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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/10/2014	.	
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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 311 - 993

and insert:

Section 1. Subsections (3) and (5) of section 121.053,  
Florida Statutes, are amended to read:

121.053 Participation in the Elected Officers' Class for  
retired members.—

(3) On or after July 1, 2010:

(a) A retiree of a state-administered retirement system who



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11 is initially reemployed in ~~elected or appointed for the first~~  
12 ~~time to~~ an elective office in a regularly established position  
13 with a covered employer may not reenroll in the Florida  
14 Retirement System, except as provided in s. 121.122.

15 (b) An elected officer who is elected or appointed to an  
16 elective office and is participating in the Deferred Retirement  
17 Option Program is subject to termination as defined in s.  
18 121.021 upon completion of his or her DROP participation period.  
19 An elected official may defer termination as provided in  
20 subsection (7).

21 (5) Any renewed member, as described in s. 121.122(1), (3),  
22 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not  
23 receiving the maximum health insurance subsidy provided in s.  
24 112.363 is entitled to earn additional credit toward the maximum  
25 health insurance subsidy. Any additional subsidy due because of  
26 such additional credit may be received only at the time of  
27 payment of the second career retirement benefit. The total  
28 health insurance subsidy received from initial and renewed  
29 membership may not exceed the maximum allowed in s. 112.363.

30 Section 2. Paragraph (f) of subsection (1) and paragraph  
31 (c) of subsection (6) of section 121.055, Florida Statutes, are  
32 amended to read:

33 121.055 Senior Management Service Class.—There is hereby  
34 established a separate class of membership within the Florida  
35 Retirement System to be known as the "Senior Management Service  
36 Class," which shall become effective February 1, 1987.

37 (1)

38 (f) Effective July 1, 1997, through June 30, 2015:

39 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and



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40 4., an elected state officer eligible for membership in the  
41 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
42 elects membership in the Senior Management Service Class under  
43 s. 121.052(3)(c) may, within 6 months after assuming office or  
44 within 6 months after this act becomes a law for serving elected  
45 state officers, elect to participate in the Senior Management  
46 Service Optional Annuity Program, as provided in subsection (6),  
47 in lieu of membership in the Senior Management Service Class.

48 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
49 4., an elected officer of a local agency employer eligible for  
50 membership in the Elected Officers' Class under s. 121.052(2)(d)  
51 who elects membership in the Senior Management Service Class  
52 under s. 121.052(3)(c) may, within 6 months after assuming  
53 office, or within 6 months after this act becomes a law for  
54 serving elected officers of a local agency employer, elect to  
55 withdraw from the Florida Retirement System, as provided in  
56 subparagraph (b)2., in lieu of membership in the Senior  
57 Management Service Class.

58 3. A retiree of a state-administered retirement system who  
59 is initially reemployed in a regularly established position on  
60 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected  
61 official eligible for the Elected Officers' Class may not be  
62 enrolled in renewed membership in the Senior Management Service  
63 Class or in the Senior Management Service Optional Annuity  
64 Program as provided in subsection (6), and may not withdraw from  
65 the Florida Retirement System as a renewed member as provided in  
66 subparagraph (b)2., as applicable, in lieu of membership in the  
67 Senior Management Service Class. Effective January 1, 2015, a  
68 retiree of the Senior Management Service Optional Annuity



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69 Program who retired before July 1, 2010, and is reemployed in a  
70 regularly established position with a covered employer shall be  
71 enrolled as a renewed member as provided in s. 121.122.

72 4. On or after July 1, 2015, an elected officer eligible  
73 for membership in the Elected Officers' Class may not be  
74 enrolled in the Senior Management Service Class or in the Senior  
75 Management Service Optional Annuity Program as provided in  
76 subsection (6).

77 (6)

78 (c) *Participation.*—

79 1. An eligible employee who is employed on or before  
80 February 1, 1987, may elect to participate in the optional  
81 annuity program in lieu of participating in the Senior  
82 Management Service Class. Such election must be ~~made~~ in writing  
83 and filed with the department and the personnel officer of the  
84 employer on or before May 1, 1987. An eligible employee who is  
85 employed on or before February 1, 1987, and who fails to make an  
86 election to participate in the optional annuity program by May  
87 1, 1987, shall be deemed to have elected membership in the  
88 Senior Management Service Class.

89 2. Except as provided in subparagraph 6., an employee who  
90 becomes eligible to participate in the optional annuity program  
91 by reason of initial employment commencing after February 1,  
92 1987, may, within 90 days after the date of commencing  
93 employment, elect to participate in the optional annuity  
94 program. Such election must be ~~made~~ in writing and filed with  
95 the personnel officer of the employer. An eligible employee who  
96 does not within 90 days after commencing employment elect to  
97 participate in the optional annuity program shall be deemed to



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98 have elected membership in the Senior Management Service Class.

99         3. A person who is appointed to a position in the Senior  
100 Management Service Class and who is a member of an existing  
101 retirement system or the Special Risk or Special Risk  
102 Administrative Support Classes of the Florida Retirement System  
103 may elect to remain in such system or class in lieu of  
104 participating in the Senior Management Service Class or optional  
105 annuity program. Such election must be ~~made~~ in writing and filed  
106 with the department and the personnel officer of the employer  
107 within 90 days after such appointment. An eligible employee who  
108 fails to make an election to participate in the existing system,  
109 the Special Risk Class of the Florida Retirement System, the  
110 Special Risk Administrative Support Class of the Florida  
111 Retirement System, or the optional annuity program shall be  
112 deemed to have elected membership in the Senior Management  
113 Service Class.

114         4. Except as provided in subparagraph 5., an employee's  
115 election to participate in the optional annuity program is  
116 irrevocable if the employee continues to be employed in an  
117 eligible position and continues to meet the eligibility  
118 requirements set forth in this paragraph.

119         5. Effective from July 1, 2002, through September 30, 2002,  
120 an active employee in a regularly established position who has  
121 elected to participate in the Senior Management Service Optional  
122 Annuity Program has one opportunity to choose to move from the  
123 Senior Management Service Optional Annuity Program to the  
124 Florida Retirement System Pension Plan.

125         a. The election must be ~~made~~ in writing and must be filed  
126 with the department and the personnel officer of the employer



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127 before October 1, 2002, or, in the case of an active employee  
128 who is on a leave of absence on July 1, 2002, within 90 days  
129 after the conclusion of the leave of absence. This election is  
130 irrevocable.

131 b. The employee shall receive service credit under the  
132 pension plan equal to his or her years of service under the  
133 Senior Management Service Optional Annuity Program. The cost for  
134 such credit is the amount representing the present value of that  
135 employee's accumulated benefit obligation for the affected  
136 period of service.

137 c. The employee must transfer the total accumulated  
138 employer contributions and earnings on deposit in his or her  
139 Senior Management Service Optional Annuity Program account. If  
140 the transferred amount is not sufficient to pay the amount due,  
141 the employee must pay a sum representing the remainder of the  
142 amount due. The employee may not retain any employer  
143 contributions or earnings from the Senior Management Service  
144 Optional Annuity Program account.

145 6. A retiree of a state-administered retirement system who  
146 is initially reemployed on ~~or after~~ July 1, 2010, through  
147 December 31, 2014, may not renew membership in the Senior  
148 Management Service Optional Annuity Program. Effective January  
149 1, 2015, a retiree of the Senior Management Service Optional  
150 Annuity Program who retired before July 1, 2010, and is  
151 reemployed in a regularly established position with a covered  
152 employer shall be enrolled as a renewed member as provided in s.  
153 121.122.

154 7. Effective July 1, 2015, the Senior Management Service  
155 Optional Annuity Program is closed to new members. Members



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156 enrolled in the Senior Management Service Optional Annuity  
157 Program before July 1, 2015, may retain their membership in the  
158 annuity program.

159 Section 3. Paragraph (a) of subsection (4) of section  
160 121.091, Florida Statutes, is amended to read:

161 121.091 Benefits payable under the system.—Benefits may not  
162 be paid under this section unless the member has terminated  
163 employment as provided in s. 121.021(39) (a) or begun  
164 participation in the Deferred Retirement Option Program as  
165 provided in subsection (13), and a proper application has been  
166 filed in the manner prescribed by the department. The department  
167 may cancel an application for retirement benefits when the  
168 member or beneficiary fails to timely provide the information  
169 and documents required by this chapter and the department's  
170 rules. The department shall adopt rules establishing procedures  
171 for application for retirement benefits and for the cancellation  
172 of such application when the required information or documents  
173 are not received.

174 (4) DISABILITY RETIREMENT BENEFIT.—

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

176 1.a. A member who becomes totally and permanently disabled,  
177 as defined in paragraph (b), after completing 5 years of  
178 creditable service, or a member who becomes totally and  
179 permanently disabled in the line of duty regardless of service,  
180 is entitled to a monthly disability benefit, <sup>+</sup> except that any  
181 member with less than 5 years of creditable service on July 1,  
182 1980, or any person who becomes a member of the Florida  
183 Retirement System on or after such date must have completed 10  
184 years of creditable service before becoming totally and



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185 permanently disabled in order to receive disability retirement  
186 benefits for a any disability that ~~which~~ occurs other than in  
187 the line of duty. However, if a member employed on July 1, 1980,  
188 who has less than 5 years of creditable service as of that date  
189 becomes totally and permanently disabled after completing 5  
190 years of creditable service and is found not to have attained  
191 fully insured status for benefits under the federal Social  
192 Security Act, such member is entitled to a monthly disability  
193 benefit.

194       b. Effective July 1, 2001, a member of the pension plan  
195 initially enrolled before July 1, 2015, who becomes totally and  
196 permanently disabled, as defined in paragraph (b), after  
197 completing 8 years of creditable service, or a member who  
198 becomes totally and permanently disabled in the line of duty  
199 regardless of service, is entitled to a monthly disability  
200 benefit.

201       c. Effective July 1, 2015, a member of the pension plan  
202 initially enrolled on or after July 1, 2015, who becomes totally  
203 and permanently disabled, as defined in paragraph (b), after  
204 completing 10 years of creditable service, or a member who  
205 becomes totally and permanently disabled in the line of duty  
206 regardless of service, is entitled to a monthly disability  
207 benefit.

208       2. If the division ~~has received from the employer~~ the  
209 required documentation of the member's termination of employment  
210 from the employer, the effective retirement date for a member  
211 who applies and is approved for disability retirement shall be  
212 as established by rule of the division.

213       3. For a member who is receiving Workers' Compensation





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214 payments, the effective disability retirement date may not  
215 precede the date the member reaches Maximum Medical Improvement  
216 (MMI), unless the member terminates employment before reaching  
217 MMI.

218 Section 4. Subsection (2) of section 121.122, Florida  
219 Statutes, is amended, and subsections (3), (4), and (5) are  
220 added to that section, to read:

221 121.122 Renewed membership in system.—

222 (2) Except as otherwise provided in subsections (3)-(5), a  
223 retiree of a state-administered retirement system who is  
224 initially reemployed in a regularly established position on or  
225 after July 1, 2010, may not be enrolled as a renewed member.

226 (3) A retiree of the investment plan, the State University  
227 System Optional Retirement Program, the Senior Management  
228 Service Optional Annuity Program, or the State Community College  
229 System Optional Retirement Program who retired before July 1,  
230 2010, and is employed in a regularly established position with a  
231 covered employer on or after January 1, 2015, shall be a renewed  
232 member of the Regular Class of the investment plan regardless of  
233 the position held, unless employed in a position eligible for  
234 participation in the State University System Optional Retirement  
235 Program or the State Community College System Optional  
236 Retirement Program as provided in subsections (4) and (5),  
237 respectively. The renewed member must satisfy the vesting  
238 requirements and other provisions of this chapter.

239 (a) Creditable service, including credit toward the retiree  
240 health insurance subsidy provided in s. 112.363, does not accrue  
241 for a retiree's employment in a regularly established position  
242 with a covered employer from July 1, 2010, through December 31,



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243 2014.

244 (b) Employer and employee contributions, interest,

245 earnings, or any other funds may not be paid into a renewed

246 member's investment plan account for any employment in a

247 regularly established position with a covered employer from July

248 1, 2010, through December 31, 2014, by the renewed member or the

249 employer on behalf of the member.

250 (c) To be eligible to receive a retirement benefit, the

251 renewed member must satisfy the vesting requirements in s.

252 121.4501(6).

253 (d) The member is ineligible to receive disability benefits

254 as provided in s. 121.091(4) or s. 121.591(2).

255 (e) The member is subject to the reemployment after

256 retirement limitations provided in s. 121.091(9), as applicable.

257 (f) The member must satisfy the requirements for

258 termination from employment provided in s. 121.021(39).

259 (g) Upon the renewed membership or reemployment of a

260 retiree, the employer and the retiree shall pay the applicable

261 employer and employee contributions required under ss. 112.363,

262 121.71, 121.74, and 121.76. The contributions are payable only

263 for employment and salary earned in a regularly established

264 position with a covered employer on or after January 1, 2015.

265 The employer and employee contributions shall be transferred to

266 the investment plan and placed in a default fund as designated

267 by the state board. The retiree may move the contributions once

268 an account is activated in the investment plan.

269 (h) The member may not purchase any past service in the

270 investment plan, including employment in a regularly established

271 position with a covered employer from July 1, 2010, through



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272 December 31, 2014.

273 (i) A renewed member who is a retiree of the investment  
274 plan and who is not receiving the maximum health insurance  
275 subsidy provided in s. 112.363 is entitled to earn additional  
276 credit toward the subsidy. Such credit may be earned only for  
277 employment in a regularly established position with a covered  
278 employer on or after January 1, 2015. Any additional subsidy due  
279 because of additional credit may be received only at the time of  
280 paying the second career retirement benefit. The total health  
281 insurance subsidy received by a retiree receiving benefits from  
282 initial and renewed membership may not exceed the maximum  
283 allowed under s. 112.363.

284 (4) A retiree of the investment plan, the State University  
285 System Optional Retirement Program, the Senior Management  
286 Service Optional Annuity Program, or the State Community College  
287 System Optional Retirement Program who retired before July 1,  
288 2010, and is employed in a regularly established position  
289 eligible for participation in the State University System  
290 Optional Retirement Program on or after January 1, 2015, shall  
291 become a renewed member of the optional retirement program. The  
292 renewed member must satisfy the vesting requirements and other  
293 provisions of this chapter. Once enrolled, a renewed member  
294 remains enrolled in the optional retirement program while  
295 employed in an eligible position for the optional retirement  
296 program. If employment in a different covered position results  
297 in the retiree's enrollment in the investment plan, the retiree  
298 is no longer eligible to participate in the optional retirement  
299 program unless employed in a mandatory position under s. 121.35.

300 (a) The member is subject to the reemployment after



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301 retirement limitations provided in s. 121.091(9), as applicable.

302 (b) The member must satisfy the requirements for  
303 termination of employment provided in s. 121.021(39).

304 (c) Upon renewed membership or reemployment of a retiree,  
305 the employer and the retiree shall pay the applicable employer  
306 and employee contributions required under s. 121.35.

307 (d) The member, or the employer on behalf of the member,  
308 may not purchase any prior service in the optional retirement  
309 program or employment from July 1, 2010, to December 31, 2014,  
310 when renewed membership is not available.

311 (5) A retiree of the investment plan, the State University  
312 System Optional Retirement Program, the Senior Management  
313 Service System Optional Annuity Program, or the State Community  
314 College System Optional Retirement Program who retired before  
315 July 1, 2010, and is employed in a regularly established  
316 position eligible for participation in the State Community  
317 College System Optional Retirement Program as provided in s.  
318 121.051(2)(c)4. on or after January 1, 2015, shall become a  
319 renewed member of the optional retirement program. The renewed  
320 member must satisfy the eligibility requirements of this chapter  
321 and s. 1012.875 for the optional retirement program. Once  
322 enrolled, a renewed member remains enrolled in the optional  
323 retirement program while employed in an eligible position for  
324 the optional retirement program. If employment in a different  
325 covered position results in the retiree's enrollment in the  
326 investment plan, the retiree is no longer eligible to  
327 participate in the optional retirement program.

328 (a) The member is subject to the reemployment after  
329 retirement limitations provided in s. 121.091(9), as applicable.



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330       (b) The member must satisfy the requirements for  
331 termination of employment provided in s. 121.021(39).

332       (c) Upon renewed membership or reemployment of a retiree,  
333 the employer and the retiree shall pay the applicable employer  
334 and employee contributions required under ss. 121.051(2)(c) and  
335 1012.875.

336       (d) The member, or the employer on behalf of the member,  
337 may not purchase any past service in the optional retirement  
338 program or employment accrued from July 1, 2010, to December 31,  
339 2014.

340       Section 5. Paragraph (c) of subsection (3) and paragraph  
341 (a) of subsection (4) of section 121.35, Florida Statutes, are  
342 amended to read:

343       121.35 Optional retirement program for the State University  
344 System.—

345       (3) ELECTION OF OPTIONAL PROGRAM.—

346       (c) Any employee who becomes eligible to participate in the  
347 optional retirement program on or after January 1, 1993, shall  
348 be a compulsory participant of the program unless such employee  
349 elects membership in the Florida Retirement System. Such  
350 election shall be made in writing and filed with the personnel  
351 officer of the employer. Any eligible employee who fails to make  
352 such election within the prescribed time period shall be deemed  
353 to have elected to participate in the optional retirement  
354 program.

355       1. Any employee whose optional retirement program  
356 eligibility results from initial employment shall be enrolled in  
357 the program at the commencement of employment. If, within 90  
358 days after commencement of employment, the employee elects



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359 membership in the Florida Retirement System, such membership  
360 shall be effective retroactive to the date of commencement of  
361 employment as provided in s. 121.4501(4).

362 2. Any employee whose optional retirement program  
363 eligibility results from a change in status due to the  
364 subsequent designation of the employee's position as one of  
365 those specified in paragraph (2)(a) or due to the employee's  
366 appointment, promotion, transfer, or reclassification to a  
367 position specified in paragraph (2)(a) shall be enrolled in the  
368 optional retirement program upon such change in status and shall  
369 be notified by the employer of such action. If, within 90 days  
370 after the date of such notification, the employee elects to  
371 retain membership in the Florida Retirement System, such  
372 continuation of membership shall be retroactive to the date of  
373 the change in status.

374 3. Notwithstanding the provisions of this paragraph,  
375 effective July 1, 1997, an ~~any~~ employee who is eligible to  
376 participate in the Optional Retirement Program and who fails to  
377 execute a contract with one of the approved companies and to  
378 notify the department in writing as provided in subsection (4)  
379 within 90 days after the date of eligibility shall be deemed to  
380 have elected membership in the Florida Retirement System, except  
381 as provided in s. 121.051(1)(a). This provision ~~shall~~ also  
382 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an  
383 eligible position before executing the required investment  
384 ~~annuity~~ contract and notifying the department. Such membership  
385 is ~~shall be~~ retroactive to the date of eligibility, and all  
386 appropriate contributions shall be transferred to the Florida  
387 Retirement System Trust Fund and the Health Insurance Subsidy



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388 Trust Fund.

389 (4) CONTRIBUTIONS.—

390 (a)1. Through June 30, 2001, each employer shall contribute  
391 on behalf of each member of the optional retirement program an  
392 amount equal to the normal cost portion of the employer  
393 retirement contribution which would be required if the employee  
394 were a regular member of the Florida Retirement System Pension  
395 Plan, plus the portion of the contribution rate required in s.  
396 112.363(8) which ~~that~~ would otherwise be assigned to the Retiree  
397 Health Insurance Subsidy Trust Fund.

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

402 3. Effective July 1, 2011, through June 30, 2012, each  
403 member of the optional retirement program shall contribute an  
404 amount equal to the employee contribution required in s.  
405 121.71(3) (a). The employer shall contribute on behalf of each  
406 such member an amount equal to the difference between 10.43  
407 percent of the employee's gross monthly compensation and the  
408 amount equal to the employee's required contribution based on  
409 the employee's gross monthly compensation.

410 4. Effective July 1, 2012, each member of the optional  
411 retirement program shall contribute an amount equal to the  
412 employee contribution required in s. 121.71(3) (a). The employer  
413 shall contribute on behalf of each such member an amount equal  
414 to the difference between 8.15 percent of the employee's gross  
415 monthly compensation and the amount equal to the employee's  
416 required contribution based on the employee's gross monthly



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417 compensation.

418         5. The payment of the contributions, including  
419 contributions by the employee, shall be made by the employer to  
420 the department, which shall forward the contributions to the  
421 designated company or companies contracting for payment of  
422 benefits for members of the program. However, such contributions  
423 paid on behalf of an employee described in paragraph (3)(c) may  
424 not be forwarded to a company and do not begin to accrue  
425 interest until the employee has executed a contract and notified  
426 the department. The department shall deduct an amount from the  
427 contributions to provide for the administration of this program.

428         Section 6. Subsection (1), paragraphs (e) and (i) of  
429 subsection (2), paragraph (b) of subsection (3), subsection (4),  
430 paragraph (c) of subsection (5), subsection (8), and paragraphs  
431 (a), (b), (c), and (h) of subsection (10) of section 121.4501,  
432 Florida Statutes, are amended to read:

433         121.4501 Florida Retirement System Investment Plan.—

434         (1) The Trustees of the State Board of Administration shall  
435 establish a defined contribution program called the "Florida  
436 Retirement System Investment Plan" or "investment plan" for  
437 members of the Florida Retirement System under which retirement  
438 benefits will be provided for eligible employees who elect to  
439 participate in the program and for employees initially enrolled  
440 on or after July 1, 2015, in positions covered by the Elected  
441 Officers' Class or the Senior Management Service Class and who  
442 are compulsory members of the investment plan unless otherwise  
443 eligible to withdraw from the system under s. 121.052(3)(d) or  
444 s. 121.055(1)(b)2., or to participate in an optional retirement  
445 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.





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446 Investment plan membership continues if there is subsequent  
447 employment in a position covered by another membership class.

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

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

455 (e) "Eligible employee" means an officer or employee, as  
456 defined in s. 121.021, who:

457 1. Is a member of, or is eligible for membership in, the  
458 Florida Retirement System, including any renewed member of the  
459 Florida Retirement System initially enrolled before July 1,  
460 2010; ~~or~~

461 2. Participates in, or is eligible to participate in, the  
462 Senior Management Service Optional Annuity Program as  
463 established under s. 121.055(6), the State Community College  
464 System Optional Retirement Program as established under s.  
465 121.051(2)(c), or the State University System Optional  
466 Retirement Program established under s. 121.35; or

467 3. Is a retired member of the investment plan, the State  
468 University System Optional Retirement Program, the Senior  
469 Management Service Optional Annuity Program, or the State  
470 Community College System Optional Retirement Program who retired  
471 before July 1, 2010 and is employed in a regularly established  
472 position on or after January 1, 2015, as provided in s. 121.122.

473  
474 The term does not include any member participating in the



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475 Deferred Retirement Option Program established under s.  
476 121.091(13), a retiree of a state-administered retirement system  
477 who retired initially reemployed in a regularly established  
478 position on or after July 1, 2010, or a mandatory participant of  
479 the State University System Optional Retirement Program  
480 established under s. 121.35.

481 (i) "Member" or "employee" means an eligible employee who  
482 enrolls in or is defaulted into the investment plan as provided  
483 in subsection (4), a terminated Deferred Retirement Option  
484 Program member as described in subsection (21), or a beneficiary  
485 or alternate payee of a member or employee.

486 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.-

487 (b) Notwithstanding paragraph (a), an eligible employee who  
488 elects to participate in or is defaulted into the investment  
489 plan and establishes one or more individual member accounts may  
490 elect to transfer to the investment plan a sum representing the  
491 present value of the employee's accumulated benefit obligation  
492 under the pension plan, except as provided in paragraph (4)(b).  
493 Upon transfer, all service credit earned under the pension plan  
494 is nullified for purposes of entitlement to a future benefit  
495 under the pension plan. A member may not transfer the  
496 accumulated benefit obligation balance from the pension plan  
497 after the time period for enrolling in the investment plan has  
498 expired.

499 1. For purposes of this subsection, the present value of  
500 the member's accumulated benefit obligation is based upon the  
501 member's estimated creditable service and estimated average  
502 final compensation under the pension plan, subject to  
503 recomputation under subparagraph 2. For state employees, initial



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504 estimates shall be based upon creditable service and average  
505 final compensation as of midnight on June 30, 2002; for district  
506 school board employees, initial estimates shall be based upon  
507 creditable service and average final compensation as of midnight  
508 on September 30, 2002; and for local government employees,  
509 initial estimates shall be based upon creditable service and  
510 average final compensation as of midnight on December 31, 2002.  
511 The dates specified are the "estimate date" for these employees.  
512 The actuarial present value of the employee's accumulated  
513 benefit obligation shall be based on the following:

514       a. The discount rate and other relevant actuarial  
515 assumptions used to value the Florida Retirement System Trust  
516 Fund at the time the amount to be transferred is determined,  
517 consistent with the factors provided in sub-subparagraphs b. and  
518 c.

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

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

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

526               (A) Age 62; or

527               (B) The age the member would attain if the member completed  
528 30 years of service with an employer, assuming the member worked  
529 continuously from the estimate date, and disregarding any  
530 vesting requirement that would otherwise apply under the pension  
531 plan.

532           (II) On or after July 1, 2011, the benefit commencement age



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533 is the younger of the following, but may not be younger than the  
534 member's age as of the estimate date:

535 (A) Age 65; or

536 (B) The age the member would attain if the member completed  
537 33 years of service with an employer, assuming the member worked  
538 continuously from the estimate date, and disregarding any  
539 vesting requirement that would otherwise apply under the pension  
540 plan.

541 d. For members of the Special Risk Class and for members of  
542 the Special Risk Administrative Support Class entitled to retain  
543 the special risk normal retirement date:

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

547 (A) Age 55; or

548 (B) The age the member would attain if the member completed  
549 25 years of service with an employer, assuming the member worked  
550 continuously from the estimate date, and disregarding any  
551 vesting requirement that would otherwise apply under the pension  
552 plan.

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

557 (A) Age 60; or

558 (B) The age the member would attain if the member completed  
559 30 years of service with an employer, assuming the member worked  
560 continuously from the estimate date, and disregarding any  
561 vesting requirement that would otherwise apply under the pension



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562 plan.

563 e. The calculation must disregard vesting requirements and  
564 early retirement reduction factors that would otherwise apply  
565 under the pension plan.

566 2. For each member who elects to transfer moneys from the  
567 pension plan to his or her account in the investment plan, the  
568 division shall recompute the amount transferred under  
569 subparagraph 1. within 60 days after the actual transfer of  
570 funds based upon the member's actual creditable service and  
571 actual final average compensation as of the initial date of  
572 participation in the investment plan. If the recomputed amount  
573 differs from the amount transferred by \$10 or more, the division  
574 shall:

575 a. Transfer, or cause to be transferred, from the Florida  
576 Retirement System Trust Fund to the member's account the excess,  
577 if any, of the recomputed amount over the previously transferred  
578 amount together with interest from the initial date of transfer  
579 to the date of transfer under this subparagraph, based upon the  
580 effective annual interest equal to the assumed return on the  
581 actuarial investment which was used in the most recent actuarial  
582 valuation of the system, compounded annually.

583 b. Transfer, or cause to be transferred, from the member's  
584 account to the Florida Retirement System Trust Fund the excess,  
585 if any, of the previously transferred amount over the recomputed  
586 amount, together with interest from the initial date of transfer  
587 to the date of transfer under this subparagraph, based upon 6  
588 percent effective annual interest, compounded annually, pro rata  
589 based on the member's allocation plan.

590 3. If contribution adjustments are made as a result of



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591 employer errors or corrections, including plan corrections,  
592 following recomputation of the amount transferred under  
593 subparagraph 1., the member is entitled to the additional  
594 contributions or is responsible for returning any excess  
595 contributions resulting from the correction. However, a ~~any~~  
596 return of such erroneous excess pretax contribution by the plan  
597 must be made within the period allowed by the Internal Revenue  
598 Service. The present value of the member's accumulated benefit  
599 obligation may ~~shall~~ not be recalculated.

600 4. As directed by the member, the state board shall  
601 transfer or cause to be transferred the appropriate amounts to  
602 the designated accounts within 30 days after the effective date  
603 of the member's participation in the investment plan unless the  
604 major financial markets for securities available for a transfer  
605 are seriously disrupted by an unforeseen event that causes the  
606 suspension of trading on a ~~any~~ national securities exchange in  
607 the country where the securities were issued. In that event, the  
608 30-day period may be extended by a resolution of the state  
609 board. Transfers are not commissionable or subject to other fees  
610 and may be in the form of securities or cash, as determined by  
611 the state board. Such securities are valued as of the date of  
612 receipt in the member's account.

613 5. If the state board or the division receives notification  
614 from the United States Internal Revenue Service that this  
615 paragraph or any portion of this paragraph will cause the  
616 retirement system, or a portion thereof, to be disqualified for  
617 tax purposes under the Internal Revenue Code, the portion that  
618 will cause the disqualification does not apply. Upon such  
619 notice, the state board and the division shall notify the



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620 presiding officers of the Legislature.

621 (4) PARTICIPATION; ENROLLMENT.—

622 (a)1. Effective June 1, 2002, through February 28, 2003, a  
623 90-day election period, preceded by a 90-day education period,  
624 was provided to each eligible employee participating in the  
625 Florida Retirement System which permitted each eligible employee  
626 to elect membership in the investment plan, and an employee who  
627 failed to elect the investment plan during the election period  
628 remained in the pension plan. An eligible employee who was  
629 employed in a regularly established position during the election  
630 period was granted the option to make one subsequent election,  
631 as provided in paragraph (f). With respect to an eligible  
632 employee who did not participate in the initial election period  
633 or who is initially ~~employee who is~~ employed in a regularly  
634 established position after the close of the initial election  
635 period but before July 1, 2015, ~~on June 1, 2002, by a state~~  
636 employer:

637 ~~a. Any such employee may elect to participate in the~~  
638 ~~investment plan in lieu of retaining his or her membership in~~  
639 ~~the pension plan. The election must be made in writing or by~~  
640 ~~electronic means and must be filed with the third-party~~  
641 ~~administrator by August 31, 2002, or, in the case of an active~~  
642 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
643 ~~last business day of the 5th month following the month the leave~~  
644 ~~of absence concludes. This election is irrevocable, except as~~  
645 ~~provided in paragraph (g). Upon making such election, the~~  
646 ~~employee shall be enrolled as a member of the investment plan,~~  
647 ~~the employee's membership in the Florida Retirement System is~~  
648 ~~governed by the provisions of this part, and the employee's~~



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649 ~~membership in the pension plan terminates. The employee's~~  
650 ~~enrollment in the investment plan is effective the first day of~~  
651 ~~the month for which a full month's employer contribution is made~~  
652 ~~to the investment plan.~~

653 ~~b. Any such employee who fails to elect to participate in~~  
654 ~~the investment plan within the prescribed time period is deemed~~  
655 ~~to have elected to retain membership in the pension plan, and~~  
656 ~~the employee's option to elect to participate in the investment~~  
657 ~~plan is forfeited.~~

658 ~~2. With respect to employees who become eligible to~~  
659 ~~participate in the investment plan by reason of employment in a~~  
660 ~~regularly established position with a state employer commencing~~  
661 ~~after April 1, 2002:~~

662 ~~a. Any such employee shall, by default, be enrolled in the~~  
663 ~~pension plan at the commencement of employment, and may, by the~~  
664 ~~last business day of the 5th month following the employee's~~  
665 ~~month of hire, elect to participate in the investment plan. The~~  
666 ~~employee's election must be made in writing or by electronic~~  
667 ~~means and must be filed with the third-party administrator. The~~  
668 ~~election to participate in the investment plan is irrevocable,~~  
669 ~~except as provided in paragraph (f) ~~(g)~~.~~

670 ~~a.b.~~ If the employee files such election within the  
671 prescribed time period, enrollment in the investment plan is  
672 effective on the first day of employment. The retirement  
673 contributions paid through the month of the employee plan change  
674 shall be transferred to the investment program, and, effective  
675 the first day of the next month, the employer and employee must  
676 pay the applicable contributions based on the employee  
677 membership class in the program.





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678           ~~b.e.~~ An employee who fails to elect to participate in the  
679 investment plan within the prescribed time period is deemed to  
680 have elected to retain membership in the pension plan, and the  
681 employee's option to elect to participate in the investment plan  
682 is forfeited.

683           ~~2.3.~~ With respect to employees who become eligible to  
684 participate in the investment plan pursuant to s.  
685 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
686 participate in the investment plan in lieu of retaining his or  
687 her membership in the State Community College System Optional  
688 Retirement Program or the State University System Optional  
689 Retirement Program. The election must be ~~made~~ in writing or by  
690 electronic means and must be filed with the third-party  
691 administrator. This election is irrevocable, except as provided  
692 in paragraph ~~(f)(g)~~. Upon making such election, the employee  
693 shall be enrolled as a member in the investment plan, the  
694 employee's membership in the Florida Retirement System is  
695 governed by the provisions of this part, and the employee's  
696 participation in the State Community College System Optional  
697 Retirement Program or the State University System Optional  
698 Retirement Program terminates. The employee's enrollment in the  
699 investment plan is effective on the first day of the month for  
700 which a full month's employer and employee contribution is made  
701 to the investment plan.

702           ~~4. For purposes of this paragraph, "state employer" means~~  
703 ~~any agency, board, branch, commission, community college,~~  
704 ~~department, institution, institution of higher education, or~~  
705 ~~water management district of the state, which participates in~~  
706 ~~the Florida Retirement System for the benefit of certain~~



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707 ~~employees.~~

708 (b) With respect to employees who become eligible to  
709 participate in the investment plan, except as provided in  
710 paragraph (g), by reason of employment in a regularly  
711 established position commencing on or after July 1, 2015, such  
712 employee shall be enrolled in the pension plan at the  
713 commencement of employment and may, by the last business day of  
714 the 8th month following the employee's month of hire, elect to  
715 participate in the pension plan or the investment plan. Eligible  
716 employees may make a plan election only if they are earning  
717 service credit in an employer-employee relationship consistent  
718 with s. 121.021(17)(b), excluding leaves of absence without pay.

719 1. The employee's election must be in writing or by  
720 electronic means and must be filed with the third-party  
721 administrator. The election to participate in the pension plan  
722 or investment plan is irrevocable, except as provided in  
723 paragraph (f).

724 2. If the employee fails to make an election of the pension  
725 plan or investment plan within 8 months following the month of  
726 hire, the employee is deemed to have elected the investment plan  
727 and will be defaulted into the investment plan retroactively to  
728 the employee's date of employment. The employee's option to  
729 participate in the pension plan is forfeited, except as provided  
730 in paragraph (f).

731 3. The amount of the employee and employer contributions  
732 paid before the default to the investment plan shall be  
733 transferred to the investment plan and placed in a default fund  
734 as designated by the State Board of Administration. The employee  
735 may move the contributions once an account is activated in the



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736 investment plan.

737 4. Effective the first day of the month after an eligible  
738 employee makes a plan election of the pension plan or investment  
739 plan, or after the month of default to the investment plan, the  
740 employee and employer shall pay the applicable contributions  
741 based on the employee membership class in the pension plan or  
742 investment plan.

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

746 ~~a. Any such employee may elect to participate in the~~  
747 ~~investment plan in lieu of retaining his or her membership in~~  
748 ~~the pension plan. The election must be made in writing or by~~  
749 ~~electronic means and must be filed with the third-party~~  
750 ~~administrator by November 30, or, in the case of an active~~  
751 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
752 ~~last business day of the 5th month following the month the leave~~  
753 ~~of absence concludes. This election is irrevocable, except as~~  
754 ~~provided in paragraph (g). Upon making such election, the~~  
755 ~~employee shall be enrolled as a member of the investment plan,~~  
756 ~~the employee's membership in the Florida Retirement System is~~  
757 ~~governed by the provisions of this part, and the employee's~~  
758 ~~membership in the pension plan terminates. The employee's~~  
759 ~~enrollment in the investment plan is effective the first day of~~  
760 ~~the month for which a full month's employer contribution is made~~  
761 ~~to the investment program.~~

762 ~~b. Any such employee who fails to elect to participate in~~  
763 ~~the investment plan within the prescribed time period is deemed~~  
764 ~~to have elected to retain membership in the pension plan, and~~



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765 ~~the employee's option to elect to participate in the investment~~  
766 ~~plan is forfeited.~~

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

771 ~~a. Any such employee shall, by default, be enrolled in the~~  
772 ~~pension plan at the commencement of employment, and may, by the~~  
773 ~~last business day of the 5th month following the employee's~~  
774 ~~month of hire, elect to participate in the investment plan. The~~  
775 ~~employee's election must be made in writing or by electronic~~  
776 ~~means and must be filed with the third-party administrator. The~~  
777 ~~election to participate in the investment plan is irrevocable,~~  
778 ~~except as provided in paragraph (g).~~

779 ~~b. If the employee files such election within the~~  
780 ~~prescribed time period, enrollment in the investment plan is~~  
781 ~~effective on the first day of employment. The employer~~  
782 ~~retirement contributions paid through the month of the employee~~  
783 ~~plan change shall be transferred to the investment plan, and,~~  
784 ~~effective the first day of the next month, the employer shall~~  
785 ~~pay the applicable contributions based on the employee~~  
786 ~~membership class in the investment plan.~~

787 ~~e. Any such employee who fails to elect to participate in~~  
788 ~~the investment plan within the prescribed time period is deemed~~  
789 ~~to have elected to retain membership in the pension plan, and~~  
790 ~~the employee's option to elect to participate in the investment~~  
791 ~~plan is forfeited.~~

792 ~~3. For purposes of this paragraph, "district school board~~  
793 ~~employer" means any district school board that participates in~~



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794 ~~the Florida Retirement System for the benefit of certain~~  
795 ~~employees, or a charter school or charter technical career~~  
796 ~~center that participates in the Florida Retirement System as~~  
797 ~~provided in s. 121.051(2) (d).~~

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

801 ~~a. Any such employee may elect to participate in the~~  
802 ~~investment plan in lieu of retaining his or her membership in~~  
803 ~~the pension plan. The election must be made in writing or by~~  
804 ~~electronic means and must be filed with the third-party~~  
805 ~~administrator by February 28, 2003, or, in the case of an active~~  
806 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
807 ~~last business day of the 5th month following the month the leave~~  
808 ~~of absence concludes. This election is irrevocable, except as~~  
809 ~~provided in paragraph (g). Upon making such election, the~~  
810 ~~employee shall be enrolled as a participant of the investment~~  
811 ~~plan, the employee's membership in the Florida Retirement System~~  
812 ~~is governed by the provisions of this part, and the employee's~~  
813 ~~membership in the pension plan terminates. The employee's~~  
814 ~~enrollment in the investment plan is effective the first day of~~  
815 ~~the month for which a full month's employer contribution is made~~  
816 ~~to the investment plan.~~

817 ~~b. Any such employee who fails to elect to participate in~~  
818 ~~the investment plan within the prescribed time period is deemed~~  
819 ~~to have elected to retain membership in the pension plan, and~~  
820 ~~the employee's option to elect to participate in the investment~~  
821 ~~plan is forfeited.~~

822 ~~2. With respect to employees who become eligible to~~



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823 ~~participate in the investment plan by reason of employment in a~~  
824 ~~regularly established position with a local employer commencing~~  
825 ~~after October 1, 2002:~~

826 ~~a. Any such employee shall, by default, be enrolled in the~~  
827 ~~pension plan at the commencement of employment, and may, by the~~  
828 ~~last business day of the 5th month following the employee's~~  
829 ~~month of hire, elect to participate in the investment plan. The~~  
830 ~~employee's election must be made in writing or by electronic~~  
831 ~~means and must be filed with the third-party administrator. The~~  
832 ~~election to participate in the investment plan is irrevocable,~~  
833 ~~except as provided in paragraph (g).~~

834 ~~b. If the employee files such election within the~~  
835 ~~prescribed time period, enrollment in the investment plan is~~  
836 ~~effective on the first day of employment. The employer~~  
837 ~~retirement contributions paid through the month of the employee~~  
838 ~~plan change shall be transferred to the investment plan, and,~~  
839 ~~effective the first day of the next month, the employer shall~~  
840 ~~pay the applicable contributions based on the employee~~  
841 ~~membership class in the investment plan.~~

842 ~~e. Any such employee who fails to elect to participate in~~  
843 ~~the investment plan within the prescribed time period is deemed~~  
844 ~~to have elected to retain membership in the pension plan, and~~  
845 ~~the employee's option to elect to participate in the investment~~  
846 ~~plan is forfeited.~~

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

849 ~~(c)(d) Contributions available for self-direction by a~~  
850 ~~member who has not selected one or more specific investment~~  
851 ~~products shall be allocated as prescribed by the state board.~~



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852 The third-party administrator shall notify the member at least  
853 quarterly that the member should take an affirmative action to  
854 make an asset allocation among the investment products.

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

859 (e)~~(f)~~ A member of the investment plan who takes a  
860 distribution of any contributions from his or her investment  
861 plan account is considered a retiree. A member ~~retiree~~ who  
862 retires ~~is initially reemployed in a regularly established~~  
863 ~~position~~ on or after July 1, 2010, is not eligible to be  
864 enrolled in renewed membership. A member who retired before July  
865 1, 2010, and is employed on or after January 1, 2015, in a  
866 regularly established position shall be a renewed member as  
867 provided in s. 121.122, except that a retiree who has returned  
868 to covered employment before July 1, 2010, may continue  
869 membership in the plan he or she chooses.

870  
871 ===== T I T L E A M E N D M E N T =====

872 And the title is amended as follows:

873 Delete lines 16 - 45

874 and insert:

875 date; amending s. 121.053, F.S.; authorizing renewed  
876 membership in the retirement system for retirees who  
877 are reemployed in a position eligible for the Elected  
878 Officers' Class under certain circumstances; amending  
879 s. 121.055, F.S.; authorizing renewed membership in  
880 the retirement system for retirees of the Senior



881 Management Service Optional Annuity Program who are  
882 reemployed on or after a specified date; prohibiting  
883 an elected official eligible for membership in the  
884 Elected Officers' Class from enrolling in the Senior  
885 Management Service Class or in the Senior Management  
886 Service Optional Annuity Program; closing the Senior  
887 Management Optional Annuity Program to new members  
888 after a specified date; amending s. 121.091, F.S.;  
889 providing that certain members are entitled to a  
890 monthly disability benefit; revising provisions to  
891 conform to changes made by the act; amending s.  
892 121.122, F.S.; requiring that certain retirees who are  
893 employed on or after a specified date be renewed  
894 members in the investment plan; providing exceptions;  
895 providing that creditable service does not accrue for  
896 a reemployed retiree during a specified period;  
897 prohibiting certain funds from being paid into a  
898 renewed member's investment plan account for a  
899 specified period of employment; requiring the renewed  
900 member to satisfy vesting requirements; prohibiting a  
901 renewed member from receiving disability benefits;  
902 specifying requirements and limitations; requiring the  
903 employer and the retiree to make applicable  
904 contributions to the member's investment plan account;  
905 providing for the administration of the employer and  
906 employee contributions; prohibiting the purchase of  
907 past service in the investment plan; authorizing a  
908 renewed member to receive additional credit toward the  
909 health insurance subsidy under certain circumstances;





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910 providing that a retiree employed on or after a  
911 specified date in a regularly established position  
912 eligible for the State University System Optional  
913 Retirement Program is a renewed member of that  
914 program; specifying requirements and limitations;  
915 requiring the employer and the retiree to make  
916 applicable contributions; prohibiting the purchase of  
917 past service in the program; providing that a retiree  
918 employed on or after a specified date in a regularly  
919 established position eligible for the State Community  
920 College System Optional Retirement Program is a  
921 renewed member of that program; specifying  
922 requirements and limitations; requiring the employer  
923 and the retiree to make applicable contributions;  
924 prohibiting the purchase of past service in the  
925 program; amending s. 121.35, F.S.; providing that  
926 certain participants in the optional retirement  
927 program for the State University System have a choice  
928 between the optional retirement program and the  
929 Florida Retirement System Investment Plan; conforming  
930 cross-references; amending s. 121.4501, F.S.;

931 requiring certain employees initially enrolled in the  
932 Florida Retirement System on or after a specified date  
933 to be compulsory members of the investment plan;  
934 revising the definition of "eligible employee" and  
935 "member" or "employee"; revising a provision relating  
936 to acknowledgement of an employee's election to  
937 participate in the investment plan; placing certain  
938 employees in the pension plan from his or her date of



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939 hire until they are automatically enrolled in the  
940 investment plan or timely elect enrollment in the  
941 pension plan; authorizing certain employees to elect  
942 to participate in the pension plan, rather than the  
943 default investment plan, within a specified time;  
944 specifying that a retiree who has returned to covered  
945 employment before a specified date may continue  
946 membership in his or her selected retirement plan;  
947 conforming a provision to changes made by the act;