1154 to the division for deposit in the survivor benefit account of
1155 the Florida Retirement System Trust Fund. Moneys in the survivor
1156 benefit account must be accounted for separately. Earnings must
1157 be credited on an annual basis for amounts held in the survivor
1158 benefit account of the Florida Retirement System Trust Fund
1159 based on actual earnings of the trust fund.

1160 2. If the member has retained retirement credit earned

585-04368-17

20177030__

1161 under the pension plan as provided in s. 121.4501(3), a sum
1162 representing the actuarial present value of such credit within
1163 the Florida Retirement System Trust Fund shall be transferred by
1164 the division from the pension plan to the survivor benefit
1165 retirement program as implemented under this subsection and
1166 shall be deposited in the survivor benefit account of the trust
1167 fund.

1168 (b) *Survivor retirement; entitlement.*—An investment plan
1169 member who is ~~in the Special Risk Class at the time the member~~
1170 ~~is~~ killed in the line of duty on or after July 1, 2002 ~~2013~~,
1171 regardless of length of creditable service, may have survivor
1172 benefits paid as provided in s. 121.091(7) (d) and (i) to:

- 1173 1. The surviving spouse for the spouse's lifetime; or
- 1174 2. If there is no surviving spouse or the surviving spouse
1175 dies, the member's child or children under 18 years of age and
1176 unmarried until the 18th birthday of the member's youngest
1177 child. Such payments may be extended until the 25th birthday of
1178 any child of the member if the child is unmarried and enrolled
1179 as a full-time student as provided in s. 121.091(7) (d) and (i).

1180 (c) *Survivor benefit retirement effective date.*—

1181 1. The effective retirement date for the surviving spouse
1182 or eligible child of a Special Risk Class member who is killed
1183 in the line of duty is:

1184 ~~a.1.~~ The first day of the month following the member's
1185 death if the member dies on or after July 1, 2016.

1186 ~~b.2.~~ July 1, 2016, for a member of the Special Risk Class
1187 when killed in the line of duty on or after July 1, 2013, but
1188 before July 1, 2016, if the application is received before July
1189 1, 2016; or the first day of the month following the receipt of

585-04368-17

20177030__

1190 such application.

1191 2. Except as provided in subparagraph 1., the effective
1192 retirement date for the surviving spouse or eligible child of an
1193 investment plan member who is killed in the line of duty is:

1194 a. The first day of the month following the member's death
1195 if the member dies on or after July 1, 2017.

1196 b. July 1, 2017, if the member is killed in the line of
1197 duty on or after July 1, 2002, but before July 1, 2017, if the
1198 application is received before July 1, 2017; or the first day of
1199 the month following the receipt of such application.

1200
1201 If the investment plan account balance has already been paid out
1202 to the surviving spouse or the eligible unmarried dependent
1203 child or children, the benefit payable shall be actuarially
1204 reduced by the amount of the payout.

1205 (d) *Line-of-duty death benefit.*—

1206 1. The following individuals are eligible to receive a
1207 retirement benefit under s. 121.091(7)(d) and (i) if the
1208 member's account balance is surrendered and an application is
1209 received and approved:

1210 a. The surviving spouse.

1211 b. If there is no surviving spouse or the surviving spouse
1212 dies, the member's child or children under 18 years of age and
1213 unmarried until the 18th birthday of the member's youngest
1214 child, or until the 25th birthday of the member's child if the
1215 child is unmarried and enrolled as a full-time student.

1216 2. Such surviving spouse or such child or children shall
1217 receive a monthly survivor benefit that begins accruing on the
1218 first day of the month of survivor benefit retirement, as

585-04368-17

20177030__

1219 approved by the division, and is payable on the last day of that
1220 month and each month thereafter during the surviving spouse's
1221 lifetime or on behalf of the unmarried children of the member
1222 until the 18th birthday of the youngest child, or until the 25th
1223 birthday of any of the member's unmarried children who are
1224 enrolled as full-time students. Survivor benefits must be paid
1225 out of the survivor benefit account of the Florida Retirement
1226 System Trust Fund established under this subsection.

1227

1228 If the investment plan account balance has already been paid out
1229 to the surviving spouse or the eligible unmarried dependent
1230 child or children, the benefit payable shall be actuarially
1231 reduced by the amount of the payout.

1232 (e) *Computation of survivor benefit retirement benefit.*—The
1233 amount of each monthly payment must be calculated as provided
1234 under s. 121.091(7) (d) and (i).

1235 (f) *Death of the surviving spouse or children.*—

1236 1. Upon the death of a surviving spouse, the monthly
1237 benefits shall be paid through the last day of the month of
1238 death and shall terminate or be paid on behalf of the unmarried
1239 child or children until the 18th birthday of the youngest child,
1240 or the 25th birthday of any of the member's unmarried children
1241 who are enrolled as full-time students.

1242 2. If the surviving spouse dies and the benefits are being
1243 paid on behalf of the member's unmarried children as provided in
1244 subparagraph 1., benefits shall be paid through the last day of
1245 the month until the later of the month the youngest child
1246 reaches his or her 18th birthday, the month of the 25th birthday
1247 of any of the member's unmarried children enrolled as full-time

585-04368-17

20177030__

1248 students, or the month of the death of the youngest child.

1249 Section 8. Section 121.5912, Florida Statutes, is amended
1250 to read:

1251 121.5912 Survivor benefit retirement program; qualified
1252 status; rulemaking authority.—It is the intent of the
1253 Legislature that the survivor benefit retirement program for
1254 ~~Special Risk Class~~ members of the Florida Retirement System
1255 Investment Plan meet all applicable requirements for a qualified
1256 plan. If the state board or the division receives notification
1257 from the Internal Revenue Service that this program or any
1258 portion of this program will cause the retirement system, or any
1259 portion thereof, to be disqualified for tax purposes under the
1260 Internal Revenue Code, the portion that will cause the
1261 disqualification does not apply. Upon such notice, the state
1262 board or the division shall notify the presiding officers of the
1263 Legislature. The state board and the department may adopt any
1264 rules necessary to maintain the qualified status of the survivor
1265 benefit retirement program.

1266 Section 9. Subsections (1) and (3) of section 121.735,
1267 Florida Statutes, are amended to read:

1268 121.735 Allocations for member line-of-duty death benefits;
1269 percentage amounts.—

1270 (1) The allocations established in subsection (3) shall be
1271 used to provide line-of-duty death benefit coverage for ~~Special~~
1272 ~~Risk Class~~ members in the investment plan and shall be
1273 transferred monthly by the division from the Florida Retirement
1274 System Contributions Clearing Trust Fund to the survivor benefit
1275 account of the Florida Retirement System Trust Fund.

1276 (3) Effective July 1, 2017 ~~2016~~, allocations from the

585-04368-17

20177030__

1277 Florida Retirement System Contributions Clearing Trust Fund to
 1278 provide line-of-duty death benefits for ~~Special Risk Class~~
 1279 members in the investment plan and to offset the costs of
 1280 administering said coverage, are as follows:

Membership Class	Percentage of Gross Compensation
<u>Regular Class</u>	<u>0.05%</u>
Special Risk Class	<u>1.15%</u> 0.82%
<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>
<u>Elected Officers' Class— Justices, Judges</u>	<u>0.09%</u>
<u>Elected Officers' Class— County Elected Officers</u>	<u>0.20%</u>

585-04368-17

20177030__

1289

Senior Management Service

Class

0.05%

1290

1291 Section 10. The Legislature shall review the current status
1292 of research programs, funded wholly or in part by the General
1293 Appropriations Act, which study the incidence of cancer in
1294 firefighters. This review must be conducted before the convening
1295 of the 2018 Regular Session of the Legislature to determine
1296 whether any further statutory changes are necessary as a result
1297 of the enactment of s. 112.1816, Florida Statutes, by this act.

1298 Section 11. (1) In order to fund the benefit changes
1299 provided in this act, the required employer contribution rate
1300 for members of the Florida Retirement System established in s.
1301 121.71(4), Florida Statutes, are adjusted as follows:

1302 (a) The Regular Class is increased by 0.01 percentage
1303 point.

1304 (b) The Special Risk Class is increased by 0.06 percentage
1305 point.

1306 (c) The Special Risk Administrative Support Class is
1307 increased by 0.02 percentage point.

1308 (d) The Elected Officers' Class—Legislators, Governor, Lt.
1309 Governor, Cabinet Officers, State Attorneys, and Public
1310 Defenders is increased by 0.04 percentage point.

1311 (e) The Elected Officers' Class—Justices, Judges is
1312 increased by 0.01 percentage point.

1313 (f) The Elected Officers' Class—County Elected Officers is
1314 increased by 0.06 percentage point.

1315 (g) The Senior Management Service Class is increased by

585-04368-17

20177030__

1316 0.01 percentage point.

1317 (2) In order to fund the benefit changes provided in this
1318 act, the required employer contribution rate for the unfunded
1319 actuarial liability of the Florida Retirement System established
1320 in s. 121.71(5), Florida Statutes, for the Special Risk Class is
1321 increased by 0.12 percentage point.

1322 (3) The adjustments provided in subsections (1) and (2) are
1323 in addition to any other changes to such contribution rates
1324 which may be enacted into law to take effect on July 1, 2017.
1325 The Division of Law Revision and Information is directed to
1326 adjust accordingly the contribution rates provided in s. 121.71,
1327 Florida Statutes.

1328 Section 12. The Legislature finds that a proper and
1329 legitimate state purpose is served when employees and retirees
1330 of the state and its political subdivisions, and the dependents,
1331 survivors, and beneficiaries of such employees and retirees, are
1332 extended the basic protections afforded by governmental
1333 retirement systems. These persons must be provided benefits that
1334 are fair and adequate and that are managed, administered, and
1335 funded in an actuarially sound manner, as required by s. 14,
1336 Article X of the State Constitution and part VII of chapter 112,
1337 Florida Statutes. Therefore, the Legislature determines and
1338 declares that this act fulfills an important state interest.

1339 Section 13. This act shall take effect July 1, 2017.