

By Senator Simpson

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1 A bill to be entitled
2 An act relating to retirement; amending s. 121.021,
3 F.S.; revising the definition of "vested" or
4 "vesting"; providing that a member initially enrolled
5 in the Florida Retirement System after a certain date
6 is vested in the pension plan after 10 years of
7 creditable service; amending s. 121.051, F.S.;
8 providing for compulsory membership in the Florida
9 Retirement System Investment Plan for employees in the
10 Elected Officers' Class or the Senior Management
11 Service Class initially enrolled after a specified
12 date; conforming cross-references to changes made by
13 the act; amending s. 121.052, F.S.; prohibiting
14 members of the Elected Officers' Class from joining
15 the Senior Management Service Class after a specified
16 date; amending s. 121.055, F.S.; prohibiting an
17 elected official eligible for membership in the
18 Elected Officers' Class from enrolling in the Senior
19 Management Service Class or in the Senior Management
20 Service Optional Annuity Program; closing the Senior
21 Management Optional Annuity Program to new members
22 after a specified date; amending s. 121.091, F.S.;
23 providing that certain members are entitled to a
24 monthly disability benefit; revising provisions to
25 conform to changes made by the act; amending s.
26 121.4501, F.S.; requiring certain employees initially
27 enrolled in the Florida Retirement System on or after
28 a specified date to be compulsory members of the
29 investment plan; revising the definition of "member"

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30 or "employee"; revising a provision relating to
31 acknowledgement of an employee's election to
32 participate in the investment plan; placing certain
33 employees in the pension plan from their date of hire
34 until they are automatically enrolled in the
35 investment plan or timely elect enrollment in the
36 pension plan; authorizing certain employees to elect
37 to participate in the pension plan, rather than the
38 default investment plan, within a specified time;
39 providing for the transfer of certain contributions;
40 revising the education component; deleting the
41 obligation of system employers to communicate the
42 existence of both retirement plans; conforming
43 provisions and cross-references to changes made by the
44 act; amending s. 121.591, F.S.; revising provisions
45 relating to disability retirement benefits; amending
46 s. 121.71, F.S.; decreasing the employee retirement
47 contribution rates for investment plan members;
48 amending ss. 121.35, 238.072, 413.051, and 1012.875,
49 F.S.; conforming cross-references; providing for
50 contribution rate increases to fund the changes made
51 by this act; directing the Division of Law Revision
52 and Information to adjust contribution rates set forth
53 in s. 121.071, F.S.; providing that the act fulfills
54 an important state interest; providing an effective
55 date.

56
57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Subsection (45) of section 121.021, Florida
60 Statutes, is amended to read:

61 121.021 Definitions.—The following words and phrases as
62 used in this chapter have the respective meanings set forth
63 unless a different meaning is plainly required by the context:

64 (45) "Vested" or "vesting" means the guarantee that a
65 member is eligible to receive a future retirement benefit upon
66 completion of the required years of creditable service for the
67 employee's class of membership, even though the member may have
68 terminated covered employment before reaching normal or early
69 retirement date. Being vested does not entitle a member to a
70 disability benefit. Provisions governing entitlement to
71 disability benefits are set forth under s. 121.091(4).

72 (a) Effective July 1, 2001, through June 30, 2011, a 6-year
73 vesting requirement shall be implemented for the Florida
74 Retirement System Pension Plan:

75 1. Any member employed in a regularly established position
76 on July 1, 2001, who completes or has completed a total of 6
77 years of creditable service is considered vested.

78 2. Any member initially enrolled in the Florida Retirement
79 System before July 1, 2001, but not employed in a regularly
80 established position on July 1, 2001, shall be deemed vested
81 upon completion of 6 years of creditable service if such member
82 is employed in a covered position for at least 1 work year after
83 July 1, 2001. However, a member is not required to complete more
84 years of creditable service than would have been required for
85 that member to vest under retirement laws in effect before July
86 1, 2001.

87 3. Any member initially enrolled in the Florida Retirement

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88 System on July 1, 2001, through June 30, 2011, shall be deemed
89 vested upon completion of 6 years of creditable service.

90 (b) Any member initially enrolled in the Florida Retirement
91 System on ~~or after~~ July 1, 2011, through December 31, 2013,
92 shall be vested in the pension plan upon completion of 8 years
93 of creditable service.

94 (c) Any member initially enrolled in the Florida Retirement
95 System on or after January 1, 2014, shall be vested in the
96 pension plan upon completion of 10 years of creditable service.

97 Section 2. Paragraph (c) of subsection (2) of section
98 121.051, Florida Statutes, is amended, present subsections (3)
99 through (9) of that section are renumbered as subsections (4)
100 through (10), respectively, and a new subsection (3) is added to
101 that section, to read:

102 121.051 Participation in the system.-

103 (2) OPTIONAL PARTICIPATION.-

104 (c) Employees of public community colleges or charter
105 technical career centers sponsored by public community colleges,
106 designated in s. 1000.21(3), who are members of the Regular
107 Class of the Florida Retirement System and who comply with the
108 criteria set forth in this paragraph and s. 1012.875 may, in
109 lieu of participating in the Florida Retirement System, elect to
110 withdraw from the system altogether and participate in the State
111 Community College System Optional Retirement Program provided by
112 the employing agency under s. 1012.875.

113 1.a. Through June 30, 2001, the cost to the employer for
114 benefits under the optional retirement program equals the normal
115 cost portion of the employer retirement contribution which would
116 be required if the employee were a member of the pension plan's

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117 Regular Class, plus the portion of the contribution rate
118 required by s. 112.363(8) which would otherwise be assigned to
119 the Retiree Health Insurance Subsidy Trust Fund.

120 b. Effective July 1, 2001, through June 30, 2011, each
121 employer shall contribute on behalf of each member of the
122 optional program an amount equal to 10.43 percent of the
123 employee's gross monthly compensation. The employer shall deduct
124 an amount for the administration of the program.

125 c. Effective July 1, 2011, through June 30, 2012, each
126 member shall contribute an amount equal to the employee
127 contribution required under s. 121.71(3) (a). The employer shall
128 contribute on behalf of each program member an amount equal to
129 the difference between 10.43 percent of the employee's gross
130 monthly compensation and the employee's required contribution
131 based on the employee's gross monthly compensation.

132 d. Effective July 1, 2012, each member shall contribute an
133 amount equal to the employee contribution required under s.
134 121.71(3) (a). The employer shall contribute on behalf of each
135 program member an amount equal to the difference between 8.15
136 percent of the employee's gross monthly compensation and the
137 employee's required contribution based on the employee's gross
138 monthly compensation.

139 e. The employer shall contribute an additional amount to
140 the Florida Retirement System Trust Fund equal to the unfunded
141 actuarial accrued liability portion of the Regular Class
142 contribution rate.

143 2. The decision to participate in the optional retirement
144 program is irrevocable as long as the employee holds a position
145 eligible for participation, except as provided in subparagraph

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146 3. Any service creditable under the Florida Retirement System is
147 retained after the member withdraws from the system; however,
148 additional service credit in the system may not be earned while
149 a member of the optional retirement program.

150 3. An employee who has elected to participate in the
151 optional retirement program shall have one opportunity, at the
152 employee's discretion, to transfer from the optional retirement
153 program to the pension plan of the Florida Retirement System or
154 to the investment plan established under part II of this
155 chapter, subject to the terms of the applicable optional
156 retirement program contracts.

157 a. If the employee chooses to move to the investment plan,
158 any contributions, interest, and earnings creditable to the
159 employee under the optional retirement program are retained by
160 the employee in the optional retirement program, and the
161 applicable provisions of s. 121.4501(4) govern the election.

162 b. If the employee chooses to move to the pension plan of
163 the Florida Retirement System, the employee shall receive
164 service credit equal to his or her years of service under the
165 optional retirement program.

166 (I) The cost for such credit is the amount representing the
167 present value of the employee's accumulated benefit obligation
168 for the affected period of service. The cost shall be calculated
169 as if the benefit commencement occurs on the first date the
170 employee becomes eligible for unreduced benefits, using the
171 discount rate and other relevant actuarial assumptions that were
172 used to value the Florida Retirement System Pension Plan
173 liabilities in the most recent actuarial valuation. The
174 calculation must include any service already maintained under

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175 the pension plan in addition to the years under the optional
176 retirement program. The present value of any service already
177 maintained must be applied as a credit to total cost resulting
178 from the calculation. The division must ensure that the transfer
179 sum is prepared using a formula and methodology certified by an
180 enrolled actuary.

181 (II) The employee must transfer from his or her optional
182 retirement program account and from other employee moneys as
183 necessary, a sum representing the present value of the
184 employee's accumulated benefit obligation immediately following
185 the time of such movement, determined assuming that attained
186 service equals the sum of service in the pension plan and
187 service in the optional retirement program.

188 4. Participation in the optional retirement program is
189 limited to employees who satisfy the following eligibility
190 criteria:

191 a. The employee is otherwise eligible for membership or
192 renewed membership in the Regular Class of the Florida
193 Retirement System, as provided in s. 121.021(11) and (12) or s.
194 121.122.

195 b. The employee is employed in a full-time position
196 classified in the Accounting Manual for Florida's Public
197 Community Colleges as:

198 (I) Instructional; or

199 (II) Executive Management, Instructional Management, or
200 Institutional Management and the community college determines
201 that recruiting to fill a vacancy in the position is to be
202 conducted in the national or regional market, and the duties and
203 responsibilities of the position include the formulation,

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204 interpretation, or implementation of policies, or the
205 performance of functions that are unique or specialized within
206 higher education and that frequently support the mission of the
207 community college.

208 c. The employee is employed in a position not included in
209 the Senior Management Service Class of the Florida Retirement
210 System as described in s. 121.055.

211 5. Members of the program are subject to the same
212 reemployment limitations, renewed membership provisions, and
213 forfeiture provisions applicable to regular members of the
214 Florida Retirement System under ss. 121.091(9), 121.122, and
215 121.091(5), respectively. A member who receives a program
216 distribution funded by employer and required employee
217 contributions is deemed to be retired from a state-administered
218 retirement system if the member is subsequently employed with an
219 employer that participates in the Florida Retirement System.

220 6. Eligible community college employees are compulsory
221 members of the Florida Retirement System until, pursuant to s.
222 1012.875, a written election to withdraw from the system and
223 participate in the optional retirement program is filed with the
224 program administrator and received by the division.

225 a. A community college employee whose program eligibility
226 results from initial employment shall be enrolled in the
227 optional retirement program retroactive to the first day of
228 eligible employment. The employer and employee retirement
229 contributions paid through the month of the employee plan change
230 shall be transferred to the community college to the employee's
231 optional program account, and, effective the first day of the
232 next month, the employer shall pay the applicable contributions

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233 based upon subparagraph 1.

234 b. A community college employee whose program eligibility
235 is due to the subsequent designation of the employee's position
236 as one of those specified in subparagraph 4., or due to the
237 employee's appointment, promotion, transfer, or reclassification
238 to a position specified in subparagraph 4., must be enrolled in
239 the program on the first day of the first full calendar month
240 that such change in status becomes effective. The employer and
241 employee retirement contributions paid from the effective date
242 through the month of the employee plan change must be
243 transferred to the community college to the employee's optional
244 program account, and, effective the first day of the next month,
245 the employer shall pay the applicable contributions based upon
246 subparagraph 1.

247 7. Effective July 1, 2003, through December 31, 2008, any
248 member of the optional retirement program who has service credit
249 in the pension plan of the Florida Retirement System for the
250 period between his or her first eligibility to transfer from the
251 pension plan to the optional retirement program and the actual
252 date of transfer may, during employment, transfer to the
253 optional retirement program a sum representing the present value
254 of the accumulated benefit obligation under the defined benefit
255 retirement program for the period of service credit. Upon
256 transfer, all service credit previously earned under the pension
257 plan during this period is nullified for purposes of entitlement
258 to a future benefit under the pension plan.

259 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.-

260 (a) Employees initially enrolled on or after January 1,
261 2014, in positions covered by the Elected Officers' Class or the

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262 Senior Management Service Class are compulsory members of the
263 investment plan, except those eligible to withdraw from the
264 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
265 eligible for optional retirement programs under paragraph
266 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
267 membership continues if there is subsequent employment in a
268 position covered by another membership class. Membership in the
269 pension plan is not permitted. Employees initially enrolled on
270 or after January 1, 2014, are not eligible to use the election
271 opportunity specified in s. 121.4501(4)(f).

272 (b) Employees eligible to withdraw from the system under s.
273 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from
274 the system or to participate in the investment plan as provided
275 in these sections. Employees eligible for optional retirement
276 programs under paragraph (2)(c) or s. 121.35 may choose to
277 participate in the optional retirement program or the investment
278 plan as provided in this paragraph or this section. Eligible
279 employees required to participate pursuant to (1)(a) in the
280 optional retirement program as provided under s. 121.35 must
281 participate in the investment plan when employed in a position
282 not eligible for the optional retirement program.

283 (c) Notwithstanding the provisions of subsection (a), any
284 former member of the pension plan who terminated covered
285 employment in the Florida Retirement System before the
286 availability to join the investment plan during the initial
287 rollout, or the provisions of 121.4501(4)(a)1., and who
288 subsequently returns to covered employment under the system on
289 or after January 1, 2014, shall be reenrolled in the pension
290 plan effective on their date of employment and may use the

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291 second election opportunity specified in s. 121.4501(4)(f) to
292 transfer to the investment plan.

293 Section 3. Paragraph (c) of subsection (3) of section
294 121.052, Florida Statutes, is amended to read:

295 121.052 Membership class of elected officers.—

296 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
297 1, 1990, participation in the Elected Officers' Class shall be
298 compulsory for elected officers listed in paragraphs (2)(a)-(d)
299 and (f) assuming office on or after said date, unless the
300 elected officer elects membership in another class or withdraws
301 from the Florida Retirement System as provided in paragraphs
302 (3)(a)-(d):

303 (c) Before January 1, 2014, any elected officer may, within
304 6 months after assuming office, or within 6 months after this
305 act becomes a law for serving elected officers, elect membership
306 in the Senior Management Service Class as provided in s. 121.055
307 in lieu of membership in the Elected Officers' Class. Any such
308 election made by a county elected officer shall have no effect
309 upon the statutory limit on the number of nonelective full-time
310 positions that may be designated by a local agency employer for
311 inclusion in the Senior Management Service Class under s.
312 121.055(1)(b)1.

313 Section 4. Paragraph (f) of subsection (1) and paragraph
314 (c) of subsection (6) of section 121.055, Florida Statutes, are
315 amended to read:

316 121.055 Senior Management Service Class.—There is hereby
317 established a separate class of membership within the Florida
318 Retirement System to be known as the "Senior Management Service
319 Class," which shall become effective February 1, 1987.

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320 (1)

321 (f) Effective July 1, 1997, through December 31, 2013:

322 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
323 4., an elected state officer eligible for membership in the
324 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
325 elects membership in the Senior Management Service Class under
326 s. 121.052(3)(c) may, within 6 months after assuming office or
327 within 6 months after this act becomes a law for serving elected
328 state officers, elect to participate in the Senior Management
329 Service Optional Annuity Program, as provided in subsection (6),
330 in lieu of membership in the Senior Management Service Class.

331 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
332 4., an elected officer of a local agency employer eligible for
333 membership in the Elected Officers' Class under s. 121.052(2)(d)
334 who elects membership in the Senior Management Service Class
335 under s. 121.052(3)(c) may, within 6 months after assuming
336 office, or within 6 months after this act becomes a law for
337 serving elected officers of a local agency employer, elect to
338 withdraw from the Florida Retirement System, as provided in
339 subparagraph (b)2., in lieu of membership in the Senior
340 Management Service Class.

341 3. A retiree of a state-administered retirement system who
342 is initially reemployed in a regularly established position on
343 or after July 1, 2010, as an elected official eligible for the
344 Elected Officers' Class may not be enrolled in renewed
345 membership in the Senior Management Service Class or in the
346 Senior Management Service Optional Annuity Program as provided
347 in subsection (6), and may not withdraw from the Florida
348 Retirement System as a renewed member as provided in

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349 subparagraph (b)2., as applicable, in lieu of membership in the
350 Senior Management Service Class.

351 4. On or after January 1, 2014, an elected officer eligible
352 for membership in the Elected Officers' Class may not be
353 enrolled in the Senior Management Service Class or in the Senior
354 Management Service Optional Annuity Program as provided in
355 subsection (6).

356 (6)

357 (c) *Participation.*—

358 1. An eligible employee who is employed on or before
359 February 1, 1987, may elect to participate in the optional
360 annuity program in lieu of participating in the Senior
361 Management Service Class. Such election must be made in writing
362 and filed with the department and the personnel officer of the
363 employer on or before May 1, 1987. An eligible employee who is
364 employed on or before February 1, 1987, and who fails to make an
365 election to participate in the optional annuity program by May
366 1, 1987, shall be deemed to have elected membership in the
367 Senior Management Service Class.

368 2. Except as provided in subparagraph 6., an employee who
369 becomes eligible to participate in the optional annuity program
370 by reason of initial employment commencing after February 1,
371 1987, may, within 90 days after the date of commencing
372 employment, elect to participate in the optional annuity
373 program. Such election must be made in writing and filed with
374 the personnel officer of the employer. An eligible employee who
375 does not within 90 days after commencing employment elect to
376 participate in the optional annuity program shall be deemed to
377 have elected membership in the Senior Management Service Class.

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378 3. A person who is appointed to a position in the Senior
379 Management Service Class and who is a member of an existing
380 retirement system or the Special Risk or Special Risk
381 Administrative Support Classes of the Florida Retirement System
382 may elect to remain in such system or class in lieu of
383 participating in the Senior Management Service Class or optional
384 annuity program. Such election must be made in writing and filed
385 with the department and the personnel officer of the employer
386 within 90 days after such appointment. An eligible employee who
387 fails to make an election to participate in the existing system,
388 the Special Risk Class of the Florida Retirement System, the
389 Special Risk Administrative Support Class of the Florida
390 Retirement System, or the optional annuity program shall be
391 deemed to have elected membership in the Senior Management
392 Service Class.

393 4. Except as provided in subparagraph 5., an employee's
394 election to participate in the optional annuity program is
395 irrevocable if the employee continues to be employed in an
396 eligible position and continues to meet the eligibility
397 requirements set forth in this paragraph.

398 5. Effective from July 1, 2002, through September 30, 2002,
399 an active employee in a regularly established position who has
400 elected to participate in the Senior Management Service Optional
401 Annuity Program has one opportunity to choose to move from the
402 Senior Management Service Optional Annuity Program to the
403 Florida Retirement System Pension Plan.

404 a. The election must be made in writing and must be filed
405 with the department and the personnel officer of the employer
406 before October 1, 2002, or, in the case of an active employee

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407 who is on a leave of absence on July 1, 2002, within 90 days
408 after the conclusion of the leave of absence. This election is
409 irrevocable.

410 b. The employee shall receive service credit under the
411 pension plan equal to his or her years of service under the
412 Senior Management Service Optional Annuity Program. The cost for
413 such credit is the amount representing the present value of that
414 employee's accumulated benefit obligation for the affected
415 period of service.

416 c. The employee must transfer the total accumulated
417 employer contributions and earnings on deposit in his or her
418 Senior Management Service Optional Annuity Program account. If
419 the transferred amount is not sufficient to pay the amount due,
420 the employee must pay a sum representing the remainder of the
421 amount due. The employee may not retain any employer
422 contributions or earnings from the Senior Management Service
423 Optional Annuity Program account.

424 6. A retiree of a state-administered retirement system who
425 is initially reemployed on or after July 1, 2010, may not renew
426 membership in the Senior Management Service Optional Annuity
427 Program.

428 7. Effective January 1, 2014, the Senior Management Service
429 Optional Annuity Program is closed to new members. Members
430 enrolled in the Senior Management Service Optional Annuity
431 Program before January 1, 2014, may retain their membership in
432 the annuity program.

433 Section 5. Paragraph (a) of subsection (4) of section
434 121.091, Florida Statutes, is amended to read:

435 121.091 Benefits payable under the system.—Benefits may not

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436 be paid under this section unless the member has terminated
437 employment as provided in s. 121.021(39) (a) or begun
438 participation in the Deferred Retirement Option Program as
439 provided in subsection (13), and a proper application has been
440 filed in the manner prescribed by the department. The department
441 may cancel an application for retirement benefits when the
442 member or beneficiary fails to timely provide the information
443 and documents required by this chapter and the department's
444 rules. The department shall adopt rules establishing procedures
445 for application for retirement benefits and for the cancellation
446 of such application when the required information or documents
447 are not received.

448 (4) DISABILITY RETIREMENT BENEFIT.—

449 (a) *Disability retirement; entitlement and effective date.*—

450 1.a. A member who becomes totally and permanently disabled,
451 as defined in paragraph (b), after completing 5 years of
452 creditable service, or a member who becomes totally and
453 permanently disabled in the line of duty regardless of service,
454 is entitled to a monthly disability benefit; except that any
455 member with less than 5 years of creditable service on July 1,
456 1980, or any person who becomes a member of the Florida
457 Retirement System on or after such date must have completed 10
458 years of creditable service before becoming totally and
459 permanently disabled in order to receive disability retirement
460 benefits for any disability which occurs other than in the line
461 of duty. However, if a member employed on July 1, 1980, who has
462 less than 5 years of creditable service as of that date becomes
463 totally and permanently disabled after completing 5 years of
464 creditable service and is found not to have attained fully

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465 insured status for benefits under the federal Social Security
466 Act, such member is entitled to a monthly disability benefit.

467 b. Effective July 1, 2001, a member of the pension plan
468 initially enrolled before January 1, 2014, who becomes totally
469 and permanently disabled, as defined in paragraph (b), after
470 completing 8 years of creditable service, or a member who
471 becomes totally and permanently disabled in the line of duty
472 regardless of service, is entitled to a monthly disability
473 benefit.

474 c. Effective January 1, 2014, a member of the pension plan
475 initially enrolled on or after January 1, 2014, who becomes
476 totally and permanently disabled, as defined in paragraph (b),
477 after completing 10 years of creditable service, or a member who
478 becomes totally and permanently disabled in the line of duty
479 regardless of service, is entitled to a monthly disability
480 benefit.

481 2. If the division has received from the employer the
482 required documentation of the member's termination of
483 employment, the effective retirement date for a member who
484 applies and is approved for disability retirement shall be
485 established by rule of the division.

486 3. For a member who is receiving Workers' Compensation
487 payments, the effective disability retirement date may not
488 precede the date the member reaches Maximum Medical Improvement
489 (MMI), unless the member terminates employment before reaching
490 MMI.

491 Section 6. Subsection (1), paragraph (i) of subsection (2),
492 paragraph (b) of subsection (3), subsection (4), paragraph (c)
493 of subsection (5), subsection (8), and paragraphs (a), (b), (c),

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494 and (h) of subsection (10) of section 121.4501, Florida
495 Statutes, are amended to read:

496 121.4501 Florida Retirement System Investment Plan.—

497 (1) The Trustees of the State Board of Administration shall
498 establish a defined contribution program called the "Florida
499 Retirement System Investment Plan" or "investment plan" for
500 members of the Florida Retirement System under which retirement
501 benefits will be provided for eligible employees who elect to
502 participate in the program and for employees initially enrolled
503 on or after January 1, 2014, in positions covered by the Elected
504 Officers' Class or the Senior Management Service Class and are
505 compulsory members of the investment plan unless otherwise
506 eligible to withdraw from the system under s. 121.052(3)(d) or
507 s. 121.055(1)(b)2., or to participate in an optional retirement
508 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
509 Investment plan membership continues if there is subsequent
510 employment in a position covered by another membership class.

511 The retirement benefits shall be provided through member-
512 directed investments, in accordance with s. 401(a) of the
513 Internal Revenue Code and related regulations. The employer and
514 employee shall make contributions, as provided in this section
515 and ss. 121.571 and 121.71, to the Florida Retirement System
516 Investment Plan Trust Fund toward the funding of benefits.

517 (2) DEFINITIONS.—As used in this part, the term:

518 (i) "Member" or "employee" means an eligible employee who
519 enrolls in or is defaulted into the investment plan as provided
520 in subsection (4), a terminated Deferred Retirement Option
521 Program member as described in subsection (21), or a beneficiary
522 or alternate payee of a member or employee.

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523 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

524 (b) Notwithstanding paragraph (a), an eligible employee who
525 elects to participate in or is defaulted into the investment
526 plan and establishes one or more individual member accounts may
527 elect to transfer to the investment plan a sum representing the
528 present value of the employee's accumulated benefit obligation
529 under the pension plan, except as provided in paragraph (4)(b).
530 Upon transfer, all service credit earned under the pension plan
531 is nullified for purposes of entitlement to a future benefit
532 under the pension plan. A member may not transfer the
533 accumulated benefit obligation balance from the pension plan
534 after the time period for enrolling in the investment plan has
535 expired.

536 1. For purposes of this subsection, the present value of
537 the member's accumulated benefit obligation is based upon the
538 member's estimated creditable service and estimated average
539 final compensation under the pension plan, subject to
540 recomputation under subparagraph 2. For state employees, initial
541 estimates shall be based upon creditable service and average
542 final compensation as of midnight on June 30, 2002; for district
543 school board employees, initial estimates shall be based upon
544 creditable service and average final compensation as of midnight
545 on September 30, 2002; and for local government employees,
546 initial estimates shall be based upon creditable service and
547 average final compensation as of midnight on December 31, 2002.
548 The dates specified are the "estimate date" for these employees.
549 The actuarial present value of the employee's accumulated
550 benefit obligation shall be based on the following:

551 a. The discount rate and other relevant actuarial

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552 assumptions used to value the Florida Retirement System Trust
553 Fund at the time the amount to be transferred is determined,
554 consistent with the factors provided in sub-subparagraphs b. and
555 c.

556 b. A benefit commencement age, based on the member's
557 estimated creditable service as of the estimate date.

558 c. Except as provided under sub-subparagraph d., for a
559 member initially enrolled:

560 (I) Before July 1, 2011, the benefit commencement age is
561 the younger of the following, but may not be younger than the
562 member's age as of the estimate date:

563 (A) Age 62; or

564 (B) The age the member would attain if the member completed
565 30 years of service with an employer, assuming the member worked
566 continuously from the estimate date, and disregarding any
567 vesting requirement that would otherwise apply under the pension
568 plan.

569 (II) On or after July 1, 2011, the benefit commencement age
570 is the younger of the following, but may not be younger than the
571 member's age as of the estimate date:

572 (A) Age 65; or

573 (B) The age the member would attain if the member completed
574 33 years of service with an employer, assuming the member worked
575 continuously from the estimate date, and disregarding any
576 vesting requirement that would otherwise apply under the pension
577 plan.

578 d. For members of the Special Risk Class and for members of
579 the Special Risk Administrative Support Class entitled to retain
580 the special risk normal retirement date:

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581 (I) Initially enrolled before July 1, 2011, the benefit
582 commencement age is the younger of the following, but may not be
583 younger than the member's age as of the estimate date:

584 (A) Age 55; or

585 (B) The age the member would attain if the member completed
586 25 years of service with an employer, assuming the member worked
587 continuously from the estimate date, and disregarding any
588 vesting requirement that would otherwise apply under the pension
589 plan.

590 (II) Initially enrolled on or after July 1, 2011, the
591 benefit commencement age is the younger of the following, but
592 may not be younger than the member's age as of the estimate
593 date:

594 (A) Age 60; or

595 (B) The age the member would attain if the member completed
596 30 years of service with an employer, assuming the member worked
597 continuously from the estimate date, and disregarding any
598 vesting requirement that would otherwise apply under the pension
599 plan.

600 e. The calculation must disregard vesting requirements and
601 early retirement reduction factors that would otherwise apply
602 under the pension plan.

603 2. For each member who elects to transfer moneys from the
604 pension plan to his or her account in the investment plan, the
605 division shall recompute the amount transferred under
606 subparagraph 1. within 60 days after the actual transfer of
607 funds based upon the member's actual creditable service and
608 actual final average compensation as of the initial date of
609 participation in the investment plan. If the recomputed amount

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610 differs from the amount transferred by \$10 or more, the division
611 shall:

612 a. Transfer, or cause to be transferred, from the Florida
613 Retirement System Trust Fund to the member's account the excess,
614 if any, of the recomputed amount over the previously transferred
615 amount together with interest from the initial date of transfer
616 to the date of transfer under this subparagraph, based upon the
617 effective annual interest equal to the assumed return on the
618 actuarial investment which was used in the most recent actuarial
619 valuation of the system, compounded annually.

620 b. Transfer, or cause to be transferred, from the member's
621 account to the Florida Retirement System Trust Fund the excess,
622 if any, of the previously transferred amount over the recomputed
623 amount, together with interest from the initial date of transfer
624 to the date of transfer under this subparagraph, based upon 6
625 percent effective annual interest, compounded annually, pro rata
626 based on the member's allocation plan.

627 3. If contribution adjustments are made as a result of
628 employer errors or corrections, including plan corrections,
629 following recomputation of the amount transferred under
630 subparagraph 1., the member is entitled to the additional
631 contributions or is responsible for returning any excess
632 contributions resulting from the correction. However, any return
633 of such erroneous excess pretax contribution by the plan must be
634 made within the period allowed by the Internal Revenue Service.
635 The present value of the member's accumulated benefit obligation
636 shall not be recalculated.

637 4. As directed by the member, the state board shall
638 transfer or cause to be transferred the appropriate amounts to

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639 the designated accounts within 30 days after the effective date
640 of the member's participation in the investment plan unless the
641 major financial markets for securities available for a transfer
642 are seriously disrupted by an unforeseen event that causes the
643 suspension of trading on any national securities exchange in the
644 country where the securities were issued. In that event, the 30-
645 day period may be extended by a resolution of the state board.
646 Transfers are not commissionable or subject to other fees and
647 may be in the form of securities or cash, as determined by the
648 state board. Such securities are valued as of the date of
649 receipt in the member's account.

650 5. If the state board or the division receives notification
651 from the United States Internal Revenue Service that this
652 paragraph or any portion of this paragraph will cause the
653 retirement system, or a portion thereof, to be disqualified for
654 tax purposes under the Internal Revenue Code, the portion that
655 will cause the disqualification does not apply. Upon such
656 notice, the state board and the division shall notify the
657 presiding officers of the Legislature.

658 (4) PARTICIPATION; ENROLLMENT.—

659 (a)1. Effective June 1, 2002, through February 28, 2003, a
660 90-day election period was provided to each eligible employee
661 participating in the Florida Retirement System, preceded by a
662 90-day education period, permitting each eligible employee to
663 elect membership in the investment plan, and an employee who
664 failed to elect the investment plan during the election period
665 remained in the pension plan. An eligible employee who was
666 employed in a regularly established position during the election
667 period was granted the option to make one subsequent election,

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668 as provided in paragraph (f). With respect to ~~an~~ eligible
669 employees who did not participate in the initial election period
670 or who are initially ~~employee who is~~ employed in a regularly
671 established position after the close of the initial election
672 period but before January 1, 2014, ~~on June 1, 2002,~~ by a state
673 employer:

674 a. ~~Any such employee may elect to participate in the~~
675 ~~investment plan in lieu of retaining his or her membership in~~
676 ~~the pension plan. The election must be made in writing or by~~
677 ~~electronic means and must be filed with the third party~~
678 ~~administrator by August 31, 2002, or, in the case of an active~~
679 ~~employee who is on a leave of absence on April 1, 2002, by the~~
680 ~~last business day of the 5th month following the month the leave~~
681 ~~of absence concludes. This election is irrevocable, except as~~
682 ~~provided in paragraph (g). Upon making such election, the~~
683 ~~employee shall be enrolled as a member of the investment plan,~~
684 ~~the employee's membership in the Florida Retirement System is~~
685 ~~governed by the provisions of this part, and the employee's~~
686 ~~membership in the pension plan terminates. The employee's~~
687 ~~enrollment in the investment plan is effective the first day of~~
688 ~~the month for which a full month's employer contribution is made~~
689 ~~to the investment plan.~~

690 b. ~~Any such employee who fails to elect to participate in~~
691 ~~the investment plan within the prescribed time period is deemed~~
692 ~~to have elected to retain membership in the pension plan, and~~
693 ~~the employee's option to elect to participate in the investment~~
694 ~~plan is forfeited.~~

695 2. ~~With respect to employees who become eligible to~~
696 ~~participate in the investment plan by reason of employment in a~~

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697 ~~regularly established position with a state employer commencing~~
698 ~~after April 1, 2002:~~

699 ~~a.~~ Any such employee shall, by default, be enrolled in the
700 pension plan at the commencement of employment, and may, by the
701 last business day of the 5th month following the employee's
702 month of hire, elect to participate in the investment plan. The
703 employee's election must be made in writing or by electronic
704 means and must be filed with the third-party administrator. The
705 election to participate in the investment plan is irrevocable,
706 except as provided in paragraph (f) ~~(g)~~.

707 ~~a.b.~~ If the employee files such election within the
708 prescribed time period, enrollment in the investment plan is
709 effective on the first day of employment. The retirement
710 contributions paid through the month of the employee plan change
711 shall be transferred to the investment program, and, effective
712 the first day of the next month, the employer and employee must
713 pay the applicable contributions based on the employee
714 membership class in the program.

715 ~~b.e.~~ An employee who fails to elect to participate in the
716 investment plan within the prescribed time period is deemed to
717 have elected to retain membership in the pension plan, and the
718 employee's option to elect to participate in the investment plan
719 is forfeited.

720 ~~2.3.~~ With respect to employees who become eligible to
721 participate in the investment plan pursuant to s.
722 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
723 participate in the investment plan in lieu of retaining his or
724 her membership in the State Community College System Optional
725 Retirement Program or the State University System Optional

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726 Retirement Program. The election must be made in writing or by
727 electronic means and must be filed with the third-party
728 administrator. This election is irrevocable, except as provided
729 in paragraph (f)~~(g)~~. Upon making such election, the employee
730 shall be enrolled as a member in the investment plan, the
731 employee's membership in the Florida Retirement System is
732 governed by the provisions of this part, and the employee's
733 participation in the State Community College System Optional
734 Retirement Program or the State University System Optional
735 Retirement Program terminates. The employee's enrollment in the
736 investment plan is effective on the first day of the month for
737 which a full month's employer and employee contribution is made
738 to the investment plan.

739 (b)1. With respect to employees who become eligible to
740 participate in the investment plan by reason of employment in a
741 regularly established position commencing on or after January 1,
742 2014, any such employee shall be enrolled in the pension plan at
743 the commencement of employment and may, by the last business day
744 of the 5th month following the employee's month of hire, elect
745 to participate in the pension plan or the investment plan.
746 Eligible employees may make a plan election only if they are
747 earning service credit in an employer-employee relationship
748 consistent with s. 121.021(17) (b), excluding leaves of absence
749 without pay.

750 2. The employee's election must be made in writing or by
751 electronic means and must be filed with the third-party
752 administrator. The election to participate in the pension plan
753 or investment plan is irrevocable, except as provided in
754 paragraph (f).

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755 3. If the employee fails to make an election of the pension
756 plan or investment plan within 5 months following the month of
757 hire, the employee is deemed to have elected the investment plan
758 and will be defaulted into the investment plan retroactively to
759 the employee's date of employment. The employee's option to
760 participate in the pension plan is forfeited, except as provided
761 in paragraph (f).

762 4. The amount of the employee and employer contributions
763 paid before the default to the investment plan shall be
764 transferred to the investment plan and shall be placed in a
765 default fund as designated by the State Board of Administration.
766 The employee may move the contributions once an account is
767 activated in the investment plan.

768 5. Effective the first day of the month after an eligible
769 employee makes a plan election of the pension plan or investment
770 plan, or after the month of default to the investment plan, the
771 employee and employer shall pay the applicable contributions
772 based on the employee membership class in the pension plan or
773 investment plan.

774 ~~4. For purposes of this paragraph, "state employer" means~~
775 ~~any agency, board, branch, commission, community college,~~
776 ~~department, institution, institution of higher education, or~~
777 ~~water management district of the state, which participates in~~
778 ~~the Florida Retirement System for the benefit of certain~~
779 ~~employees.~~

780 ~~(b)1. With respect to an eligible employee who is employed~~
781 ~~in a regularly established position on September 1, 2002, by a~~
782 ~~district school board employer:~~

783 ~~a. Any such employee may elect to participate in the~~

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784 ~~investment plan in lieu of retaining his or her membership in~~
785 ~~the pension plan. The election must be made in writing or by~~
786 ~~electronic means and must be filed with the third-party~~
787 ~~administrator by November 30, or, in the case of an active~~
788 ~~employee who is on a leave of absence on July 1, 2002, by the~~
789 ~~last business day of the 5th month following the month the leave~~
790 ~~of absence concludes. This election is irrevocable, except as~~
791 ~~provided in paragraph (g). Upon making such election, the~~
792 ~~employee shall be enrolled as a member of the investment plan,~~
793 ~~the employee's membership in the Florida Retirement System is~~
794 ~~governed by the provisions of this part, and the employee's~~
795 ~~membership in the pension plan terminates. The employee's~~
796 ~~enrollment in the investment plan is effective the first day of~~
797 ~~the month for which a full month's employer contribution is made~~
798 ~~to the investment program.~~

799 ~~b. Any such employee who fails to elect to participate in~~
800 ~~the investment plan within the prescribed time period is deemed~~
801 ~~to have elected to retain membership in the pension plan, and~~
802 ~~the employee's option to elect to participate in the investment~~
803 ~~plan is forfeited.~~

804 ~~2. With respect to employees who become eligible to~~
805 ~~participate in the investment plan by reason of employment in a~~
806 ~~regularly established position with a district school board~~
807 ~~employer commencing after July 1, 2002:~~

808 ~~a. Any such employee shall, by default, be enrolled in the~~
809 ~~pension plan at the commencement of employment, and may, by the~~
810 ~~last business day of the 5th month following the employee's~~
811 ~~month of hire, elect to participate in the investment plan. The~~
812 ~~employee's election must be made in writing or by electronic~~

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813 ~~means and must be filed with the third party administrator. The~~
814 ~~election to participate in the investment plan is irrevocable,~~
815 ~~except as provided in paragraph (g).~~

816 ~~b. If the employee files such election within the~~
817 ~~prescribed time period, enrollment in the investment plan is~~
818 ~~effective on the first day of employment. The employer~~
819 ~~retirement contributions paid through the month of the employee~~
820 ~~plan change shall be transferred to the investment plan, and,~~
821 ~~effective the first day of the next month, the employer shall~~
822 ~~pay the applicable contributions based on the employee~~
823 ~~membership class in the investment plan.~~

824 ~~e. Any such employee who fails to elect to participate in~~
825 ~~the investment plan within the prescribed time period is deemed~~
826 ~~to have elected to retain membership in the pension plan, and~~
827 ~~the employee's option to elect to participate in the investment~~
828 ~~plan is forfeited.~~

829 ~~3. For purposes of this paragraph, "district school board~~
830 ~~employer" means any district school board that participates in~~
831 ~~the Florida Retirement System for the benefit of certain~~
832 ~~employees, or a charter school or charter technical career~~
833 ~~center that participates in the Florida Retirement System as~~
834 ~~provided in s. 121.051(2) (d).~~

835 ~~(c)1. With respect to an eligible employee who is employed~~
836 ~~in a regularly established position on December 1, 2002, by a~~
837 ~~local employer:~~

838 ~~a. Any such employee may elect to participate in the~~
839 ~~investment plan in lieu of retaining his or her membership in~~
840 ~~the pension plan. The election must be made in writing or by~~
841 ~~electronic means and must be filed with the third party~~

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842 administrator by February 28, 2003, or, in the case of an active
843 employee who is on a leave of absence on October 1, 2002, by the
844 last business day of the 5th month following the month the leave
845 of absence concludes. This election is irrevocable, except as
846 provided in paragraph (g). Upon making such election, the
847 employee shall be enrolled as a participant of the investment
848 plan, the employee's membership in the Florida Retirement System
849 is governed by the provisions of this part, and the employee's
850 membership in the pension plan terminates. The employee's
851 enrollment in the investment plan is effective the first day of
852 the month for which a full month's employer contribution is made
853 to the investment plan.

854 b. Any such employee who fails to elect to participate in
855 the investment plan within the prescribed time period is deemed
856 to have elected to retain membership in the pension plan, and
857 the employee's option to elect to participate in the investment
858 plan is forfeited.

859 2. With respect to employees who become eligible to
860 participate in the investment plan by reason of employment in a
861 regularly established position with a local employer commencing
862 after October 1, 2002:

863 a. Any such employee shall, by default, be enrolled in the
864 pension plan at the commencement of employment, and may, by the
865 last business day of the 5th month following the employee's
866 month of hire, elect to participate in the investment plan. The
867 employee's election must be made in writing or by electronic
868 means and must be filed with the third-party administrator. The
869 election to participate in the investment plan is irrevocable,
870 except as provided in paragraph (g).

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871 ~~b. If the employee files such election within the~~
872 ~~prescribed time period, enrollment in the investment plan is~~
873 ~~effective on the first day of employment. The employer~~
874 ~~retirement contributions paid through the month of the employee~~
875 ~~plan change shall be transferred to the investment plan, and,~~
876 ~~effective the first day of the next month, the employer shall~~
877 ~~pay the applicable contributions based on the employee~~
878 ~~membership class in the investment plan.~~

879 ~~e. Any such employee who fails to elect to participate in~~
880 ~~the investment plan within the prescribed time period is deemed~~
881 ~~to have elected to retain membership in the pension plan, and~~
882 ~~the employee's option to elect to participate in the investment~~
883 ~~plan is forfeited.~~

884 ~~3. For purposes of this paragraph, "local employer" means~~
885 ~~any employer not included in paragraph (a) or paragraph (b).~~

886 ~~(c)~~ (d) Contributions available for self-direction by a
887 member who has not selected one or more specific investment
888 products shall be allocated as prescribed by the state board.
889 The third-party administrator shall notify the member at least
890 quarterly that the member should take an affirmative action to
891 make an asset allocation among the investment products.

892 ~~(d)~~ (e) On or after July 1, 2011, a member of the pension
893 plan who obtains a refund of employee contributions retains his
894 or her prior plan choice upon return to employment in a
895 regularly established position with a participating employer.

896 ~~(e)~~ (f) A member of the investment plan who takes a
897 distribution of any contributions from his or her investment
898 plan account is considered a retiree. A retiree who is initially
899 reemployed in a regularly established position on or after July

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900 1, 2010, is not eligible to be enrolled in renewed membership.

901 (f)~~(g)~~ After the period during which an eligible employee
902 had the choice to elect the pension plan or the investment plan,
903 or the month following the receipt of the eligible employee's
904 plan election, if sooner, the employee shall have one
905 opportunity, at the employee's discretion, to choose to move
906 from the pension plan to the investment plan or from the
907 investment plan to the pension plan. Eligible employees may
908 elect to move between plans only if they are earning service
909 credit in an employer-employee relationship consistent with s.
910 121.021(17)(b), excluding leaves of absence without pay.
911 Effective July 1, 2005, such elections are effective on the
912 first day of the month following the receipt of the election by
913 the third-party administrator and are not subject to the
914 requirements regarding an employer-employee relationship or
915 receipt of contributions for the eligible employee in the
916 effective month, except when the election is received by the
917 third-party administrator. This paragraph is contingent upon
918 approval by the Internal Revenue Service. This paragraph is not
919 applicable to compulsory investment plan members under paragraph
920 (g).

921 1. If the employee chooses to move to the investment plan,
922 the provisions of subsection (3) govern the transfer.

923 2. If the employee chooses to move to the pension plan, the
924 employee must transfer from his or her investment plan account,
925 and from other employee moneys as necessary, a sum representing
926 the present value of that employee's accumulated benefit
927 obligation immediately following the time of such movement,
928 determined assuming that attained service equals the sum of

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929 service in the pension plan and service in the investment plan.
930 Benefit commencement occurs on the first date the employee is
931 eligible for unreduced benefits, using the discount rate and
932 other relevant actuarial assumptions that were used to value the
933 pension plan liabilities in the most recent actuarial valuation.
934 For any employee who, at the time of the second election,
935 already maintains an accrued benefit amount in the pension plan,
936 the then-present value of the accrued benefit is deemed part of
937 the required transfer amount. The division must ensure that the
938 transfer sum is prepared using a formula and methodology
939 certified by an enrolled actuary. A refund of any employee
940 contributions or additional member payments made which exceed
941 the employee contributions that would have accrued had the
942 member remained in the pension plan and not transferred to the
943 investment plan is not permitted.

944 3. Notwithstanding subparagraph 2., an employee who chooses
945 to move to the pension plan and who became eligible to
946 participate in the investment plan by reason of employment in a
947 regularly established position with a state employer after June
948 1, 2002; a district school board employer after September 1,
949 2002; or a local employer after December 1, 2002, must transfer
950 from his or her investment plan account, and from other employee
951 moneys as necessary, a sum representing the employee's actuarial
952 accrued liability. A refund of any employee contributions or
953 additional member ~~participant~~ payments made which exceed the
954 employee contributions that would have accrued had the member
955 remained in the pension plan and not transferred to the
956 investment plan is not permitted.

957 4. An employee's ability to transfer from the pension plan

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958 to the investment plan pursuant to paragraphs (a) and (b)
959 ~~paragraphs (a)-(d)~~, and the ability of a current employee to
960 have an option to later transfer back into the pension plan
961 under subparagraph 2., shall be deemed a significant system
962 amendment. Pursuant to s. 121.031(4), any resulting unfunded
963 liability arising from actual original transfers from the
964 pension plan to the investment plan must be amortized within 30
965 plan years as a separate unfunded actuarial base independent of
966 the reserve stabilization mechanism defined in s. 121.031(3)(f).
967 For the first 25 years, a direct amortization payment may not be
968 calculated for this base. During this 25-year period, the
969 separate base shall be used to offset the impact of employees
970 exercising their second program election under this paragraph.
971 The actuarial funded status of the pension plan will not be
972 affected by such second program elections in any significant
973 manner, after due recognition of the separate unfunded actuarial
974 base. Following the initial 25-year period, any remaining
975 balance of the original separate base shall be amortized over
976 the remaining 5 years of the required 30-year amortization
977 period.

978 5. If the employee chooses to transfer from the investment
979 plan to the pension plan and retains an excess account balance
980 in the investment plan after satisfying the buy-in requirements
981 under this paragraph, the excess may not be distributed until
982 the member retires from the pension plan. The excess account
983 balance may be rolled over to the pension plan and used to
984 purchase service credit or upgrade creditable service in the
985 pension plan.

986 (g)1. All employees initially enrolled on or after January

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987 1, 2014, in positions covered by the Elected Officers' Class or
988 the Senior Management Service Class are compulsory members of
989 the investment plan, except those eligible to withdraw from the
990 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
991 eligible for optional retirement programs under s.
992 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
993 eligible to withdraw from the system under s. 121.052(3)(d) or
994 s. 121.055(1)(b)2. may choose to withdraw from the system or to
995 participate in the investment plan as provided in those
996 sections. Employees eligible for optional retirement programs
997 under s. 121.051(2)(c) or s. 121.35, except as provided in s.
998 121.051(1)(a), may choose to participate in the optional
999 retirement program or the investment plan as provided in those
1000 sections. Investment plan membership continues if there is
1001 subsequent employment in a position covered by another
1002 membership class. Membership in the pension plan is not
1003 permitted except as provided in s. 121.591(2).

1004 2. Employees initially enrolled on or after January 1,
1005 2014, are not permitted to use the election opportunity
1006 specified in paragraph (f).

1007 3. The amount of retirement contributions paid by the
1008 employee and employer, as required under s. 121.72, shall be
1009 placed in a default fund as designated by the state board, until
1010 an account is activated in the investment plan, at which time
1011 the member may move the contributions from the default fund to
1012 other funds provided in the investment plan.

1013 (5) CONTRIBUTIONS.—

1014 (c) The state board, acting as plan fiduciary, must ensure
1015 that all plan assets are held in a trust, pursuant to s. 401 of

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1016 the Internal Revenue Code. The fiduciary must ensure that such
1017 contributions are allocated as follows:

1018 1. The employer and employee contribution portion earmarked
1019 for member accounts shall be used to purchase interests in the
1020 appropriate investment vehicles as specified by the member, or
1021 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1022 2. The employer contribution portion earmarked for
1023 administrative and educational expenses shall be transferred to
1024 the Florida Retirement System Investment Plan Trust Fund.

1025 3. The employer contribution portion earmarked for
1026 disability benefits shall be transferred to the Florida
1027 Retirement System Trust Fund.

1028 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1029 shall be administered by the state board and affected employers.
1030 The state board may require oaths, by affidavit or otherwise,
1031 and acknowledgments from persons in connection with the
1032 administration of its statutory duties and responsibilities for
1033 the investment plan. An oath, by affidavit or otherwise, may not
1034 be required of a member at the time of enrollment.

1035 Acknowledgment of an employee's election to participate in the
1036 program shall be no greater than necessary to confirm the
1037 employee's election except for members initially enrolled on or
1038 after January 1, 2014, as provided in paragraph (4) (g). The
1039 state board shall adopt rules to carry out its statutory duties
1040 with respect to administering the investment plan, including
1041 establishing the roles and responsibilities of affected state,
1042 local government, and education-related employers, the state
1043 board, the department, and third-party contractors. The
1044 department shall adopt rules necessary to administer the

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1045 investment plan in coordination with the pension plan and the
1046 disability benefits available under the investment plan.

1047 (a)1. The state board shall select and contract with a
1048 third-party administrator to provide administrative services if
1049 those services cannot be competitively and contractually
1050 provided by the division. With the approval of the state board,
1051 the third-party administrator may subcontract to provide
1052 components of the administrative services. As a cost of
1053 administration, the state board may compensate any such
1054 contractor for its services, in accordance with the terms of the
1055 contract, as is deemed necessary or proper by the board. The
1056 third-party administrator may not be an approved provider or be
1057 affiliated with an approved provider.

1058 2. These administrative services may include, but are not
1059 limited to, enrollment of eligible employees, collection of
1060 employer and employee contributions, disbursement of
1061 contributions to approved providers in accordance with the
1062 allocation directions of members; services relating to
1063 consolidated billing; individual and collective recordkeeping
1064 and accounting; asset purchase, control, and safekeeping; and
1065 direct disbursement of funds to and from the third-party
1066 administrator, the division, the state board, employers,
1067 members, approved providers, and beneficiaries. This section
1068 does not prevent or prohibit a bundled provider from providing
1069 any administrative or customer service, including accounting and
1070 administration of individual member benefits and contributions;
1071 individual member recordkeeping; asset purchase, control, and
1072 safekeeping; direct execution of the member's instructions as to
1073 asset and contribution allocation; calculation of daily net

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1074 asset values; direct access to member account information; or
1075 periodic reporting to members, at least quarterly, on account
1076 balances and transactions, if these services are authorized by
1077 the state board as part of the contract.

1078 (b)1. The state board shall select and contract with one or
1079 more organizations to provide educational services. With
1080 approval of the state board, the organizations may subcontract
1081 to provide components of the educational services. As a cost of
1082 administration, the state board may compensate any such
1083 contractor for its services in accordance with the terms of the
1084 contract, as is deemed necessary or proper by the board. The
1085 education organization may not be an approved provider or be
1086 affiliated with an approved provider.

1087 2. Educational services shall be designed by the state
1088 board and department to assist employers, eligible employees,
1089 members, and beneficiaries in order to maintain compliance with
1090 United States Department of Labor regulations under s. 404(c) of
1091 the Employee Retirement Income Security Act of 1974 and to
1092 assist employees in their choice of pension plan or investment
1093 plan retirement alternatives. Educational services include, but
1094 are not limited to, disseminating educational materials;
1095 providing retirement planning education; explaining the pension
1096 plan and the investment plan; and offering financial planning
1097 guidance on matters such as investment diversification,
1098 investment risks, investment costs, and asset allocation. An
1099 approved provider may also provide educational information,
1100 including retirement planning and investment allocation
1101 information concerning its products and services.

1102 (c)1. In evaluating and selecting a third-party

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1103 administrator, the state board shall establish criteria for
1104 evaluating the relative capabilities and qualifications of each
1105 proposed administrator. In developing such criteria, the state
1106 board shall consider:

1107 a. The administrator's demonstrated experience in providing
1108 administrative services to public or private sector retirement
1109 systems.

1110 b. The administrator's demonstrated experience in providing
1111 daily valued recordkeeping to defined contribution programs.

1112 c. The administrator's ability and willingness to
1113 coordinate its activities with employers, the state board, and
1114 the division, and to supply to such employers, the board, and
1115 the division the information and data they require, including,
1116 but not limited to, monthly management reports, quarterly member
1117 reports, and ad hoc reports requested by the department or state
1118 board.

1119 d. The cost-effectiveness and levels of the administrative
1120 services provided.

1121 e. The administrator's ability to interact with the
1122 members, the employers, the state board, the division, and the
1123 providers; the means by which members may access account
1124 information, direct investment of contributions, make changes to
1125 their accounts, transfer moneys between available investment
1126 vehicles, and transfer moneys between investment products; and
1127 any fees that apply to such activities.

1128 f. Any other factor deemed necessary by the state board.

1129 2. In evaluating and selecting an educational provider, the
1130 state board shall establish criteria under which it shall
1131 consider the relative capabilities and qualifications of each

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1132 proposed educational provider. In developing such criteria, the
1133 state board shall consider:

1134 a. Demonstrated experience in providing educational
1135 services to public or private sector retirement systems.

1136 b. Ability and willingness to coordinate its activities
1137 with the employers, the state board, and the division, and to
1138 supply to such employers, the board, and the division the
1139 information and data they require, including, but not limited
1140 to, reports on educational contacts.

1141 c. The cost-effectiveness and levels of the educational
1142 services provided.

1143 d. Ability to provide educational services via different
1144 media, including, but not limited to, the Internet, personal
1145 contact, seminars, brochures, and newsletters.

1146 e. Any other factor deemed necessary by the state board.

1147 3. The establishment of the criteria shall be solely within
1148 the discretion of the state board.

1149 (d) The state board shall develop the form and content of
1150 any contracts to be offered under the investment plan. In
1151 developing the contracts, the board shall consider:

1152 1. The nature and extent of the rights and benefits to be
1153 afforded in relation to the contributions required under the
1154 plan.

1155 2. The suitability of the rights and benefits provided and
1156 the interests of employers in the recruitment and retention of
1157 eligible employees.

1158 (e)1. The state board may contract for professional
1159 services, including legal, consulting, accounting, and actuarial
1160 services, deemed necessary to implement and administer the

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1161 investment plan. The state board may enter into a contract with
1162 one or more vendors to provide low-cost investment advice to
1163 members, supplemental to education provided by the third-party
1164 administrator. All fees under any such contract shall be paid by
1165 those members who choose to use the services of the vendor.

1166 2. The department may contract for professional services,
1167 including legal, consulting, accounting, and actuarial services,
1168 deemed necessary to implement and administer the investment plan
1169 in coordination with the pension plan. The department, in
1170 coordination with the state board, may enter into a contract
1171 with the third-party administrator in order to coordinate
1172 services common to the various programs within the Florida
1173 Retirement System.

1174 (f) The third-party administrator may not receive direct or
1175 indirect compensation from an approved provider, except as
1176 specifically provided for in the contract with the state board.

1177 (g) The state board shall receive and resolve member
1178 complaints against the program, the third-party administrator,
1179 or any program vendor or provider; shall resolve any conflict
1180 between the third-party administrator and an approved provider
1181 if such conflict threatens the implementation or administration
1182 of the program or the quality of services to employees; and may
1183 resolve any other conflicts. The third-party administrator shall
1184 retain all member records for at least 5 years for use in
1185 resolving any member conflicts. The state board, the third-party
1186 administrator, or a provider is not required to produce
1187 documentation or an audio recording to justify action taken with
1188 regard to a member if the action occurred 5 or more years before
1189 the complaint is submitted to the state board. It is presumed

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1190 that all action taken 5 or more years before the complaint is
1191 submitted was taken at the request of the member and with the
1192 member's full knowledge and consent. To overcome this
1193 presumption, the member must present documentary evidence or an
1194 audio recording demonstrating otherwise.

1195 (10) EDUCATION COMPONENT.—

1196 (a) The state board, in coordination with the department,
1197 shall provide for an education component for eligible employees
1198 ~~system members~~ in a manner consistent with the provisions of
1199 this subsection ~~section~~. ~~The education component must be~~
1200 ~~available to eligible employees at least 90 days prior to the~~
1201 ~~beginning date of the election period for the employees of the~~
1202 ~~respective types of employers.~~

1203 (b) The education component must provide system members
1204 with impartial and balanced information about plan choices
1205 except for members initially enrolled on or after January 1,
1206 2014, as provided in paragraph (4) (g). The education component
1207 must involve multimedia formats. Program comparisons must, to
1208 the greatest extent possible, be based upon the retirement
1209 income that different retirement programs may provide to the
1210 member. The state board shall monitor the performance of the
1211 contract to ensure that the program is conducted in accordance
1212 with the contract, applicable law, and the rules of the state
1213 board.

1214 (c) The state board, in coordination with the department,
1215 shall provide for an initial and ongoing transfer education
1216 component to provide system members except for those members
1217 initially enrolled on or after January 1, 2014, as provided in
1218 paragraph (4) (g), with information necessary to make informed

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1219 plan choice decisions. The transfer education component must
1220 include, but is not limited to, information on:

1221 1. The amount of money available to a member to transfer to
1222 the defined contribution program.

1223 2. The features of and differences between the pension plan
1224 and the defined contribution program, both generally and
1225 specifically, as those differences may affect the member.

1226 3. The expected benefit available if the member were to
1227 retire under each of the retirement programs, based on
1228 appropriate alternative sets of assumptions.

1229 4. The rate of return from investments in the defined
1230 contribution program and the period of time over which such rate
1231 of return must be achieved to equal or exceed the expected
1232 monthly benefit payable to the member under the pension plan.

1233 5. The historical rates of return for the investment
1234 alternatives available in the defined contribution programs.

1235 6. The benefits and historical rates of return on
1236 investments available in a typical deferred compensation plan or
1237 a typical plan under s. 403(b) of the Internal Revenue Code for
1238 which the employee may be eligible.

1239 7. The program choices available to employees of the State
1240 University System and the comparative benefits of each available
1241 program, if applicable.

1242 8. Payout options available in each of the retirement
1243 programs.

1244 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1245 ~~System employers have an obligation to regularly communicate the~~
1246 ~~existence of the two Florida Retirement System plans and the~~
1247 ~~plan choice in the natural course of administering their~~

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1248 ~~personnel functions, using the educational materials supplied by~~
1249 ~~the state board and the Department of Management Services.~~

1250 Section 7. Paragraph (b) of subsection (2) of section
1251 121.591, Florida Statutes, is amended to read:

1252 121.591 Payment of benefits.—Benefits may not be paid under
1253 the Florida Retirement System Investment Plan unless the member
1254 has terminated employment as provided in s. 121.021(39)(a) or is
1255 deceased and a proper application has been filed as prescribed
1256 by the state board or the department. Benefits, including
1257 employee contributions, are not payable under the investment
1258 plan for employee hardships, unforeseeable emergencies, loans,
1259 medical expenses, educational expenses, purchase of a principal
1260 residence, payments necessary to prevent eviction or foreclosure
1261 on an employee's principal residence, or any other reason except
1262 a requested distribution for retirement, a mandatory de minimis
1263 distribution authorized by the administrator, or a required
1264 minimum distribution provided pursuant to the Internal Revenue
1265 Code. The state board or department, as appropriate, may cancel
1266 an application for retirement benefits if the member or
1267 beneficiary fails to timely provide the information and
1268 documents required by this chapter and the rules of the state
1269 board and department. In accordance with their respective
1270 responsibilities, the state board and the department shall adopt
1271 rules establishing procedures for application for retirement
1272 benefits and for the cancellation of such application if the
1273 required information or documents are not received. The state
1274 board and the department, as appropriate, are authorized to cash
1275 out a de minimis account of a member who has been terminated
1276 from Florida Retirement System covered employment for a minimum

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1277 of 6 calendar months. A de minimis account is an account
1278 containing employer and employee contributions and accumulated
1279 earnings of not more than \$5,000 made under the provisions of
1280 this chapter. Such cash-out must be a complete lump-sum
1281 liquidation of the account balance, subject to the provisions of
1282 the Internal Revenue Code, or a lump-sum direct rollover
1283 distribution paid directly to the custodian of an eligible
1284 retirement plan, as defined by the Internal Revenue Code, on
1285 behalf of the member. Any nonvested accumulations and associated
1286 service credit, including amounts transferred to the suspense
1287 account of the Florida Retirement System Investment Plan Trust
1288 Fund authorized under s. 121.4501(6), shall be forfeited upon
1289 payment of any vested benefit to a member or beneficiary, except
1290 for de minimis distributions or minimum required distributions
1291 as provided under this section. If any financial instrument
1292 issued for the payment of retirement benefits under this section
1293 is not presented for payment within 180 days after the last day
1294 of the month in which it was originally issued, the third-party
1295 administrator or other duly authorized agent of the state board
1296 shall cancel the instrument and credit the amount of the
1297 instrument to the suspense account of the Florida Retirement
1298 System Investment Plan Trust Fund authorized under s.
1299 121.4501(6). Any amounts transferred to the suspense account are
1300 payable upon a proper application, not to include earnings
1301 thereon, as provided in this section, within 10 years after the
1302 last day of the month in which the instrument was originally
1303 issued, after which time such amounts and any earnings
1304 attributable to employer contributions shall be forfeited. Any
1305 forfeited amounts are assets of the trust fund and are not

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1306 subject to chapter 717.

1307 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1308 this subsection are payable in lieu of the benefits that would
1309 otherwise be payable under the provisions of subsection (1).
1310 Such benefits must be funded from employer contributions made
1311 under s. 121.571, transferred employee contributions and funds
1312 accumulated pursuant to paragraph (a), and interest and earnings
1313 thereon.

1314 (b) *Disability retirement; entitlement.*—

1315 1.a. A member of the investment plan initially enrolled
1316 before January 1, 2014, who becomes totally and permanently
1317 disabled, as defined in paragraph (d), after completing 8 years
1318 of creditable service, or a member who becomes totally and
1319 permanently disabled in the line of duty regardless of length of
1320 service, is entitled to a monthly disability benefit.

1321 b. A member of the investment plan initially enrolled on or
1322 after January 1, 2014, who becomes totally and permanently
1323 disabled, as defined in paragraph (d), after completing 10 years
1324 of creditable service, or a member who becomes totally and
1325 permanently disabled in the line of duty regardless of service,
1326 is entitled to a monthly disability benefit.

1327 2. In order for service to apply toward the 8 years of
1328 creditable service required for regular disability benefits, or
1329 toward the creditable service used in calculating a service-
1330 based benefit as provided under paragraph (g), the service must
1331 be creditable service as described below:

1332 a. The member's period of service under the investment plan
1333 shall be considered creditable service, except as provided in
1334 subparagraph d.

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1335 b. If the member has elected to retain credit for service
 1336 under the pension plan as provided under s. 121.4501(3), all
 1337 such service shall be considered creditable service.

1338 c. If the member elects to transfer to his or her member
 1339 accounts a sum representing the present value of his or her
 1340 retirement credit under the pension plan as provided under s.
 1341 121.4501(3), the period of service under the pension plan
 1342 represented in the present value amounts transferred shall be
 1343 considered creditable service, except as provided in
 1344 subparagraph d.

1345 d. If a member has terminated employment and has taken
 1346 distribution of his or her funds as provided in subsection (1),
 1347 all creditable service represented by such distributed funds is
 1348 forfeited for purposes of this subsection.

1349 Section 8. Subsection (3) of section 121.71, Florida
 1350 Statutes, is amended to read:

1351 121.71 Uniform rates; process; calculations; levy.—

1352 (3) (a) Required employee retirement contribution rates for
 1353 each membership class and subclass of the Florida Retirement
 1354 System for the pension plan ~~both retirement plans~~ are as
 1355 follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
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1356

1357

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1358	Regular Class	3.00%
1359	Special Risk Class	3.00%
1360	Special Risk Administrative Support Class	3.00%
1361	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
1362	Elected Officers' Class— Justices, Judges	3.00%
1363	Elected Officers' Class— County Elected Officers	3.00%
1364	Senior Management Service Class	3.00%
1365	DROP	0.00%
1366	<u>(b) Required employee retirement contribution rates for</u>	
1367	<u>each membership class and subclass of the Florida Retirement</u>	
1368	<u>System for the investment plan are as follows:</u>	
	<u>Membership Class</u>	<u>Percentage of</u> <u>Percentage of</u>

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	<u>Gross</u> <u>Compensation,</u> <u>Effective</u> <u>July 1, 2011</u>	<u>Gross</u> <u>Compensation,</u> <u>Effective</u> <u>January 1,</u> <u>2014</u>
1369		
1370		
1371	<u>3.00%</u>	<u>2.00%</u>
1372	<u>3.00%</u>	<u>2.00%</u>
1373	<u>3.00%</u>	<u>2.00%</u>
1374	<u>3.00%</u>	<u>2.00%</u>

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Justices, Judges

1375

Elected Officers' 3.00% 2.00%

Class-

County Elected

Officers

1376

Senior Management 3.00% 2.00%

Service Class

1377

1378 Section 9. Paragraph (a) of subsection (4) of section

1379 121.35, Florida Statutes, is amended to read:

1380 121.35 Optional retirement program for the State University
1381 System.-

1382 (4) CONTRIBUTIONS.-

1383 (a)1. Through June 30, 2001, each employer shall contribute
1384 on behalf of each member of the optional retirement program an
1385 amount equal to the normal cost portion of the employer
1386 retirement contribution which would be required if the employee
1387 were a regular member of the Florida Retirement System Pension
1388 Plan, plus the portion of the contribution rate required in s.
1389 112.363(8) that would otherwise be assigned to the Retiree
1390 Health Insurance Subsidy Trust Fund.

1391 2. Effective July 1, 2001, through June 30, 2011, each
1392 employer shall contribute on behalf of each member of the
1393 optional retirement program an amount equal to 10.43 percent of
1394 the employee's gross monthly compensation.

1395 3. Effective July 1, 2011, through June 30, 2012, each
1396 member of the optional retirement program shall contribute an

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1397 amount equal to the employee contribution required in s.
1398 121.71(3) (a). The employer shall contribute on behalf of each
1399 such member an amount equal to the difference between 10.43
1400 percent of the employee's gross monthly compensation and the
1401 amount equal to the employee's required contribution based on
1402 the employee's gross monthly compensation.

1403 4. Effective July 1, 2012, each member of the optional
1404 retirement program shall contribute an amount equal to the
1405 employee contribution required in s. 121.71(3) (a). The employer
1406 shall contribute on behalf of each such member an amount equal
1407 to the difference between 8.15 percent of the employee's gross
1408 monthly compensation and the amount equal to the employee's
1409 required contribution based on the employee's gross monthly
1410 compensation.

1411 5. The payment of the contributions, including
1412 contributions by the employee, shall be made by the employer to
1413 the department, which shall forward the contributions to the
1414 designated company or companies contracting for payment of
1415 benefits for members of the program. However, such contributions
1416 paid on behalf of an employee described in paragraph (3)(c) may
1417 not be forwarded to a company and do not begin to accrue
1418 interest until the employee has executed a contract and notified
1419 the department. The department shall deduct an amount from the
1420 contributions to provide for the administration of this program.

1421 Section 10. Section 238.072, Florida Statutes, is amended
1422 to read:

1423 238.072 Special service provisions for extension
1424 personnel.—All state and county cooperative extension personnel
1425 holding appointments by the United States Department of

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1426 Agriculture for extension work in agriculture and home economics
1427 in this state who are joint representatives of the University of
1428 Florida and the United States Department of Agriculture, as
1429 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
1430 Teachers' Retirement System, chapter 238, and who are prohibited
1431 from transferring to and participating in the Florida Retirement
1432 System, chapter 121, may retire with full benefits upon
1433 completion of 30 years of creditable service and shall be
1434 considered to have attained normal retirement age under this
1435 chapter, any law to the contrary notwithstanding. In order to
1436 comply with the provisions of s. 14, Art. X of the State
1437 Constitution, any liability accruing to the Florida Retirement
1438 System Trust Fund as a result of the provisions of this section
1439 shall be paid on an annual basis from the General Revenue Fund.

1440 Section 11. Subsection (11) of section 413.051, Florida
1441 Statutes, is amended to read:

1442 413.051 Eligible blind persons; operation of vending
1443 stands.—

1444 (11) Effective July 1, 1996, blind licensees who remain
1445 members of the Florida Retirement System pursuant to s.
1446 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1447 retirement costs from their net profits or from program income.
1448 Within 30 days after the effective date of this act, each blind
1449 licensee who is eligible to maintain membership in the Florida
1450 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1451 who elects to withdraw from the system as provided in s.
1452 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1453 1996, notify the Division of Blind Services and the Department
1454 of Management Services in writing of his or her election to

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1455 withdraw. Failure to timely notify the divisions shall be deemed
1456 a decision to remain a compulsory member of the Florida
1457 Retirement System. However, if, at any time after July 1, 1996,
1458 sufficient funds are not paid by a blind licensee to cover the
1459 required contribution to the Florida Retirement System, that
1460 blind licensee shall become ineligible to participate in the
1461 Florida Retirement System on the last day of the first month for
1462 which no contribution is made or the amount contributed is
1463 insufficient to cover the required contribution. For any blind
1464 licensee who becomes ineligible to participate in the Florida
1465 Retirement System as described in this subsection, no creditable
1466 service shall be earned under the Florida Retirement System for
1467 any period following the month that retirement contributions
1468 ceased to be reported. However, any such person may participate
1469 in the Florida Retirement System in the future if employed by a
1470 participating employer in a covered position.

1471 Section 12. Paragraph (a) of subsection (4) of section
1472 1012.875, Florida Statutes, is amended to read:

1473 1012.875 State Community College System Optional Retirement
1474 Program.—Each Florida College System institution may implement
1475 an optional retirement program, if such program is established
1476 therefor pursuant to s. 1001.64(20), under which annuity or
1477 other contracts providing retirement and death benefits may be
1478 purchased by, and on behalf of, eligible employees who
1479 participate in the program, in accordance with s. 403(b) of the
1480 Internal Revenue Code. Except as otherwise provided herein, this
1481 retirement program, which shall be known as the State Community
1482 College System Optional Retirement Program, may be implemented
1483 and administered only by an individual Florida College System

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1484 institution or by a consortium of Florida College System
1485 institutions.

1486 (4) (a) 1. Through June 30, 2011, each college must
1487 contribute on behalf of each program member an amount equal to
1488 10.43 percent of the employee's gross monthly compensation.

1489 2. Effective July 1, 2011, through June 30, 2012, each
1490 member shall contribute an amount equal to the employee
1491 contribution required under s. 121.71(3) (a). The employer shall
1492 contribute on behalf of each program member an amount equal to
1493 the difference between 10.43 percent of the employee's gross
1494 monthly compensation and the employee's required contribution
1495 based on the employee's gross monthly compensation.

1496 3. Effective July 1, 2012, each member shall contribute an
1497 amount equal to the employee contribution required under s.
1498 121.71(3) (a). The employer shall contribute on behalf of each
1499 program member an amount equal to the difference between 8.15
1500 percent of the employee's gross monthly compensation and the
1501 employee's required contribution based on the employee's gross
1502 monthly compensation.

1503 4. The college shall deduct an amount approved by the
1504 district board of trustees of the college to provide for the
1505 administration of the optional retirement program. Payment of
1506 this contribution must be made directly by the college or
1507 through the program administrator to the designated company
1508 contracting for payment of benefits to the program member.

1509 Section 13. (1) In order to fund the benefit changes
1510 provided for in this act, the required employer contribution
1511 rates of the Florida Retirement System established in 121.71(4),
1512 Florida Statutes, shall be adjusted as follows:

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1513 (a) The Regular Class is increased by X.XX percentage
1514 points.

1515 (b) The Special Risk Class is increased by X.XX percentage
1516 points.

1517 (c) The Special Risk Administrative Support Class is
1518 increased by X.XX percentage points.

1519 (d) The Elected Officers' Class—Legislators, Governor, Lt.
1520 Governor, Cabinet Officers, State Attorneys, Public Defenders is
1521 increased by X.XX percentage points.

1522 (e) The Elected Officers' Class—Justices, Judges is
1523 increased by X.XX percentage points.

1524 (f) The Elected Officer's Class—County Elected Officers is
1525 increased by X.XX percentage points.

1526 (g) The Senior Management Service Class is increased by
1527 X.XX percentage points.

1528 (h) The DROP class is increased by X.XX percentage points.

1529 (2) In order to fund for the benefit changes provided for
1530 in this act, the required employer contribution rates for the
1531 unfunded actuarial liability of the Florida Retirement System
1532 established in s. 121.71(5), Florida Statutes, shall be adjusted
1533 as follows:

1534 (a) The Regular Class is increased by X.XX percentage
1535 points.

1536 (b) The Special Risk Class is increased by X.XX percentage
1537 points.

1538 (c) The Special Risk Administrative Support Class is
1539 increased by X.XX percentage points.

1540 (d) The Elected Officers' Class—Legislators, Governor, Lt.
1541 Governor, Cabinet Officers, State Attorneys, Public Defenders is

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1542 increased by X.XX percentage points.

1543 (e) The Elected Officers' Class—Justices, Judges is
1544 increased by X.XX percentage points.

1545 (f) The Elected Officer's Class—County Elected Officers is
1546 increased by X.XX percentage points.

1547 (g) The Senior Management Service Class is increased by
1548 X.XX percentage points.

1549 (h) The DROP class is increased by X.XX percentage points.

1550 (3) The adjustments provided in subsections (1) and (2)
1551 shall be made in addition to other changes to such contribution
1552 rates which may be enacted into law to take effect on July 1,
1553 2013, and July 1, 2014. The Division of Law Revision and
1554 Information is requested to adjust accordingly the contribution
1555 rates provided in s. 121.71, Florida Statutes.

1556 Section 14. The Legislature finds that a proper and
1557 legitimate state purpose is served when employees and retirees
1558 of the state and its political subdivisions, and the dependents,
1559 survivors, and beneficiaries of such employees and retirees, are
1560 extended the basic protections afforded by governmental
1561 retirement systems. These persons must be provided benefits that
1562 are fair and adequate and that are managed, administered, and
1563 funded in an actuarially sound manner, as required by s. 14,
1564 Article X of the State Constitution and part VII of chapter 112,
1565 Florida Statutes. Therefore, the Legislature determines and
1566 declares that this act fulfills an important state interest.

1567 Section 15. This act shall take effect January 1, 2014.