

1 A bill to be entitled
 2 An act relating to pension plan election under the
 3 Florida Retirement System; amending s. 121.4501, F.S.;
 4 authorizing certain eligible employees participating
 5 in the Florida Retirement System to make a second
 6 election to move back to the pension plan; requiring
 7 the Division of Retirement to notify employees
 8 eligible to make such election by a specified date;
 9 providing requirements for such election; providing
 10 that the cost of such election is deferred until the
 11 member's retirement; authorizing such cost to be
 12 amortized over a certain period of time; prohibiting
 13 such cost from exceeding a specified percentage of the
 14 member's retirement benefits; conforming cross-
 15 references; amending s. 121.122, F.S.; conforming
 16 cross-references; providing an effective date.

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

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 20 Section 1. Paragraphs (a) and (b) of subsection (4) of
 21 section 121.4501, Florida Statutes, are amended, and paragraph
 22 (g) is added to that subsection, to read:

23 121.4501 Florida Retirement System Investment Plan.—

24 (4) PARTICIPATION; ENROLLMENT.—

25 (a)1. Effective June 1, 2002, through February 28, 2003, a

26 90-day election period was provided to each eligible employee
27 participating in the Florida Retirement System, preceded by a
28 90-day education period, permitting each eligible employee to
29 elect membership in the investment plan. An employee who failed
30 to elect the investment plan during the election period remained
31 in the pension plan. An eligible employee who was employed in a
32 regularly established position during the election period was
33 granted the option to make one subsequent election, as provided
34 in paragraphs (f) and (g) ~~paragraph (f)~~. With respect to an
35 eligible employee who did not participate in the initial
36 election period or who is initially employed in a regularly
37 established position after the close of the initial election
38 period but before January 1, 2018, such employee shall, by
39 default, be enrolled in the pension plan at the commencement of
40 employment and may, by the last business day of the 5th month
41 following the employee's month of hire, elect to participate in
42 the investment plan. The employee's election must be made in
43 writing or by electronic means and must be filed with the third-
44 party administrator. The election to participate in the
45 investment plan is irrevocable, except as provided in paragraphs
46 (f) and (g) ~~paragraph (f)~~.

47 a. If the employee files such election within the
48 prescribed time period, enrollment in the investment plan is
49 effective on the first day of employment. The retirement
50 contributions paid through the month of the employee plan change

51 shall be transferred to the investment program, and, effective
52 the first day of the next month, the employer and employee must
53 pay the applicable contributions based on the employee
54 membership class in the program.

55 b. An employee who fails to elect to participate in the
56 investment plan within the prescribed time period is deemed to
57 have elected to retain membership in the pension plan, and the
58 employee's option to elect to participate in the investment plan
59 is forfeited.

60 2. With respect to employees who become eligible to
61 participate in the investment plan pursuant to s.
62 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
63 participate in the investment plan in lieu of retaining his or
64 her membership in the State Community College System Optional
65 Retirement Program or the State University System Optional
66 Retirement Program. The election must be made in writing or by
67 electronic means and must be filed with the third-party
68 administrator. This election is irrevocable, except as provided
69 in paragraphs (f) and (g) ~~paragraph (f)~~. Upon making such
70 election, the employee shall be enrolled as a member in the
71 investment plan, the employee's membership in the Florida
72 Retirement System is governed by the provisions of this part,
73 and the employee's participation in the State Community College
74 System Optional Retirement Program or the State University
75 System Optional Retirement Program terminates. The employee's

76 enrollment in the investment plan is effective on the first day
77 of the month for which a full month's employer and employee
78 contribution is made to the investment plan.

79 (b)1. With respect to employees who become eligible to
80 participate in the investment plan by reason of employment in a
81 regularly established position commencing on or after January 1,
82 2018, or who did not complete an election window before January
83 1, 2018, any such employee shall be enrolled in the pension plan
84 at the commencement of employment and may, by the last business
85 day of the eighth month following the employee's month of hire,
86 elect to participate in the pension plan or the investment plan.
87 Eligible employees may make a plan election only if they are
88 earning service credit in an employer-employee relationship
89 consistent with s. 121.021(17) (b), excluding leaves of absence
90 without pay.

91 2. The employee's election must be made in writing or by
92 electronic means and must be filed with the third-party
93 administrator. The election to participate in the pension plan
94 or investment plan is irrevocable, except as provided in
95 paragraphs (f) and (g) ~~paragraph (f)~~.

96 3.a. Except as provided in subparagraph 4., if the
97 employee fails to make an election to either the pension plan or
98 the investment plan during the 8-month period following the
99 month of hire, the employee is deemed to have elected the
100 investment plan and shall default into the investment plan

HB 973

2024

101 retroactively to the employee's date of employment. The
102 employee's option to participate in the pension plan is
103 forfeited, except as provided in paragraphs (f) and (g)
104 ~~paragraph (f)~~.

105 b. The amount of the employee and employer contributions
106 paid through the date of default to the investment plan shall be
107 transferred to the investment plan and shall be placed in a
108 default fund as designated by the State Board of Administration.
109 The employee may move the contributions once an account is
110 activated in the investment plan.

111 4. If the employee is employed in a position included in
112 the Special Risk Class and fails to make an election to either
113 the pension plan or the investment plan during the 8-month
114 period following the month of hire, the employee is deemed to
115 have elected the pension plan and shall default into the pension
116 plan retroactively to the employee's date of employment. The
117 employee's option to participate in the investment plan is
118 forfeited, except as provided in paragraphs (f) and (g)
119 ~~paragraph (f)~~.

120 5. Effective the first day of the month after an eligible
121 employee makes a plan election of the pension plan or investment
122 plan, or the first day of the month after default, the employee
123 and employer shall pay the applicable contributions based on the
124 employee membership class in the program.

125 (g) Effective July 1, 2024, an eligible employee

HB 973

2024

126 participating in the Florida Retirement System who was enrolled
127 in the pension plan before 2002 and who moved to the investment
128 plan under paragraph (f) may choose to move back to the pension
129 plan while deferring the cost until retirement.

130 1. Eligible employees may elect to move back to the
131 pension plan under this paragraph only if they are earning
132 service credit in an employer-employee relationship consistent
133 with s. 121.021(17)(b), excluding leaves of absence without pay.

134 2. The division shall notify employees who qualify under
135 this paragraph no later than July 30, 2024.

136 3. The election to move back to the pension plan must be
137 made in writing and filed with the third-party administrator
138 within 90 days after an eligible employee receives notice from
139 the division under subparagraph 2. Such elections are effective
140 on the first day of the month after the receipt of the election
141 by the third-party administrator.

142 4. The cost of moving back to the pension plan under this
143 paragraph is deferred until the member's retirement. If a member
144 is unable to pay the deferred cost, or the member terminates his
145 or her employment before retirement, such cost must be amortized
146 over a period of 10 years beginning in the year of the member's
147 retirement, not to exceed 25 percent of the member's retirement
148 benefits.

149 Section 2. Paragraph (j) of subsection (3), paragraph (e)
150 of subsection (4), and paragraph (e) of subsection (5) of

151 section 121.122, Florida Statutes, are amended to read:

152 121.122 Renewed membership in system.—

153 (3) A retiree of the investment plan, the State University
 154 System Optional Retirement Program, the Senior Management
 155 Service Optional Annuity Program, or the State Community College
 156 System Optional Retirement Program who is reemployed with a
 157 covered employer in a regularly established position on or after
 158 July 1, 2017, shall be enrolled as a renewed member of the
 159 investment plan unless employed in a position eligible for
 160 participation in the State University System Optional Retirement
 161 Program as provided in subsection (4) or the State Community
 162 College System Optional Retirement Program as provided in
 163 subsection (5). The renewed member must satisfy the vesting
 164 requirements and other provisions of this chapter.

165 (j) Notwithstanding s. 121.4501(4)(f) and (g) ~~s.~~
 166 ~~121.4501(4)(f)~~, the renewed member is not eligible to elect
 167 membership in the pension plan.

168 (4) A retiree of the investment plan, the State University
 169 System Optional Retirement Program, the Senior Management
 170 Service Optional Annuity Program, or the State Community College
 171 System Optional Retirement Program who is reemployed on or after
 172 July 1, 2017, in a regularly established position eligible for
 173 participation in the State University System Optional Retirement
 174 Program shall become a renewed member of the optional retirement
 175 program. The renewed member must satisfy the vesting

176 requirements and other provisions of this chapter. Once
177 enrolled, a renewed member remains enrolled in the optional
178 retirement program while employed in an eligible position for
179 the optional retirement program. If employment in a different
180 covered position results in the renewed member's enrollment in
181 the investment plan, the renewed member is no longer eligible to
182 participate in the optional retirement program unless employed
183 in a mandatory position under s. 121.35.

184 (e) Notwithstanding s. 121.4501(4)(f) and (g) ~~s.~~
185 ~~121.4501(4)(f)~~, the renewed member is not eligible to elect
186 membership in the pension plan.

187 (5) A retiree of the investment plan, the State University
188 System Optional Retirement Program, the Senior Management
189 Service Optional Annuity Program, or the State Community College
190 System Optional Retirement Program who is reemployed on or after
191 July 1, 2017, in a regularly established position eligible for
192 participation in the State Community College System Optional
193 Retirement Program shall become a renewed member of the optional
194 retirement program. The renewed member must satisfy the
195 eligibility requirements of this chapter and s. 1012.875 for the
196 optional retirement program. Once enrolled, a renewed member
197 remains enrolled in the optional retirement program while
198 employed in an eligible position for the optional retirement
199 program. If employment in a different covered position results
200 in the renewed member's enrollment in the investment plan, the

HB 973

2024

201 renewed member is no longer eligible to participate in the
202 optional retirement program.

203 (e) Notwithstanding s. 121.4501(4)(f) and (g) ~~s.~~
204 ~~121.4501(4)(f)~~, the renewed member is not eligible to elect
205 membership in the pension plan.

206 Section 3. This act shall take effect July 1, 2024.