

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Military and Veterans Affairs, Space, and Domestic Security

BILL: SB 684

INTRODUCER: Senator Avila

SUBJECT: Credit for Military Service

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Ingram	Proctor	MS	Pre-meeting
2.			GO	
3.			FP	

I. Summary:

SB 684 revises the conditions under which a qualifying member of the Florida Retirement System (FRS) may purchase credit for his or her prior military wartime service. Specifically, the bill revises the initial date of employment to before March 1, 2025, rather than before January 1, 1987, in which a member may receive creditable military wartime service. The bill also revises the definition of the term “veteran” by expanding the periods of wartime service to include Operation New Dawn, Operation Inherent Resolve, Operation Freedom’s Sentinel, and Operation Enduring Sentinel. By expanding the periods of wartime service, a member of the FRS who served during any of those periods of wartime service may be able to utilize such military service toward creditable service under the FRS.

The bill also requires the Department of Management Services to adopt rules.

The bill may have an indeterminate negative fiscal impact on the FRS. *See* Section V. Fiscal Impact Statement.

The bill takes effect July 1, 2025.

II. Present Situation:

The FRS was established in 1970 when the Legislature consolidated the Teachers’ Retirement System, the State and County Officers and Employees’ Retirement System, and the Highway Patrol Pension Fund.¹ In 1972, the Judicial Retirement System was consolidated into the FRS, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.² The FRS is a

¹ Dep’t of Management Services (DMS), Division of Retirement, *Florida Retirement System Summary Plan Description*, 1 (July 1, 2024), available at <https://frs.fl.gov/forms/spd-pp.pdf> (last visited Feb. 27, 2025).

² *Id.*

contributory system, with active members contributing 3 percent of their salaries. However, members in the Deferred Retirement Option Program (DROP) do not contribute to the system.³

The FRS is a multi-employer plan, governed by ch. 121, F.S., the “Florida Retirement System Act.” As of June 30, 2024, the FRS had 659,333 active non-retired members, 459,428 annuitants, 14,171 disabled retirees, and 29,017 active participants of the DROP.⁴ As of March 2025, the FRS consisted of 996 total employers; it is the primary retirement plan for employees of state and county government agencies, district school boards, Florida College institutions, and state universities, and includes the 186 cities and 152 special districts that have elected to join the system.⁵

The membership of the FRS is divided into the following five membership classes:

- The Regular Class⁶ consists of 560,396 active members and 9,247 in renewed membership;
- The Special Risk Class⁷ includes 77,990 active members and 1,328 in renewed membership;
- The Special Risk Administrative Support Class⁸ has 102 active members and four in renewed membership;
- The Elected Officers’ Class⁹ has 2,086 active members and 110 in renewed membership; and
- The Senior Management Service Class¹⁰ has 7,819 active members and 248 in renewed membership.¹¹

The FRS is composed of the Investment Plan and the Pension Plan.¹²

Investment Plan

The Public Employee Optional Retirement Program (investment plan) was created in 2000 as a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan.¹³ Benefits under the investment plan accrue in individual member accounts funded by both

³ Section 121.71, F.S.

⁴ DMS, Division of Retirement, *Florida Retirement System Pension Plan and Other State Administered Retirement Systems, Annual Comprehensive Financial Report, FY 2023-2024*, at 198, available at https://frs.fl.gov/forms/2023-24_ACFR.pdf (last visited Mar. 3, 2025).

⁵ DMS, Division of Retirement, *Participating Employers for Fiscal Year 2024-2025 (Mar. 2025)*, available at <https://frs.fl.gov/forms/part-emp.pdf> (last visited Feb. 27, 2025).

⁶ The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

⁷ The Special Risk Class is for members employed as law enforcement officers, firefighters, correctional officers, probation officers, paramedics, and emergency technicians, among others. Section 121.0515, F.S.

⁸ The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.

⁹ The Elected Officers’ Class includes elected state and county officers, and those elected municipal or special district officers whose governing body has chosen Elected Officers’ Class participation for its elected officers. Section 121.052, F.S.

¹⁰ The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

¹¹ All figures are from *Florida Retirement System Pension Plan and Other State Administered Retirement Systems FY 2023-2024 Annual Comprehensive Financial Report*, at 201, available at https://frs.fl.gov/forms/2023-24_ACFR.pdf (last visited Mar. 3, 2025).

¹² Florida State Board of Administration (SBA), *Plan Comparison Chart* (July 2020), available at <https://www.myfrs.com/pdf/forms/plancomparison.pdf> (last visited Mar. 3, 2025).

¹³ See, ch. 2000-169, Laws of Fla.

employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.¹⁴

An FRS member vests immediately in all employee contributions paid to the investment plan.¹⁵ With respect to the employer contributions, a member vests after completing one work year of employment with an FRS employer.¹⁶ Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.¹⁷ The investment plan also provides disability coverage for both in-line-of-duty and regular disability retirement benefits.¹⁸ An FRS member who qualifies for disability while enrolled in the investment plan may apply for benefits as if the employee were a member of the pension plan. If approved for retirement disability benefits, the FRS member is transferred to the pension plan.¹⁹

The State Board of Administration (SBA) is primarily responsible for administering the investment plan.²⁰ The Board of Trustees of the SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.²¹

Pension Plan

The pension plan is administered by the Secretary of the Department of Management Services (DMS) through the Division of Retirement.²² The SBA manages the pension fund's assets.²³

Any member initially enrolled in the pension plan before July 1, 2011, vests in the pension plan after completing six years of service with an FRS employer.²⁴ For members initially enrolled on or after July 1, 2011, the member vests in the pension plan after eight years of creditable service.²⁵ Benefits payable under the pension plan are calculated based on the member's years of creditable service multiplied by the service accrual rate multiplied by the member's average final compensation.²⁶ For most current members of the pension plan, normal retirement (when first

¹⁴ Section 121.4501(1), F.S.

¹⁵ Section 121.4501(6)(a), F.S.

¹⁶ If a member terminates employment before vesting in the investment plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b)-(d), F.S.

¹⁷ Section 121.591, F.S.

¹⁸ See s. 121.4501(16), F.S.

¹⁹ Pension plan disability retirement benefits, which apply for investment plan members who qualify for disability, compensate an in the line-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for special risk class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If the disability occurs other than in the line-of-duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date.

Section 121.091(4)(f), F.S.

²⁰ Section 121.4501(8), F.S.

²¹ FLA. CONST. art. IV, s. 4.

²² Section 121.025, F.S.

²³ SBA Florida, *Annual Investment Report June 30, 2023-July 1, 2024*, <https://www.sbafla.com/media/zxxprkng/2023-2024-airfinal.pdf> (last visited Mar. 3, 2025).

²⁴ Section 121.021(45)(a), F.S.

²⁵ Section 121.021(45)(b), F.S.

²⁶ Section 121.091, F.S. See also, DMS, *FRS Pension Plan Member Handbook*, 28 (2024), <https://frs.fl.gov/forms/member-handbook.pdf> (last visited Mar. 3, 2025).

eligible for unreduced benefits) occurs at the earliest attainment of 30 years of service or age 62.²⁷ For public safety employees in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.²⁸ Members initially enrolled in the pension plan on or after July 1, 2011, have longer service requirements. For members initially enrolled after that date, the member must complete 33 years of service or attain age 65.²⁹

Military Service

Military service of any FRS member is defined in s. 121.021, F.S., to mean:

- Service in the Armed Forces of the United States under the conditions set forth in s. 121.111(1) F.S.; or
- Actual “wartime service” in the Armed Forces of the United States, as defined by s. 1.01(14), F.S. or “wartime service” in the Allied Forces, not to exceed 4 years, if credit for such service has not been granted under any other federal or state system, and provided such service is not used in any other retirement system; however, this does not prohibit the use of such service as creditable service if granted and used in a pension system under chapter 67 of Title 10 of the United States Code.

Purchase of Creditable Service Under Wartime Service Provisions

In current law and under certain conditions,³⁰ a member of the FRS who served all or part of his or her active military service during a wartime period³¹ and whose initial date of FRS employment was before January 1, 1987, is eligible to purchase service credit for such military service if:

- The FRS member is vested;
- Creditable service is claimed, not to exceed 4 years, only as service earned in the Regular Class of membership; and
- The member pays into the proper retirement trust fund 4 percent of gross salary, based upon his or her first year of salary subsequent to July 1, 1945, that he or she has credit for under this system, plus 4 percent interest thereon compounded annually from the date of first creditable service under Ch. 121, F.S., until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until payment is made to the proper retirement trust fund.³²

The employer³³ is not required to make contributions for military service credit for any member except as provided by law or rule.³⁴

²⁷ Section 121.021(29)(a)1., F.S.

²⁸ Section 121.021(29)(b)1., F.S.

²⁹ Section 121.021(29)(a)2., F.S.

³⁰ Section 121.111(2)(d)-(f), F.S.

³¹ Section 1.01(14), F.S.

³² Section 121.111, F.S.

³³ Section 121.021(10), F.S., defines “employer” as any agency, branch, department, institution, university, institution of higher education, or board of the state, or any county agency, branch, department, board, district school board, municipality, metropolitan planning organization, or special district of the state which participates in the system for the benefit of certain of its employees, or a charter school or charter technical career center that participates as provided in s. 121.051(2)(d), F.S. Employers are not agents of the department, the state board, or the Division of Retirement, and the department, the state board, and the division are not responsible for erroneous information provided by representatives of employers.

³⁴ Section 121.111(3), F.S.

A servicemember whose initial date of FRS employment is January 1, 1987, or later is not eligible to purchase service credit under s. 121.111(2), F.S. However, the servicemember may be eligible to purchase service credit for such military service under the out-of-state and federal service provisions in s. 121.1115, F.S. The cost to the FRS member to purchase credit under those provisions is, for each year claimed, an amount equal to 20 percent of the FRS member's annual compensation for the first full work year of creditable service earned under the FRS but not less than \$12,000, plus 6.5 percent interest compounded annually from the date of first annual salary earned until full payment is made.³⁵

Veterans

Section 1.01(14), F.S., defines the term “veteran” as a person who served in the active military, naval, or air service and who was discharged or released under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the United States Department of Veterans Affairs on individuals discharged or released with other than honorable discharges.

Many wars or conflicts in U.S. history have federally designated “periods of war,” dates marking their beginning and ending. These dates are important for qualification for certain veterans' pension or disability benefits. Confusion can occur because beginning and ending dates for “periods of war” in many nonofficial sources are often different from those given in treaties and other official sources of information, and armistice dates can be confused with termination dates.³⁶

Congress, typically by way of a declaration of war, has often been the primary governmental authority to designate the start date of a war or armed conflict.³⁷ The designation of a war's termination date is the responsibility of the U.S. President, or executive branch officials responsible to him, through proclamation, or Congress, through legislation.³⁸ Later legislation may be enacted to extend these beginning and ending dates for the purpose of expanding eligibility for veterans' benefits.³⁹

In Florida law, in order to be eligible for wartime service benefits a veteran must have served in a campaign or expedition for which a campaign badge has been authorized or during one of the following periods of wartime service:

- Spanish-American War: April 21, 1898, to July 4, 1902, and including the Philippine Insurrection and the Boxer Rebellion.
- Mexican Border Period: May 9, 1916, to April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders of, or in the waters adjacent to Mexico.

³⁵ Section 121.1115(2), F.S.

³⁶ Congressional Research Service, U.S. Periods of War and Dates of Recent Conflicts (Updated February 5, 2024), available at https://www.congress.gov/crs_external_products/RS/PDF/RS21405/RS21405.35.pdf (last visited March 14, 2025).

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

- World War I: April 6, 1917, to November 11, 1918; extended to April 1, 1920, for those veterans who served in Russia; also extended through July 1, 1921, for those veterans who served after November 11, 1918, and before July 2, 1921, provided such veterans had at least 1 day of service between April 5, 1917, and November 12, 1918.
- World War II: December 7, 1941, to December 31, 1946.
- Korean War: June 27, 1950, to January 31, 1955.
- Vietnam War: February 28, 1961, to May 7, 1975.
- Persian Gulf War: August 2, 1990, to January 2, 1992.
- Operation Enduring Freedom: October 7, 2001, and ending on the date thereafter prescribed by presidential proclamation or by law.
- Operation Iraqi Freedom: March 19, 2003, and ending on the date thereafter prescribed by presidential proclamation or by law.⁴⁰

More recent wartime service periods that are not reflected in s. 1.01, F.S., include:

- Operation New Dawn – On September 1, 2010, the end to Operation Iraqi Freedom transitioned into what became known as Operation New Dawn.⁴¹ The end to Operation Iraqi Freedom and U.S. combat operations in Iraq was marked by a shift from a U.S. military presence to a predominantly civilian presence in Iraq as the U.S. Department of Defense (DoD) and the U.S. Department of State collaborated with governmental and nongovernmental entities to assist in building Iraq’s civil capacity.⁴² At the time about 50,000 U.S. servicemembers remained in Iraq conducting stability operations and supported and trained Iraqi Security Forces.⁴³ The mission of Operation New Dawn was for the U.S. to assist Iraq’s government and its people in constructing a sovereign and stable country.⁴⁴
- Operation Inherent Resolve – On October 15, 2014, the DoD established the Combined Joint Task Force - Operation Inherent Resolve in order to formalize ongoing military actions against the threat posed by ISIS in Iraq and Syria.⁴⁵ The Combined Joint Task Force - Operation Inherent Resolve mission is to advise, support, and enable partnered forces to ensure lasting defeat of Isis and to enable the establishment of an enduring security cooperation framework.⁴⁶
- Operation Freedom’s Sentinel – On January 1, 2015, Operation Freedom’s Sentinel succeeded the Operation Enduring Freedom in Afghanistan.⁴⁷ Post 9/11, the U.S. military responded to eliminate the international terrorist threat stemming from Afghanistan, and in 2015, the United States formally ended its combat mission, and launched Operation

⁴⁰ Section 1.01(14), F.S.

⁴¹ U.S. Army, *Operation New Dawn* (August 31, 2010), available at https://www.army.mil/article/44526/operation_new_dawn (last visited Feb. 28, 2025).

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ U.S. Dep’t of Defense, Operation Inherent Resolve, Combined Joint Task Force, *History*, available at <https://www.inherentresolve.mil/WHO-WE-ARE/History/> (last visited Feb. 28, 2025).

⁴⁶ U.S. Dep’t of Defense, Operation Inherent Resolve, Combined Joint Task Force, *Mission*, available at <https://www.inherentresolve.mil/> (last visited Feb. 28, 2025).

⁴⁷ U.S. Army and Gen. John F. Campbell, commander, Resolute Support Mission, U.S. Forces-Afghanistan/ISAF, News, *Operation Freedom's Sentinel and our continued security investment in Afghanistan*, (Oct. 5, 2015) available at https://www.army.mil/article/156517/operation_freedoms_sentinel_and_our_continued_security_investment_in_afghanistan (last visited Feb. 28, 2025).

Freedom's Sentinel.⁴⁸ The primary mission of Operation Freedom's Sentinel was to teach, counsel, and support the Afghan National Defense Security Forces in order to develop a capable and independent Afghan security force that was able to protect its people and contribute to regional and international security.⁴⁹

- Operation Enduring Sentinel – On October 1, 2021, the DoD introduced Operation Enduring Sentinel.⁵⁰ This U.S. mission was initiated in order to conduct counterterrorism operations from outside Afghanistan against threats originating from within the country.⁵¹ The mission is to not only counter possible terrorist threats but to also support the Central Asia regional partners to encourage regional stability.⁵²

Florida wartime benefits for eligible veterans include exemption from notary public commission fees,⁵³ veterans' hiring and retention preference,⁵⁴ career training admission preference (Vietnam Era),⁵⁵ State Veteran Nursing Home admittance priority preference,⁵⁶ education benefits for children of prisoners of war and persons missing in action,⁵⁷ and certain FRS benefits.⁵⁸

Population

As of 2023, the United States Department of Veterans Affairs reported that there were 19.1 million veterans living in the United States and of that about 1,430,000 veterans resided in Florida.⁵⁹ Of the Florida veterans:

- 1.1 million are wartime veterans;
- 330,000 are peacetime veterans;
- 11,000 are World War II veterans;
- 75,000 are Korean War veterans;
- 462,000 are Vietnam-era veterans; and
- 421,000 are Gulf War veterans including post-9/11.⁶⁰

It is unknown how many Florida veterans served on active duty during Operation New Dawn, Operation Inherent Resolve, Operation Freedom's Sentinel, or Operation Enduring Sentinel.

⁴⁸ *Id.*

⁴⁹ U.S. Army and CPT Macy Farley, News, *Unconventional Logistics in Afghanistan* (Dec. 31, 2016), available at https://www.army.mil/article/180157/unconventional_logistics_in_afghanistan (last visited Feb. 28, 2025).

⁵⁰ U.S. Dep't of Defense, Operation Enduring Sentinel and other U.S. Government Activities Related Afghanistan, (Oct 1, 2024 – Dec. 31, 2024) p. Introduction, available at https://media.defense.gov/2025/Feb/27/2003652702/-1/-1/1/OES_Q1_DEC2024_FINAL_508.PDF (last visited Feb. 28, 2025).

⁵¹ *Id.*

⁵² U.S. Dep't of Defense, Operation Enduring Sentinel and other U.S. Government Activities Related Afghanistan, (Apr. 1, 2024 – Jun. 30, 2024) p. 4, available at https://media.defense.gov/2024/Aug/29/2003534907/-1/-1/1/OES_Q3_JUN2024_FINAL_508.PDF (last visited Feb 28, 2025).

⁵³ Sections 117.01(2) and 113.01, F.S.

⁵⁴ Section 295.07, F.S.

⁵⁵ Section 295.125, F.S.

⁵⁶ Section 295.08, F.S.

⁵⁷ Section 295.015, F.S.

⁵⁸ Sections 121.021(20)(b) and 121.111(2), F.S.

⁵⁹ Dep't of Veterans' Affairs, Our Veterans-Fast Facts, available at <https://www.floridavets.org/our-veterans/profilefast-facts/> (last visited Mar. 3, 2025).

⁶⁰ *Id.*

III. Effect of Proposed Changes:

SB 684 amends s. 121.111(2), F.S., by revising vested FRS members' initial date of employment from before January 1, 1987, to before March 1, 2024, in which such members with wartime military service under s. 1.01(14), F.S., may receive creditable military wartime service. The bill requires the DMS to adopt rules by December 31, 2025, to implement the changes to the initial date of FRS employment in order to qualify for creditable military wartime service under the FRS.

The bill also amends s. 1.01(14), F.S., by revising the definition of the term veteran by expanding the list of qualifying periods of wartime service which would qualify such a veteran to receive benefits as a wartime veteran who has served honorably. The bill adds the following to the list of the wartime service periods:

- Operation New Dawn, with a qualifying period of September 1, 2010, to December 15, 2011.
- Operation Inherent Resolve, with a qualifying period that began on October 15, 2014, and ends on the date thereafter prescribed by presidential proclamation or by law.
- Operation Freedom's Sentinel, with a qualifying period January 1, 2015, to October 1, 2021.
- Operation Enduring Sentinel, with a qualifying period that began on October 1, 2021, and ends on the date thereafter prescribed by presidential proclamation or by law.

As amended by the bill, under the FRS, a vested member with wartime service as defined in s. 1.01(14), F.S., whose initial date of employment was before March 1, 2024, may be eligible to purchase into the Regular Class of membership creditable service, not to exceed 4 years, by paying into the proper retirement trust fund 4 percent of his or her gross salary, based upon his or her first year of salary that he or she has credit for under the FRS, plus 4 percent interest compounded annually from the date of first creditable service under ch. 121, F.S., until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until the final payment is made to the proper retirement trust fund.

The bill reenacts s. 121.021, F.S., providing the definition of "military service," specifically the definition of "wartime service," to incorporate the changes made to s. 1.01, F.S., which revises the definition of "veteran" by expanding the scope of wartime service periods.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, section 18 (a) of the Florida Constitution provides in part that a county or municipality may not be bound by a general law requiring a county or municipality to spend funds or take an action that requires the expenditure of funds unless certain specified exemptions or exceptions are met.

The bill revises the conditions under which a qualifying member of the FRS may purchase credit for his or her prior military wartime service. Specifically, the bill revises the initial date of employment to before March 1, 2024, rather than before January 1,

1987, in which a member may receive creditable military wartime service, as defined in s. 1.01(14), F.S. The bill also revises the definition of the term “veteran” by expanding the periods of wartime service to include Operation New Dawn, Operation Inherent Resolve, Operation Freedom’s Sentinel, and Operation Enduring Sentinel. By expanding the periods of wartime service, a veteran member of the FRS who served during any of those periods of wartime service may be able to purchase up to 4 years of military service at a lower cost for the member than purchasing it under existing conditions as credit for out-of-state or federal service.⁶¹

The number of eligible FRS members who may purchase creditable military service with a county or municipality that participates in the FRS is unknown within the provisions of this bill. An actuarial study is required to determine the fiscal impact on local governmental entities.⁶²

If the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each house.

However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2025-2026 is forecast at approximately \$2.4 million.^{63,64,65}

The Revenue Estimating Conference has not reviewed this bill. If the costs imposed by the bill exceed \$2.4 million, the mandates provisions may apply. If the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each house.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

⁶¹ Section 121.1115, F.S.

⁶² Dep’t of Management Services, *Senate Bill 684 Agency Legislative Bill Analysis* (Mar. 6, 2025) (on file with the Senate Committee on Military and Veterans Affairs, Space, and Domestic Security).

⁶³ FLA. CONST. art. VII, s. 18(d).

⁶⁴ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, Interim Report 2012-115: Insignificant Impact, (Sept. 2011), available at <https://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 12, 2025).

⁶⁵ Based on the Florida Demographic Estimating Conference’s February 4, 2025, population forecast for 2025 of 23,332,606. The conference packet is available at: https://edr.state.fl.us/content/conferences/population/ConferenceResults_Tables.pdf (last visited Mar. 12, 2025).

E. Other Constitutional Issues:

Article X, section 14 of the Florida Constitution requires that a governmental unit responsible for any retirement or pension system supported by any public funds shall not provide any increase in benefits unless provision has been made for funding the increase on an actuarially sound basis. This is implemented by statute under part VII of chapter 112, F.S., the “Florida Protection of Public Employee Retirement Benefits Act,” which establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. The key provision of this act states the legislative intent is to “prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers. Actuarial experience may be used to fund additional benefits, provided that the present value of such benefits does not exceed the net actuarial experience accumulated from all sources of gains and losses.”⁶⁶

The bill does not provide for an actuarial study and does not contain additional funding for the increased benefits provided to certain FRS members with creditable military wartime service.

According to the DMS, “the cost for [FRS] members to purchase wartime military service under the bill is not sufficient to fund the cost to the system for the benefit improvement.”⁶⁷ In addition, an actuarial study is required to determine the fiscal soundness and the fiscal impact on the FRS as a result of the provisions in the bill.⁶⁸

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill has the effect of expanding the eligibility for an exemption from commission fees to become a notary public under s. 117.01(2), F.S., for certain veterans with military wartime service.

B. Private Sector Impact:

As a result of the bill, certain FRS members with creditable military wartime service may be eligible to purchase up to 4 years of military service at a lower cost than purchasing it under existing conditions as credit for out-of-state or federal service.⁶⁹

C. Government Sector Impact:

The number of veterans affected by the addition of wartime service periods which may qualify FRS members to purchase creditable services is unknown. In addition, the extension of the initial employment date to before March 1, 2024, affects an unknown

⁶⁶ Section 112.61, F.S.

⁶⁷ Dep’t of Management Services, *supra* note 62.

⁶⁸ *Id.*

⁶⁹ Section 121.1115, F.S.

number of FRS members with military wartime service who may purchase creditable military service in the FRS. Thus, there is an unknown fiscal impact to state and local government as a result of the additional members who may purchase creditable military service under the provisions of the bill. An actuarial study is required to determine the fiscal impact to the FRS. According to the DMS, the Department of Military Affairs does not have data on participation during the four wartime periods added in the bill. Such information is considered crucial to the required study to determine the fiscal impact.⁷⁰ The bill does not provide for an actuarial special study.

There is an indeterminate negative fiscal impact as a result of the notary public commission fee exemption in s. 117.01(2), F.S., for the additional veterans with wartime service as a result of the expanded periods of wartime service provided in the bill.

In addition, according to the DMS, the Division of Retirement may require 4 FTE positions to provide services associated with the changes to the FRS program provided in the bill. The total cost of which is \$299,660, of this \$274,308 would be recurring and \$25,352 would be non-recurring. The bill does not provide an appropriation to offset the additional cost for the increased benefits under the FRS or the potential need for additional FTE positions.⁷¹

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 121.111 and 1.01. This bill reenacts section 121.021(20) of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁷⁰ Dep't of Management Services, *supra* note 62.

⁷¹ *Id.*