

**FOR CONSIDERATION** By the Committee on Governmental Oversight and Accountability

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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

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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

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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.-

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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

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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

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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

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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.

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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

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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

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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.—

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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

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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

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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

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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.

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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.

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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

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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

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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

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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.—

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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

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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,

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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

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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

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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~~

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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 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

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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~~

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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

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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

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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~~

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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~~

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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~~

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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~~

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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

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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.

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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

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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

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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.~~

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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

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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

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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

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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

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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

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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

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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

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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:  
 1281

Membership Class	Percentage of Gross Compensation
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<u>Regular Class</u>	<u>0.05%</u>
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Special Risk Class	<u>1.15%</u> <del>0.82%</del>
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Special Risk Administrative

<u>Support Class</u>	<u>0.03%</u>
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Elected Officers' Class-

Legislators, Governor,

Lt. Governor, Cabinet

Officers,

State Attorneys, Public

Defenders

0.15%

Elected Officers' Class-

Justices, Judges

0.09%

Elected Officers' Class-

County Elected Officers

0.20%

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1289

Senior Management ServiceClass0.05%

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

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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.