

By Senator Leek

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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.

24
25 Be It Enacted by the Legislature of the State of Florida:

26
27 Section 1. Paragraph (c) of subsection (15) of section
28 121.4501, Florida Statutes, is amended to read:

29 121.4501 Florida Retirement System Investment Plan.—

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30 (15) STATEMENT OF FIDUCIARY STANDARDS AND
31 RESPONSIBILITIES.—

32 (c) Subparagraph (8)(b)2. and paragraph (b) incorporate the
33 federal law concept of participant control, established by
34 regulations of the United States Department of Labor under s.
35 404(c) of the Employee Retirement Income Security Act of 1974
36 (ERISA). The purpose of this paragraph is to assist employers
37 and the state board in maintaining compliance with s. 404(c),
38 while avoiding unnecessary costs and eroding member benefits
39 under the investment plan. Pursuant to 29 C.F.R. s. 2550.404a-
40 5(d)(4)(i) ~~29 C.F.R. s. 2550.404e-1(b)(2)(i)(B)(1)(viii)~~, the
41 state board or its designated agents shall deliver to members of
42 the investment plan a copy of the prospectus most recently
43 provided to the plan, and, pursuant to 29 C.F.R. s. 2550.404a-
44 5(d)(4) ~~29 C.F.R. s. 2550.404e-1(b)(2)(i)(B)(2)(ii)~~, shall
45 provide such members an opportunity to obtain this information,
46 except that:

47 1. The requirement to deliver a prospectus shall be
48 satisfied by delivery of a fund profile or summary profile that
49 contains the information that would be included in a summary
50 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:

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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 to
79 read:

80 121.591 Payment of benefits.—Benefits may not be paid under
81 the Florida Retirement System Investment Plan unless the member
82 has terminated employment as provided in s. 121.021(39)(a) or is
83 deceased and a proper application has been filed as prescribed
84 by the state board or the department. Benefits, including
85 employee contributions, are not payable under the investment
86 plan for employee hardships, unforeseeable emergencies, loans,
87 medical expenses, educational expenses, purchase of a principal

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88 residence, payments necessary to prevent eviction or foreclosure
89 on an employee's principal residence, or any other reason except
90 a requested distribution for retirement, a mandatory de minimis
91 distribution authorized by the administrator, or a required
92 minimum distribution provided pursuant to the Internal Revenue
93 Code. The state board or department, as appropriate, may cancel
94 an application for retirement benefits if the member or
95 beneficiary fails to timely provide the information and
96 documents required by this chapter and the rules of the state
97 board and department. In accordance with their respective
98 responsibilities, the state board and the department shall adopt
99 rules establishing procedures for application for retirement
100 benefits and for the cancellation of such application if the
101 required information or documents are not received. The state
102 board and the department, as appropriate, are authorized to cash
103 out a de minimis account of a member who has been terminated
104 from Florida Retirement System covered employment for a minimum
105 of 6 calendar months. A de minimis account is an account
106 containing employer and employee contributions and accumulated
107 earnings of not more than \$5,000 made under the provisions of
108 this chapter. Such cash-out must be a complete lump-sum
109 liquidation of the account balance, subject to the provisions of
110 the Internal Revenue Code, or a lump-sum direct rollover
111 distribution paid directly to the custodian of an eligible
112 retirement plan, as defined by the Internal Revenue Code, on
113 behalf of the member. Any nonvested accumulations and associated
114 service credit, including amounts transferred to the suspense
115 account of the Florida Retirement System Investment Plan Trust
116 Fund authorized under s. 121.4501(6), shall be forfeited upon

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117 payment of any vested benefit to a member or beneficiary, except
118 for de minimis distributions or minimum required distributions
119 as provided under this section. If any financial instrument
120 issued for the payment of retirement benefits under this section
121 is not presented for payment within 180 days after the date of
122 the instrument's issuance ~~the last day of the month in which it~~
123 ~~was originally issued~~, the third-party administrator or other
124 duly authorized agent of the state board shall cancel the
125 instrument and credit the amount of the instrument to the
126 suspense account of the Florida Retirement System Investment
127 Plan Trust Fund authorized under s. 121.4501(6). Any amounts
128 transferred to the suspense account are payable upon a proper
129 application, not to include earnings thereon, as provided in
130 this section, within 10 years after the date of the instrument's
131 issuance ~~last day of the month in which the instrument was~~
132 ~~originally issued~~, after which time such amounts and any
133 earnings attributable to employer contributions shall be
134 forfeited. Any forfeited amounts are assets of the trust fund
135 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

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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

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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

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

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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 plan
248 shall be considered creditable service, except as provided in
249 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),

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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

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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 for
296 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

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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

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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 to
352 the disability program as provided under subparagraph (a)2., the
353 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 (l) *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

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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

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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 a
413 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

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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

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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:

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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

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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.*—The
543 amount of each monthly payment must be calculated as provided
544 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.

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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,

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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.