

FOR CONSIDERATION By the Committee on Governmental Oversight and Accountability

585-01029-21

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1 A bill to be entitled
2 An act relating to the Florida Retirement System
3 Investment Plan; amending s. 121.091, F.S.; specifying
4 conditions under which the State Board of
5 Administration may not pay retirement benefits to a
6 Florida Retirement System member; amending s.
7 121.4501, F.S.; authorizing the State Board of
8 Administration to develop investment products to be
9 offered in the investment plan; modifying procedures
10 governing an investment plan member's designation of a
11 beneficiary other than the member's spouse; providing
12 an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

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16 Section 1. Paragraphs (i) and (k) of subsection (5) of
17 section 121.091, Florida Statutes, are amended to read:

18 121.091 Benefits payable under the system.—Benefits may not
19 be paid under this section unless the member has terminated
20 employment as provided in s. 121.021(39)(a) or begun
21 participation in the Deferred Retirement Option Program as
22 provided in subsection (13), and a proper application has been
23 filed in the manner prescribed by the department. The department
24 may cancel an application for retirement benefits when the
25 member or beneficiary fails to timely provide the information
26 and documents required by this chapter and the department's
27 rules. The department shall adopt rules establishing procedures
28 for application for retirement benefits and for the cancellation
29 of such application when the required information or documents

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30 are not received.

31 (5) TERMINATION BENEFITS.—A member whose employment is
32 terminated prior to retirement retains membership rights to
33 previously earned member-noncontributory service credit, and to
34 member-contributory service credit, if the member leaves the
35 member contributions on deposit in his or her retirement
36 account. If a terminated member receives a refund of member
37 contributions, such member may reinstate membership rights to
38 the previously earned service credit represented by the refund
39 by completing 1 year of creditable service and repaying the
40 refunded member contributions, plus interest.

41 (i) The division or the state board may not pay benefits to
42 any member convicted of a felony committed on or after October
43 1, 2008, defined in s. 800.04 against a victim younger than 16
44 years of age, or defined in chapter 794 against a victim younger
45 than 18 years of age, through the use or attempted use of power,
46 rights, privileges, duties, or position of the member's public
47 office or employment position. However, the division or the
48 state board shall return the member's accumulated contributions,
49 if any, that the member accumulated as of the date of
50 conviction.

51 (k) Benefits shall not be paid by the division or the state
52 board pending final resolution of such charges against a member
53 or beneficiary if the resolution of such charges could require
54 the forfeiture of benefits as provided in paragraph (f),
55 paragraph (g), paragraph (h), paragraph (i), ~~or~~ paragraph (j),
56 or chapter 112.

57 Section 2. Subsection (20) of section 121.4501, Florida
58 Statutes, is amended, and paragraph (h) is added to subsection

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59 (8) of that section, to read:

60 121.4501 Florida Retirement System Investment Plan.—

61 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
62 shall be administered by the state board and affected employers.
63 The state board may require oaths, by affidavit or otherwise,
64 and acknowledgments from persons in connection with the
65 administration of its statutory duties and responsibilities for
66 the investment plan. An oath, by affidavit or otherwise, may not
67 be required of a member at the time of enrollment.

68 Acknowledgment of an employee's election to participate in the
69 program shall be no greater than necessary to confirm the
70 employee's election. The state board shall adopt rules to carry
71 out its statutory duties with respect to administering the
72 investment plan, including establishing the roles and
73 responsibilities of affected state, local government, and
74 education-related employers, the state board, the department,
75 and third-party contractors. The department shall adopt rules
76 necessary to administer the investment plan in coordination with
77 the pension plan and the disability benefits available under the
78 investment plan.

79 (h) The state board, consistent with its fiduciary
80 responsibilities, may develop one or more investment products to
81 be offered in the investment plan.

82 (20) DESIGNATION OF BENEFICIARIES.—

83 (a) Each member may, by electronic means or on a form
84 provided for that purpose, signed and filed with the third-party
85 administrator, designate a choice of one or more persons, named
86 sequentially or jointly, as his or her beneficiary for receiving
87 the benefits, if any, which may be payable pursuant to this

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88 chapter in the event of the member's death. If no beneficiary is
89 named in this manner, or if no beneficiary designated by the
90 member survives the member, the beneficiary shall be the spouse
91 of the deceased, if living. If the member's spouse is not alive
92 at the time of the member's death, the beneficiary shall be the
93 living children of the member. If no children survive, the
94 beneficiary shall be the member's father or mother, if living;
95 otherwise, the beneficiary shall be the member's estate. The
96 beneficiary most recently designated by a member shall be the
97 beneficiary entitled to any benefits payable at the time of the
98 member's death. However, for a member who dies before ~~prior to~~
99 his or her effective date of retirement, the spouse at the time
100 of death shall be the member's beneficiary unless the member
101 designates a different beneficiary subsequent to the member's
102 most recent marriage.

103 (b) If a member is married but does not designate the
104 member's spouse as designates a primary beneficiary, the spouse
105 must be notified and acknowledge any such designation.
106 Notwithstanding the foregoing, if the spouse cannot be located
107 or fails to affirmatively acknowledge such designation, the
108 member may request that the acknowledgment requirement be waived
109 by the state board through an affidavit setting forth the
110 particular facts and circumstances ~~other than the member's~~
111 ~~spouse, the member's spouse must sign the beneficiary~~
112 ~~designation form to acknowledge the designation.~~ This
113 requirement does not apply to the designation of one or more
114 contingent beneficiaries to receive benefits remaining upon the
115 death of the primary beneficiary or beneficiaries.

116 (c) Notwithstanding the member's designation of benefits to

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117 be paid through a trust to a beneficiary that is a natural
118 person and the provisions of the trust, benefits must be paid
119 directly to the beneficiary if the person is no longer a minor
120 or an incapacitated person as defined in s. 744.102.

121 Section 3. This act shall take effect July 1, 2021.