

1                   A bill to be entitled  
2           An act relating to the State Board of Administration;  
3           amending s. 121.4501, F.S.; revising the federal  
4           regulations that apply to the statement of fiduciary  
5           standards and responsibilities for the Florida  
6           Retirement System Investment Plan; amending s.  
7           121.591, F.S.; revising the timeframe after which  
8           third-party administrators or duly authorized agents  
9           of the board are required to cancel financial  
10          instruments issued for a specified purpose; revising  
11          the timeframe after which certain amounts transferred  
12          to the suspense account are forfeited by the employee;  
13          amending s. 215.47, F.S.; authorizing the board to  
14          invest no more than a specified percentage in  
15          investments that comply with a specified fiduciary  
16          standard; requiring the State Board of Administration  
17          to file a certain report by a specified date with the  
18          Investment Advisory Council, members of the Board of  
19          Trustees, and the Legislature; authorizing the State  
20          Board of Administration and its affiliated limited  
21          liability entities to issue securities and borrow  
22          money through specified means, subject to specified  
23          limitations; providing an effective date.

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

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**Section 1. Paragraph (c) of subsection (15) of section 121.4501, Florida Statutes, is amended to read:**

121.4501 Florida Retirement System Investment Plan.—

(15) STATEMENT OF FIDUCIARY STANDARDS AND RESPONSIBILITIES.—

(c) Subparagraph (8)(b)2. and paragraph (b) incorporate the federal law concept of participant control, established by regulations of the United States Department of Labor under s. 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). The purpose of this paragraph is to assist employers and the state board in maintaining compliance with s. 404(c), while avoiding unnecessary costs and eroding member benefits under the investment plan. Pursuant to 29 C.F.R. s. 2550.404a-5(d)(4)(i) ~~29 C.F.R. s. 2550.404e-1(b)(2)(i)(B)(1)(viii)~~, the state board or its designated agents shall deliver to members of the investment plan a copy of the prospectus most recently provided to the plan, and, pursuant to 29 C.F.R. s. 2550.404a-5(d)(4) ~~29 C.F.R. s. 2550.404e-1(b)(2)(i)(B)(2)(ii)~~, shall provide such members an opportunity to obtain this information, except that:

1. The requirement to deliver a prospectus shall be satisfied by delivery of a fund profile or summary profile that contains the information that would be included in a summary prospectus as described by Rule 498 under the Securities Act of

51 1933, 17 C.F.R. s. 230.498. If the transaction fees, expense  
52 information or other information provided by a mutual fund in  
53 the prospectus does not reflect terms negotiated by the state  
54 board or its designated agents, the requirement is satisfied by  
55 delivery of a separate document described by Rule 498  
56 substituting accurate information; and

57 2. Delivery shall be effected if delivery is through  
58 electronic means and the following standards are satisfied:

59 a. Electronically-delivered documents are prepared and  
60 provided consistent with style, format, and content requirements  
61 applicable to printed documents;

62 b. Each member is provided timely and adequate notice of  
63 the documents that are to be delivered, and their significance,  
64 and of the member's right to obtain a paper copy of such  
65 documents free of charge;

66 c. Members have adequate access to the electronic  
67 documents, at locations such as their worksites or public  
68 facilities, and have the ability to convert the documents to  
69 paper free of charge by the state board, and the board or its  
70 designated agents take appropriate and reasonable measures to  
71 ensure that the system for furnishing electronic documents  
72 results in actual receipt. Members have provided consent to  
73 receive information in electronic format, which consent may be  
74 revoked; and

75 d. The state board, or its designated agent, actually

76 provides paper copies of the documents free of charge, upon  
77 request.

78 **Section 2. Section 121.591, Florida Statutes, is amended**  
79 **to read:**

80 121.591 Payment of benefits.—Benefits may not be paid  
81 under the Florida Retirement System Investment Plan unless the  
82 member has terminated employment as provided in s.  
83 121.021(39)(a) or is deceased and a proper application has been  
84 filed as prescribed by the state board or the department.  
85 Benefits, including employee contributions, are not payable  
86 under the investment plan for employee hardships, unforeseeable  
87 emergencies, loans, medical expenses, educational expenses,  
88 purchase of a principal residence, payments necessary to prevent  
89 eviction or foreclosure on an employee's principal residence, or  
90 any other reason except a requested distribution for retirement,  
91 a mandatory de minimis distribution authorized by the  
92 administrator, or a required minimum distribution provided  
93 pursuant to the Internal Revenue Code. The state board or  
94 department, as appropriate, may cancel an application for  
95 retirement benefits if the member or beneficiary fails to timely  
96 provide the information and documents required by this chapter  
97 and the rules of the state board and department. In accordance  
98 with their respective responsibilities, the state board and the  
99 department shall adopt rules establishing procedures for  
100 application for retirement benefits and for the cancellation of

101 such application if the required information or documents are  
102 not received. The state board and the department, as  
103 appropriate, are authorized to cash out a de minimis account of  
104 a member who has been terminated from Florida Retirement System  
105 covered employment for a minimum of 6 calendar months. A de  
106 minimis account is an account containing employer and employee  
107 contributions and accumulated earnings of not more than \$5,000  
108 made under the provisions of this chapter. Such cash-out must be  
109 a complete lump-sum liquidation of the account balance, subject  
110 to the provisions of the Internal Revenue Code, or a lump-sum  
111 direct rollover distribution paid directly to the custodian of  
112 an eligible retirement plan, as defined by the Internal Revenue  
113 Code, on behalf of the member. Any nonvested accumulations and  
114 associated service credit, including amounts transferred to the  
115 suspense account of the Florida Retirement System Investment  
116 Plan Trust Fund authorized under s. 121.4501(6), shall be  
117 forfeited upon payment of any vested benefit to a member or  
118 beneficiary, except for de minimis distributions or minimum  
119 required distributions as provided under this section. If any  
120 financial instrument issued for the payment of retirement  
121 benefits under this section is not presented for payment within  
122 180 days after the date of the instrument's issuance ~~the last~~  
123 ~~day of the month in which it was originally issued~~, the third-  
124 party administrator or other duly authorized agent of the state  
125 board shall cancel the instrument and credit the amount of the

126 instrument to the suspense account of the Florida Retirement  
127 System Investment Plan Trust Fund authorized under s.  
128 121.4501(6). Any amounts transferred to the suspense account are  
129 payable upon a proper application, not to include earnings  
130 thereon, as provided in this section, within 10 years after the  
131 date of the instrument's issuance ~~last day of the month in which~~  
132 ~~the instrument was originally issued~~, after which time such  
133 amounts and any earnings attributable to employer contributions  
134 shall be forfeited. Any forfeited amounts are assets of the  
135 trust fund and are not subject to chapter 717.

136 (1) NORMAL BENEFITS.—Under the investment plan:

137 (a) Benefits in the form of vested accumulations as  
138 described in s. 121.4501(6) are payable under this subsection in  
139 accordance with the following terms and conditions:

140 1. Benefits are payable only to a member, an alternate  
141 payee of a qualified domestic relations order, or a beneficiary.

142 2. Benefits shall be paid by the third-party administrator  
143 or designated approved providers in accordance with the law, the  
144 contracts, and any applicable board rule or policy.

145 3. The member must be terminated from all employment with  
146 all Florida Retirement System employers, as provided in s.  
147 121.021(39).

148 4. Benefit payments may not be made until the member has  
149 been terminated for 3 calendar months, except that the state  
150 board may authorize by rule for the distribution of up to 10

151 percent of the member's account after being terminated for 1  
152 calendar month if the member has reached the normal retirement  
153 date as defined in s. 121.021.

154 5. If a member or former member of the Florida Retirement  
155 System receives an invalid distribution, such person must either  
156 repay the full amount within 90 days after receipt of final  
157 notification by the state board or the third-party administrator  
158 that the distribution was invalid, or, in lieu of repayment, the  
159 member must terminate employment from all participating  
160 employers. If such person fails to repay the full invalid  
161 distribution within 90 days after receipt of final notification,  
162 the person may be deemed retired from the investment plan by the  
163 state board and is subject to s. 121.122. If such person is  
164 deemed retired, any joint and several liability set out in s.  
165 121.091(9)(e)2. is void, and the state board, the department, or  
166 the employing agency is not liable for gains on payroll  
167 contributions that have not been deposited to the person's  
168 account in the investment plan, pending resolution of the  
169 invalid distribution. The member or former member who has been  
170 deemed retired or who has been determined by the state board to  
171 have taken an invalid distribution may appeal the agency  
172 decision through the complaint process as provided under s.  
173 121.4501(9)(g)3. As used in this subparagraph, the term "invalid  
174 distribution" means any distribution from an account in the  
175 investment plan which is taken in violation of this section, s.

176 | 121.091(9), or s. 121.4501.

177 |       (b) If a member elects to receive his or her benefits upon  
178 | termination of employment as defined in s. 121.021, the member  
179 | must submit a written application or an application by  
180 | electronic means to the third-party administrator indicating his  
181 | or her preferred distribution date and selecting an authorized  
182 | method of distribution as provided in paragraph (c). The member  
183 | may defer receipt of benefits until he or she chooses to make  
184 | such application, subject to federal requirements.

185 |       (c) Upon receipt by the third-party administrator of a  
186 | properly executed application for distribution of benefits, the  
187 | total accumulated benefit is payable to the member pro rata  
188 | across all Florida Retirement System benefit sources as:

- 189 |           1. A lump-sum or partial distribution to the member;  
190 |           2. A lump-sum direct rollover distribution whereby all  
191 | accrued benefits, plus interest and investment earnings, are  
192 | paid from the member's account directly to the custodian of an  
193 | eligible retirement plan, as defined in s. 402(c)(8)(B) of the  
194 | Internal Revenue Code, on behalf of the member; or  
195 |           3. Periodic distributions, as authorized by the state  
196 | board.

197 |       (d) The distribution payment method selected by the member  
198 | or beneficiary, and the retirement of the member or beneficiary,  
199 | is final and irrevocable at the time a benefit distribution  
200 | payment is cashed, deposited, or transferred to another



201 financial institution. Any additional service that remains  
202 unclaimed at retirement may not be claimed or purchased, and the  
203 type of retirement may not be changed, except that if a member  
204 recovers from a disability, the member may subsequently request  
205 benefits under subsection (2).

206 (e) A member may not receive a distribution of employee  
207 contributions if a pending qualified domestic relations order is  
208 filed against the member's investment plan account.

209 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided  
210 under this subsection are payable in lieu of the benefits that  
211 would otherwise be payable under the provisions of subsection  
212 (1). Such benefits must be funded from employer contributions  
213 made under s. 121.571, transferred employee contributions and  
214 funds accumulated pursuant to paragraph (a), and interest and  
215 earnings thereon.

216 (a) *Transfer of funds.*—To qualify to receive monthly  
217 disability benefits under this subsection:

218 1. All moneys accumulated in the member's account,  
219 including vested and nonvested accumulations as described in s.  
220 121.4501(6), must be transferred from such individual accounts  
221 to the division for deposit in the disability account of the  
222 Florida Retirement System Trust Fund. Such moneys must be  
223 accounted for separately. Earnings must be credited on an annual  
224 basis for amounts held in the disability accounts of the Florida  
225 Retirement System Trust Fund based on actual earnings of the

226 trust fund.

227       2. If the member has retained retirement credit earned  
228 under the pension plan as provided in s. 121.4501(3), a sum  
229 representing the actuarial present value of such credit within  
230 the Florida Retirement System Trust Fund shall be reassigned by  
231 the division from the pension plan to the disability program as  
232 implemented under this subsection and shall be deposited in the  
233 disability account of the trust fund. Such moneys must be  
234 accounted for separately.

235       (b) *Disability retirement; entitlement.*—

236       1. A member of the investment plan who becomes totally and  
237 permanently disabled, as defined in paragraph (d), after  
238 completing 8 years of creditable service, or a member who  
239 becomes totally and permanently disabled in the line of duty  
240 regardless of length of service, is entitled to a monthly  
241 disability benefit.

242       2. In order for service to apply toward the 8 years of  
243 creditable service required for regular disability benefits, or  
244 toward the creditable service used in calculating a service-  
245 based benefit as provided under paragraph (g), the service must  
246 be creditable service as described below:

247       a. The member's period of service under the investment  
248 plan shall be considered creditable service, except as provided  
249 in subparagraph d.

250       b. If the member has elected to retain credit for service

251 under the pension plan as provided under s. 121.4501(3), all  
252 such service shall be considered creditable service.

253 c. If the member elects to transfer to his or her member  
254 accounts a sum representing the present value of his or her  
255 retirement credit under the pension plan as provided under s.  
256 121.4501(3), the period of service under the pension plan  
257 represented in the present value amounts transferred shall be  
258 considered creditable service, except as provided in  
259 subparagraph d.

260 d. If a member has terminated employment and has taken  
261 distribution of his or her funds as provided in subsection (1),  
262 all creditable service represented by such distributed funds is  
263 forfeited for purposes of this subsection.

264 (c) *Disability retirement effective date.*—The effective  
265 retirement date for a member who applies and is approved for  
266 disability retirement shall be established as provided under s.  
267 121.091(4)(a)2. and 3.

268 (d) *Total and permanent disability.*—A member shall be  
269 considered totally and permanently disabled if, in the opinion  
270 of the division, he or she is prevented, by reason of a  
271 medically determinable physical or mental impairment, from  
272 rendering useful and efficient service as an officer or  
273 employee.

274 (e) *Proof of disability.*—Before approving payment of any  
275 disability retirement benefit, the division shall require proof

276 that the member is totally and permanently disabled as provided  
277 under s. 121.091(4)(c).

278 (f) *Disability retirement benefit.*—Upon the disability  
279 retirement of a member under this subsection, the member shall  
280 receive a monthly benefit that begins accruing on the first day  
281 of the month of disability retirement, as approved by the  
282 division, and is payable on the last day of that month and each  
283 month thereafter during his or her lifetime and continued  
284 disability. All disability benefits must be paid out of the  
285 disability account of the Florida Retirement System Trust Fund  
286 established under this subsection.

287 (g) *Computation of disability retirement benefit.*—The  
288 amount of each monthly payment must be calculated as provided  
289 under s. 121.091(4)(f). Creditable service under both the  
290 pension plan and the investment plan shall be applicable as  
291 provided under paragraph (b).

292 (h) *Reapplication.*—A member whose initial application for  
293 disability retirement is denied may reapply for disability  
294 benefits as provided in s. 121.091(4)(g).

295 (i) *Membership.*—Upon approval of a member's application  
296 for disability benefits, the member shall be transferred to the  
297 pension plan, effective upon his or her disability retirement  
298 effective date.

299 (j) *Option to cancel.*—A member whose application for  
300 disability benefits is approved may cancel the application if

301 the cancellation request is received by the division before a  
302 disability retirement warrant has been deposited, cashed, or  
303 received by direct deposit. Upon cancellation:

304 1. The member's transfer to the pension plan under  
305 paragraph (i) shall be nullified;

306 2. The member shall be retroactively reinstated in the  
307 investment plan without hiatus;

308 3. All funds transferred to the Florida Retirement System  
309 Trust Fund under paragraph (a) must be returned to the member  
310 accounts from which the funds were drawn; and

311 4. The member may elect to receive the benefit payable  
312 under subsection (1) in lieu of disability benefits.

313 (k) *Recovery from disability.*—

314 1. The division may require periodic reexaminations at the  
315 expense of the disability program account of the Florida  
316 Retirement System Trust Fund. Except as provided in subparagraph  
317 2., all other matters relating to recovery from disability shall  
318 be as provided under s. 121.091(4)(h).

319 2. Upon recovery from disability, the recipient of  
320 disability retirement benefits under this subsection shall be a  
321 compulsory member of the investment plan. The net difference  
322 between the recipient's original account balance transferred to  
323 the Florida Retirement System Trust Fund, including earnings and  
324 total disability benefits paid to such recipient, if any, shall  
325 be determined as provided in sub-subparagraph a.

326 a. An amount equal to the total benefits paid shall be  
327 subtracted from that portion of the transferred account balance  
328 consisting of vested accumulations as described under s.  
329 121.4501(6), if any, and an amount equal to the remainder of  
330 benefit amounts paid, if any, shall be subtracted from any  
331 remaining nonvested accumulations.

332 b. Amounts subtracted under sub-subparagraph a. must be  
333 retained within the disability account of the Florida Retirement  
334 System Trust Fund. Any remaining account balance shall be  
335 transferred to the third-party administrator for disposition as  
336 provided under sub-subparagraph c. or sub-subparagraph d., as  
337 appropriate.

338 c. If the recipient returns to covered employment,  
339 transferred amounts must be deposited in individual accounts  
340 under the investment plan, as directed by the member. Vested and  
341 nonvested amounts shall be accounted for separately as provided  
342 in s. 121.4501(6).

343 d. If the recipient fails to return to covered employment  
344 upon recovery from disability:

345 (I) Any remaining vested amount must be deposited in  
346 individual accounts under the investment plan, as directed by  
347 the member, and is payable as provided in subsection (1).

348 (II) Any remaining nonvested amount must be held in a  
349 suspense account and is forfeitable after 5 years as provided in  
350 s. 121.4501(6).

351           3. If present value was reassigned from the pension plan  
352 to the disability program as provided under subparagraph (a)2.,  
353 the full present value amount must be returned to the defined  
354 benefit account within the Florida Retirement System Trust Fund  
355 and the member's associated retirement credit under the pension  
356 plan must be reinstated in full. Any benefit based upon such  
357 credit must be calculated as provided in s. 121.091(4)(h)1.

358           (1) *Nonadmissible causes of disability.*—A member is not  
359 entitled to a disability retirement benefit if the disability  
360 results from any injury or disease as described in s.  
361 121.091(4)(i).

362           (m) *Disability retirement of justice or judge by order of*  
363 *Supreme Court.*—

364           1. If a member is a justice of the Supreme Court, judge of  
365 a district court of appeal, circuit judge, or judge of a county  
366 court who has served for the years equal to, or greater than,  
367 the vesting requirement in s. 121.021(45) as an elected  
368 constitutional judicial officer, including service as a judicial  
369 officer in any court abolished pursuant to Art. V of the State  
370 Constitution, and who is retired for disability pursuant to s.  
371 12, Art. V of the State Constitution, the member's Option 1  
372 monthly disability benefit amount as provided in s.  
373 121.091(6)(a)1. shall be two-thirds of his or her monthly  
374 compensation as of the member's disability retirement date. The  
375 member may alternatively elect to receive an actuarially

376 adjusted disability retirement benefit under any other option as  
377 provided in s. 121.091(6)(a) or to receive the normal benefit  
378 payable under subsection (1).

379 2. If any justice or judge who is a member of the  
380 investment plan is retired for disability pursuant to s. 12,  
381 Art. V of the State Constitution and elects to receive a monthly  
382 disability benefit under the provisions of this paragraph:

383 a. Any present value amount that was transferred to his or  
384 her investment plan account and all employer and employee  
385 contributions made to such account on his or her behalf, plus  
386 interest and earnings thereon, must be transferred to and  
387 deposited in the disability account of the Florida Retirement  
388 System Trust Fund; and

389 b. The monthly disability benefits payable under this  
390 paragraph shall be paid from the disability account of the  
391 Florida Retirement System Trust Fund.

392 (n) *Death of retiree or beneficiary.*—Upon the death of a  
393 disabled retiree or beneficiary of the retiree who is receiving  
394 monthly disability benefits under this subsection, the monthly  
395 benefits shall be paid through the last day of the month of  
396 death and shall terminate, or be adjusted, if applicable, as of  
397 that date in accordance with the optional form of benefit  
398 selected at the time of retirement. The department may adopt  
399 rules necessary to administer this paragraph.

400 (3) DEATH BENEFITS.—Under the Florida Retirement System



401 Investment Plan:

402 (a) Survivor benefits are payable in accordance with the  
403 following terms and conditions, except as provided in subsection  
404 (4):

405 1. To the extent vested, benefits are payable only to a  
406 member's beneficiary or beneficiaries as designated by the  
407 member as provided in s. 121.4501(20).

408 2. Benefits shall be paid by the third-party administrator  
409 or designated approved providers in accordance with the law, the  
410 contracts, and any applicable state board rule or policy.

411 3. To receive benefits, the member must be deceased.

412 (b) Except as provided in subsection (4), in the event of  
413 a member's death, all vested accumulations as described in s.  
414 121.4501(6), less withholding taxes remitted to the Internal  
415 Revenue Service, shall be distributed, as provided in paragraph  
416 (c) or as described in s. 121.4501(20), as if the member retired  
417 on the date of death. No other death benefits are available for  
418 survivors of members, except for benefits, or coverage for  
419 benefits, as are otherwise provided by law or separately  
420 provided by the employer, at the employer's discretion.

421 (c) Except as provided in subsection (4), upon receipt by  
422 the third-party administrator of a properly executed application  
423 for distribution of benefits, the total accumulated benefit is  
424 payable by the third-party administrator to the member's  
425 surviving beneficiary or beneficiaries, as:

426 1. A lump-sum distribution payable to the beneficiary or  
 427 beneficiaries, or to the deceased member's estate;

428 2. An eligible rollover distribution, if permitted, on  
 429 behalf of the surviving spouse of a deceased member, whereby all  
 430 accrued benefits, plus interest and investment earnings, are  
 431 paid from the deceased member's account directly to the  
 432 custodian of an eligible retirement plan, as described in s.  
 433 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
 434 surviving spouse; or

435 3. A partial lump-sum payment whereby a portion of the  
 436 accrued benefit is paid to the deceased member's surviving  
 437 spouse or other designated beneficiaries, less withholding taxes  
 438 remitted to the Internal Revenue Service, and the remaining  
 439 amount is transferred directly to the custodian of an eligible  
 440 retirement plan, if permitted, as described in s. 402(c)(8)(B)  
 441 of the Internal Revenue Code, on behalf of the surviving spouse.  
 442 The proportions must be specified by the member or the surviving  
 443 beneficiary.

444  
 445 This paragraph does not abrogate other applicable provisions of  
 446 state or federal law providing for payment of death benefits.

447 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN  
 448 MEMBERS.—Benefits are provided under this subsection to the  
 449 spouse and child or children of members in the investment plan  
 450 when such members are killed in the line of duty and are payable

451 in lieu of the benefits that would otherwise be payable under  
452 subsection (1) or subsection (3). Benefits provided by this  
453 subsection supersede any other distribution that may have been  
454 provided by the member's designation of beneficiary. Such  
455 benefits must be funded from employer contributions made under  
456 s. 121.571, transferred employee contributions and funds  
457 accumulated pursuant to paragraph (a), and interest and earnings  
458 thereon.

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

461 1. All moneys accumulated in the member's account,  
462 including vested and nonvested accumulations as described in s.  
463 121.4501(6), must be transferred from such individual accounts  
464 to the division for deposit in the survivor benefit account of  
465 the Florida Retirement System Trust Fund. Moneys in the survivor  
466 benefit account must be accounted for separately. Earnings must  
467 be credited on an annual basis for amounts held in the survivor  
468 benefit account of the Florida Retirement System Trust Fund  
469 based on actual earnings of the trust fund.

470 2. If the member has retained retirement credit earned  
471 under the pension plan as provided in s. 121.4501(3), a sum  
472 representing the actuarial present value of such credit within  
473 the Florida Retirement System Trust Fund shall be transferred by  
474 the division from the pension plan to the survivor benefit  
475 retirement program as implemented under this subsection and

476 shall be deposited in the survivor benefit account of the trust  
477 fund.

478 (b) *Survivor retirement; entitlement.*—An investment plan  
479 member who is killed in the line of duty on or after July 1,  
480 2002, regardless of length of creditable service, may have  
481 survivor benefits paid as provided in s. 121.091(7)(d) and (i)  
482 to:

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

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

- 491 1. The effective retirement date for the surviving spouse  
492 or eligible child of a Special Risk Class member who is killed  
493 in the line of duty is:

- 494 a. The first day of the month following the member's death  
495 if the member dies on or after July 1, 2016.

- 496 b. July 1, 2016, for a member of the Special Risk Class  
497 when killed in the line of duty on or after July 1, 2013, but  
498 before July 1, 2016, if the application is received before July  
499 1, 2016; or the first day of the month following the receipt of  
500 such application.

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

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

506           b. July 1, 2017, if the member is killed in the line of  
507 duty on or after July 1, 2002, but before July 1, 2017, if the  
508 application is received before July 1, 2017; or the first day of  
509 the month following the receipt of such application.

510

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

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

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

520           a. The surviving spouse.

521           b. If there is no surviving spouse or the surviving spouse  
522 dies, the member's child or children under 18 years of age and  
523 unmarried until the 18th birthday of the member's youngest  
524 child, or until the 25th birthday of the member's child if the  
525 child is unmarried and enrolled as a full-time student.

526           2. Such surviving spouse or such child or children shall  
527 receive a monthly survivor benefit that begins accruing on the  
528 first day of the month of survivor benefit retirement, as  
529 approved by the division, and is payable on the last day of that  
530 month and each month thereafter during the surviving spouse's  
531 lifetime or on behalf of the unmarried children of the member  
532 until the 18th birthday of the youngest child, or until the 25th  
533 birthday of any of the member's unmarried children who are  
534 enrolled as full-time students. Survivor benefits must be paid  
535 out of the survivor benefit account of the Florida Retirement  
536 System Trust Fund established under this subsection.

537  
538 If the investment plan account balance has already been paid out  
539 to the surviving spouse or the eligible unmarried dependent  
540 child or children, the benefit payable shall be actuarially  
541 reduced by the amount of the payout.

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

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

546           1. Upon the death of a surviving spouse, the monthly  
547 benefits shall be paid through the last day of the month of  
548 death and shall terminate or be paid on behalf of the unmarried  
549 child or children until the 18th birthday of the youngest child,  
550 or the 25th birthday of any of the member's unmarried children

551 who are enrolled as full-time students.

552 2. If the surviving spouse dies and the benefits are being  
553 paid on behalf of the member's unmarried children as provided in  
554 subparagraph 1., benefits shall be paid through the last day of  
555 the month until the later of the month the youngest child  
556 reaches his or her 18th birthday, the month of the 25th birthday  
557 of any of the member's unmarried children enrolled as full-time  
558 students, or the month of the death of the youngest child.

559 (5) LIMITATION ON LEGAL PROCESS.—The benefits payable to  
560 any person under the Florida Retirement System Investment Plan,  
561 and any contributions accumulated under the plan, are not  
562 subject to assignment, execution, attachment, or any legal  
563 process, except for qualified domestic relations orders by a  
564 court of competent jurisdiction, income deduction orders as  
565 provided in s. 61.1301, and federal income tax levies.

566 **Section 3. Subsection (6) of section 215.47, Florida**  
567 **Statutes, is amended, and subsection (22) is added to that**  
568 **section, to read:**

569 215.47 Investments; authorized securities; loan of  
570 securities.—Subject to the limitations and conditions of the  
571 State Constitution or of the trust agreement relating to a trust  
572 fund, moneys available for investments under ss. 215.44-215.53  
573 may be invested as follows:

574 (6) With no more than 5 percent of any fund to be invested  
575 in any investment that complies with the fiduciary standard of

576 care set forth in subsection (10) as deemed appropriate by the  
577 board, notwithstanding investment limitations otherwise  
578 expressed in this section. Before The board shall file a report  
579 by each January 31 with the Investment Advisory Council, each  
580 member of the Board of Trustees, the President of the Senate,  
581 and the Speaker of the House of Representatives which lists all  
582 investments made by the board pursuant to this subsection during  
583 the previous calendar year engages in any investment activity  
584 not otherwise authorized under ss. 215.44-215.53, excluding  
585 investments in publicly traded securities, options, financial  
586 futures, or similar instruments, the board shall present to the  
587 Investment Advisory Council a proposed plan for such investment.  
588 Such plan must include, but not be limited to, a detailed  
589 analysis of the investment, the expected benefits and potential  
590 risks of such activity, and the methods for monitoring and  
591 measuring the performance of the investment.

592 (22) With no more than 5 percent of any fund, the State  
593 Board of Administration or its affiliated limited liability  
594 entities may issue securities and borrow money through loans or  
595 other financial obligations, including bonds, equity securities,  
596 and other security instruments, any of which may be unsecured;  
597 secured by investments authorized by subsection (15) or related  
598 cash flows; guaranteed by the related fund; or governed by  
599 financial covenants.

600 **Section 4.** This act shall take effect July 1, 2025.