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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/21/2014	.	
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The Committee on Appropriations (Ring) recommended the following:

Senate Amendment (with title amendment)

Delete lines 140 - 1791

and insert:

Section 2. Paragraph (c) of subsection (3) of section 121.052, Florida Statutes, is amended to read:

121.052 Membership class of elected officers.—

(3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July 1, 1990, participation in the Elected Officers' Class shall be compulsory for elected officers listed in paragraphs (2) (a)–(d)



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11 and (f) assuming office on or after said date, unless the
12 elected officer elects membership in another class or withdraws
13 from the Florida Retirement System as provided in paragraphs
14 (3) (a)-(d):

15 (c) Before July 1, 2015, an ~~any~~ elected officer may, within
16 6 months after assuming office, or within 6 months after May 30,
17 1997 ~~this act becomes a law~~ for serving elected officers, elect
18 membership in the Senior Management Service Class as provided in
19 s. 121.055 in lieu of membership in the Elected Officers' Class.
20 ~~Any~~ Such election made by a county elected officer has ~~shall~~
21 ~~have~~ no effect upon the statutory limit on the number of
22 nonelective full-time positions that may be designated by a
23 local agency employer for inclusion in the Senior Management
24 Service Class under s. 121.055(1) (b)1.

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

27 121.053 Participation in the Elected Officers' Class for
28 retired members.-

29 (3) On or after July 1, 2010:

30 (a) A retiree of a state-administered retirement system who
31 is initially reemployed in ~~elected or appointed for the first~~
32 ~~time to~~ an elective office in a regularly established position
33 with a covered employer may not reenroll in the Florida
34 Retirement System, except as provided in s. 121.122.

35 (b) An elected officer who is elected or appointed to an
36 elective office and is participating in the Deferred Retirement
37 Option Program is subject to termination as defined in s.
38 121.021 upon completion of his or her DROP participation period.
39 An elected official may defer termination as provided in



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40 subsection (7).

41 (5) ~~A~~ Any renewed member, as described in s. 121.122(1),
42 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
43 receiving the maximum health insurance subsidy provided in s.
44 112.363 is entitled to earn additional credit toward the maximum
45 health insurance subsidy. Any additional subsidy due because of
46 such additional credit may be received only at the time of
47 payment of the second career retirement benefit. The total
48 health insurance subsidy received from initial and renewed
49 membership may not exceed the maximum allowed in s. 112.363.

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

53 121.055 Senior Management Service Class.—There is hereby
54 established a separate class of membership within the Florida
55 Retirement System to be known as the "Senior Management Service
56 Class," which shall become effective February 1, 1987.

57 (1)

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

59 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
60 4., an elected state officer eligible for membership in the
61 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
62 elects membership in the Senior Management Service Class under
63 s. 121.052(3)(c) may, within 6 months after assuming office or
64 within 6 months after this act becomes a law for serving elected
65 state officers, elect to participate in the Senior Management
66 Service Optional Annuity Program, as provided in subsection (6),
67 in lieu of membership in the Senior Management Service Class.

68 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and



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69 4., an elected officer of a local agency employer eligible for
70 membership in the Elected Officers' Class under s. 121.052(2)(d)
71 who elects membership in the Senior Management Service Class
72 under s. 121.052(3)(c) may, within 6 months after assuming
73 office, or within 6 months after this act becomes a law for
74 serving elected officers of a local agency employer, elect to
75 withdraw from the Florida Retirement System, as provided in
76 subparagraph (b)2., in lieu of membership in the Senior
77 Management Service Class.

78 3. A retiree of a state-administered retirement system who
79 is initially reemployed in a regularly established position on
80 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected
81 official eligible for the Elected Officers' Class may not be
82 enrolled in renewed membership in the Senior Management Service
83 Class or in the Senior Management Service Optional Annuity
84 Program as provided in subsection (6), and may not withdraw from
85 the Florida Retirement System as a renewed member as provided in
86 subparagraph (b)2., as applicable, in lieu of membership in the
87 Senior Management Service Class.

88 4. Effective January 1, 2015, an eligible retiree of a
89 state-administered retirement system who retired before July 1,
90 2010, and is reemployed in a regularly established position with
91 a covered employer shall be enrolled as a renewed member as
92 provided in s. 121.122.

93 5. On or after July 1, 2015, an elected officer eligible
94 for membership in the Elected Officers' Class may not be
95 enrolled in the Senior Management Service Class or in the Senior
96 Management Service Optional Annuity Program except as provided
97 in subsection (6).



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98 (6)

99 (c) *Participation.*—

100 1. An eligible employee who is employed on or before
101 February 1, 1987, may elect to participate in the optional
102 annuity program in lieu of participating in the Senior
103 Management Service Class. Such election must be ~~made~~ in writing
104 and filed with the department and the personnel officer of the
105 employer on or before May 1, 1987. An eligible employee who is
106 employed on or before February 1, 1987, and who fails to make an
107 election to participate in the optional annuity program by May
108 1, 1987, shall be deemed to have elected membership in the
109 Senior Management Service Class.

110 2. Except as provided in subparagraph 6., an employee who
111 becomes eligible to participate in the optional annuity program
112 by reason of initial employment commencing after February 1,
113 1987, may, within 90 days after the date of commencing
114 employment, elect to participate in the optional annuity
115 program. Such election must be ~~made~~ in writing and filed with
116 the personnel officer of the employer. An eligible employee who
117 does not within 90 days after commencing employment elect to
118 participate in the optional annuity program shall be deemed to
119 have elected membership in the Senior Management Service Class.

120 3. A person who is appointed to a position in the Senior
121 Management Service Class and who is a member of an existing
122 retirement system or the Special Risk or Special Risk
123 Administrative Support Classes of the Florida Retirement System
124 may elect to remain in such system or class in lieu of
125 participating in the Senior Management Service Class or optional
126 annuity program. Such election must be ~~made~~ in writing and filed



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127 with the department and the personnel officer of the employer
128 within 90 days after such appointment. An eligible employee who
129 fails to make an election to participate in the existing system,
130 the Special Risk Class of the Florida Retirement System, the
131 Special Risk Administrative Support Class of the Florida
132 Retirement System, or the optional annuity program shall be
133 deemed to have elected membership in the Senior Management
134 Service Class.

135 4. Except as provided in subparagraph 5., an employee's
136 election to participate in the optional annuity program is
137 irrevocable if the employee continues to be employed in an
138 eligible position and continues to meet the eligibility
139 requirements set forth in this paragraph.

140 5. Effective from July 1, 2002, through September 30, 2002,
141 an active employee in a regularly established position who has
142 elected to participate in the Senior Management Service Optional
143 Annuity Program has one opportunity to choose to move from the
144 Senior Management Service Optional Annuity Program to the
145 Florida Retirement System Pension Plan.

146 a. The election must be ~~made~~ in writing and must be filed
147 with the department and the personnel officer of the employer
148 before October 1, 2002, or, in the case of an active employee
149 who is on a leave of absence on July 1, 2002, within 90 days
150 after the conclusion of the leave of absence. This election is
151 irrevocable.

152 b. The employee shall receive service credit under the
153 pension plan equal to his or her years of service under the
154 Senior Management Service Optional Annuity Program. The cost for
155 such credit is the amount representing the present value of that



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156 employee's accumulated benefit obligation for the affected
157 period of service.

158 c. The employee must transfer the total accumulated
159 employer contributions and earnings on deposit in his or her
160 Senior Management Service Optional Annuity Program account. If
161 the transferred amount is not sufficient to pay the amount due,
162 the employee must pay a sum representing the remainder of the
163 amount due. The employee may not retain any employer
164 contributions or earnings from the Senior Management Service
165 Optional Annuity Program account.

166 6. A retiree of a state-administered retirement system who
167 is initially reemployed on ~~or after~~ July 1, 2010, through
168 December 31, 2014, may not renew membership in the Senior
169 Management Service Optional Annuity Program. Effective January
170 1, 2015, a retiree of the Senior Management Service Optional
171 Annuity Program who retired before July 1, 2010, and is
172 reemployed in a regularly established position with a covered
173 employer shall be enrolled as a renewed member as provided in s.
174 121.122.

175 7. Effective July 1, 2015, the Senior Management Service
176 Optional Annuity Program is closed to new members. Members
177 enrolled in the Senior Management Service Optional Annuity
178 Program before July 1, 2015, may retain their membership in the
179 annuity program.

180 Section 5. Paragraph (a) of subsection (4) of section
181 121.091, Florida Statutes, is amended to read:

182 121.091 Benefits payable under the system.—Benefits may not
183 be paid under this section unless the member has terminated
184 employment as provided in s. 121.021(39) (a) or begun



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185 participation in the Deferred Retirement Option Program as
186 provided in subsection (13), and a proper application has been
187 filed in the manner prescribed by the department. The department
188 may cancel an application for retirement benefits when the
189 member or beneficiary fails to timely provide the information
190 and documents required by this chapter and the department's
191 rules. The department shall adopt rules establishing procedures
192 for application for retirement benefits and for the cancellation
193 of such application when the required information or documents
194 are not received.

195 (4) DISABILITY RETIREMENT BENEFIT.—

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

197 1.a. A member who becomes totally and permanently disabled,
198 as defined in paragraph (b), after completing 5 years of
199 creditable service, or a member who becomes totally and
200 permanently disabled in the line of duty regardless of service,
201 is entitled to a monthly disability benefit, ~~+~~ except that a any
202 member with less than 5 years of creditable service on July 1,
203 1980, or a any person who becomes a member of the Florida
204 Retirement System on or after such date must have completed 10
205 years of creditable service before becoming totally and
206 permanently disabled in order to receive disability retirement
207 benefits for a any disability that ~~which~~ occurs other than in
208 the line of duty. However, if a member employed on July 1, 1980,
209 who has less than 5 years of creditable service as of that date
210 becomes totally and permanently disabled after completing 5
211 years of creditable service and is found not to have attained
212 fully insured status for benefits under the federal Social
213 Security Act, such member is entitled to a monthly disability



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214 benefit.

215 b. Effective July 1, 2001, a member of the pension plan
216 initially enrolled before July 1, 2015, who becomes totally and
217 permanently disabled, as defined in paragraph (b), after
218 completing 8 years of creditable service, or a member who
219 becomes totally and permanently disabled in the line of duty
220 regardless of service, is entitled to a monthly disability
221 benefit.

222 c. Effective July 1, 2015, a member of the pension plan
223 initially enrolled on or after July 1, 2015, who becomes totally
224 and permanently disabled, as defined in paragraph (b), after
225 completing 10 years of creditable service, or a member who
226 becomes totally and permanently disabled in the line of duty
227 regardless of service, is entitled to a monthly disability
228 benefit.

229 2. If the division ~~has received from the employer~~ the
230 required documentation of the member's termination of employment
231 from the employer, the effective retirement date for a member
232 who applies and is approved for disability retirement shall be
233 as established by rule of the division.

234 3. For a member who is receiving Workers' Compensation
235 payments, the effective disability retirement date may not
236 precede the date the member reaches Maximum Medical Improvement
237 (MMI), unless the member terminates employment before reaching
238 MMI.

239 Section 6. Subsection (2) of section 121.122, Florida
240 Statutes, is amended, and subsections (3), (4), and (5) are
241 added to that section, to read:

242 121.122 Renewed membership in system.-



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243 (2) Except as provided in subsections (3)-(5), a retiree of
244 a state-administered retirement system who is initially
245 reemployed in a regularly established position on or after July
246 1, 2010, may not be enrolled as a renewed member.

247 (3) A retiree of the investment plan, the State University
248 System Optional Retirement Program, the Senior Management
249 Service Optional Annuity Program, or the State Community College
250 System Optional Retirement Program who retired before July 1,
251 2010, had less than 10 years of creditable service upon
252 retirement, and is employed in a regularly established position
253 with a covered employer on or after January 1, 2015, shall be a
254 renewed member of the Regular Class of the investment plan
255 regardless of the position held, unless employed in a position
256 eligible for participation in the State University System
257 Optional Retirement Program or the State Community College
258 System Optional Retirement Program as provided in subsections
259 (4) and (5), respectively. The renewed member must satisfy the
260 vesting requirements and other provisions of this chapter.

261 (a) Creditable service, including credit toward the retiree
262 health insurance subsidy provided in s. 112.363, does not accrue
263 for a retiree's employment in a regularly established position
264 with a covered employer from July 1, 2010, through December 31,
265 2014.

266 (b) Employer and employee contributions, interest,
267 earnings, or any other funds may not be paid into a renewed
268 member's investment plan account for any employment in a
269 regularly established position with a covered employer from July
270 1, 2010, through December 31, 2014, by the renewed member or the
271 employer on behalf of the member.



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272 (c) To be eligible to receive a retirement benefit, the
273 renewed member must satisfy the vesting requirements in s.
274 121.4501(6).

275 (d) The member is ineligible to receive disability benefits
276 as provided in s. 121.091(4) or s. 121.591(2).

277 (e) The member is subject to the reemployment after
278 retirement limitations provided in s. 121.091(9), as applicable.

279 (f) The member must satisfy the requirements for
280 termination from employment provided in s. 121.021(39).

281 (g) Upon the renewed membership or reemployment of a
282 retiree, the employer and the retiree shall pay the applicable
283 employer and employee contributions required under ss. 112.363,
284 121.71, 121.74, and 121.76. The contributions are payable only
285 for employment and salary earned in a regularly established
286 position with a covered employer on or after January 1, 2015.
287 The employer and employee contributions shall be transferred to
288 the investment plan and placed in a default fund as designated
289 by the state board. The retiree may move the contributions once
290 an account is activated in the investment plan.

291 (h) The member may not purchase any past service in the
292 investment plan, including employment in a regularly established
293 position with a covered employer from July 1, 2010, through
294 December 31, 2014.

295 (i) A renewed member who is a retiree of the investment
296 plan and who is not receiving the maximum health insurance
297 subsidy provided in s. 112.363 is entitled to earn additional
298 credit toward the subsidy. Such credit may be earned only for
299 employment in a regularly established position with a covered
300 employer on or after January 1, 2015. Any additional subsidy due



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301 because of additional credit may be received only at the time of
302 paying the second career retirement benefit. The total health
303 insurance subsidy received by a retiree receiving benefits from
304 initial and renewed membership may not exceed the maximum
305 allowed under s. 112.363.

306 (4) A retiree of the investment plan, the State University
307 System Optional Retirement Program, the Senior Management
308 Service Optional Annuity Program, or the State Community College
309 System Optional Retirement Program who retired before July 1,
310 2010, and who is employed in a regularly established position
311 eligible for participation in the State University System
312 Optional Retirement Program on or after January 1, 2015, shall
313 become a renewed member of the optional retirement program. The
314 renewed member must satisfy the vesting requirements and other
315 provisions of this chapter. Once enrolled, a renewed member
316 remains enrolled in the optional retirement program while
317 employed in an eligible position for the optional retirement
318 program. If employment in a different covered position results
319 in the retiree's enrollment in the investment plan, the retiree
320 is no longer eligible to participate in the optional retirement
321 program unless employed in a mandatory position under s. 121.35.

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

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

326 (c) Upon renewed membership or reemployment of a retiree,
327 the employer and the retiree must pay the applicable employer
328 and employee contributions required under s. 121.35.

329 (d) The member, or the employer on behalf of the member,



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330 may not purchase any prior service in the optional retirement
331 program or employment from July 1, 2010, to December 31, 2014,
332 if renewed membership is not available.

333 (5) A retiree of the investment plan, the State University
334 System Optional Retirement Program, the Senior Management
335 Service System Optional Annuity Program, or the State Community
336 College System Optional Retirement Program who retired before
337 July 1, 2010, and who is employed in a regularly established
338 position eligible for participation in the State Community
339 College System Optional Retirement Program as provided in s.
340 121.051(2)(c)4. on or after January 1, 2015, shall become a
341 renewed member of the optional retirement program. The renewed
342 member must satisfy the eligibility requirements of this chapter
343 and s. 1012.875 for the optional retirement program. Once
344 enrolled, a renewed member remains enrolled in the optional
345 retirement program while employed in an eligible position for
346 the optional retirement program. If employment in a different
347 covered position results in the retiree's enrollment in the
348 investment plan, the retiree is no longer eligible to
349 participate in the optional retirement program.

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

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

354 (c) Upon renewed membership or reemployment of a retiree,
355 the employer and the retiree must pay the applicable employer
356 and employee contributions required under ss. 121.051(2)(c) and
357 1012.875.

358 (d) The member, or the employer on behalf of the member,



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359 may not purchase any past service in the optional retirement
360 program or employment accrued from July 1, 2010, to December 31,
361 2014.

362 Section 7. Paragraph (c) of subsection (3) of section
363 121.35, Florida Statutes, is amended to read:

364 121.35 Optional retirement program for the State University
365 System.—

366 (3) ELECTION OF OPTIONAL PROGRAM.—

367 (c) An ~~Any~~ employee who becomes eligible to participate in
368 the optional retirement program on or after January 1, 1993,
369 shall be a compulsory participant of the program unless such
370 employee elects membership in the Florida Retirement System.
371 Such election shall be ~~made~~ in writing and filed with the
372 personnel officer of the employer. An ~~Any~~ eligible employee who
373 fails to make such election within the prescribed time period
374 shall be deemed to have elected to participate in the optional
375 retirement program.

376 1. An ~~Any~~ employee whose optional retirement program
377 eligibility results from initial employment shall be enrolled in
378 the program at the commencement of employment. If, within 90
379 days after commencement of employment, the employee elects
380 membership in the Florida Retirement System, such membership is
381 ~~shall be~~ effective retroactive to the date of commencing
382 ~~commencement of~~ employment as provided in s. 121.4501(4).

383 2. An ~~Any~~ employee whose optional retirement program
384 eligibility results from a change in status due to the
385 subsequent designation of the employee's position as one of
386 those specified in paragraph (2)(a) or due to the employee's
387 appointment, promotion, transfer, or reclassification to a



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388 position specified in paragraph (2) (a) shall be enrolled in the
389 optional retirement program upon such change in status and shall
390 be notified by the employer of such action. If, within 90 days
391 after the date of such notification, the employee elects to
392 retain membership in the Florida Retirement System, such
393 continuation of membership is ~~shall be~~ retroactive to the date
394 of the change in status.

395 3. Notwithstanding ~~the provisions of~~ this paragraph,
396 effective July 1, 1997, an ~~any~~ employee who is eligible to
397 participate in the Optional Retirement Program and who fails to
398 execute a contract with one of the approved companies and to
399 notify the department in writing as provided in subsection (4)
400 within 90 days after the date of eligibility shall be deemed to
401 have elected membership in the Florida Retirement System, except
402 as provided in s. 121.051(1) (a). This provision ~~shall~~ also
403 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an
404 eligible position before executing the required investment
405 ~~annuity~~ contract and notifying the department. Such membership
406 is ~~shall be~~ retroactive to the date of eligibility, and all
407 appropriate contributions shall be transferred to the Florida
408 Retirement System Trust Fund and the Health Insurance Subsidy
409 Trust Fund.

410 Section 8. Subsection (1), paragraphs (e) and (i) of
411 subsection (2), paragraph (b) of subsection (3), subsection (4),
412 paragraph (c) of subsection (5), subsection (8), and paragraphs
413 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
414 Florida Statutes, are amended to read:

415 121.4501 Florida Retirement System Investment Plan.—

416 (1) The Trustees of the State Board of Administration shall



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417 establish a defined contribution program called the "Florida
418 Retirement System Investment Plan" or "investment plan" for
419 members of the Florida Retirement System under which retirement
420 benefits are ~~will be~~ provided for eligible employees who elect
421 to participate in the program, for employees who default into
422 the program, and for compulsory members described in paragraph
423 (4) (g). The retirement benefits shall be provided through
424 member-directed investments, in accordance with s. 401(a) of the
425 Internal Revenue Code and related regulations. The employer and
426 employee shall make contributions, as provided in this section
427 and ss. 121.571 and 121.71, to the Florida Retirement System
428 Investment Plan Trust Fund toward the funding of benefits.

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

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

432 1. Is a member of, or is eligible for membership in, the
433 Florida Retirement System, including any renewed member of the
434 Florida Retirement System initially enrolled before July 1,
435 2010; ~~or~~

436 2. Participates in, or is eligible to participate in, the
437 Senior Management Service Optional Annuity Program as
438 established under s. 121.055(6), the State Community College
439 System Optional Retirement Program as established under s.
440 121.051(2) (c), or the State University System Optional
441 Retirement Program established under s. 121.35; or

442 3. Is a retired member of the investment plan, the State
443 University System Optional Retirement Program, the Senior
444 Management Service Optional Annuity Program, or the State
445 Community College System Optional Retirement Program who retired



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446 before July 1, 2010 and is employed in a regularly established
447 position on or after January 1, 2015, as provided in s. 121.122.

448
449 The term does not include any member participating in the
450 Deferred Retirement Option Program established under s.
451 121.091(13), a retiree of a state-administered retirement system
452 who retired initially reemployed in a regularly established
453 position on or after July 1, 2010, or a mandatory participant of
454 the State University System Optional Retirement Program
455 established under s. 121.35.

456 (i) "Member" or "employee" means an eligible employee who
457 enrolls, is defaulted into, or is a compulsory member of ~~in~~ the
458 investment plan as provided in subsection (4), a terminated
459 Deferred Retirement Option Program member as described in
460 subsection (21), or a beneficiary or alternate payee of a member
461 or employee.

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

463 (b) Notwithstanding paragraph (a), an eligible employee who
464 elects to participate in or is defaulted into the investment
465 plan and establishes one or more individual member accounts may
466 elect to transfer to the investment plan a sum representing the
467 present value of the employee's accumulated benefit obligation
468 under the pension plan, except as provided in paragraph (4)(b).
469 Upon transfer, all service credit earned under the pension plan
470 is nullified for purposes of entitlement to a future benefit
471 under the pension plan. A member may not transfer the
472 accumulated benefit obligation balance from the pension plan
473 after the time period for enrolling in the investment plan has
474 expired.



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475 1. For purposes of this subsection, the present value of
476 the member's accumulated benefit obligation is based upon the
477 member's estimated creditable service and estimated average
478 final compensation under the pension plan, subject to
479 recomputation under subparagraph 2. For state employees, initial
480 estimates shall be based upon creditable service and average
481 final compensation as of midnight on June 30, 2002; for district
482 school board employees, initial estimates shall be based upon
483 creditable service and average final compensation as of midnight
484 on September 30, 2002; and for local government employees,
485 initial estimates shall be based upon creditable service and
486 average final compensation as of midnight on December 31, 2002.
487 The dates specified are the "estimate date" for these employees.
488 The actuarial present value of the employee's accumulated
489 benefit obligation shall be based on the following:

490 a. The discount rate and other relevant actuarial
491 assumptions used to value the Florida Retirement System Trust
492 Fund at the time the amount to be transferred is determined,
493 consistent with the factors provided in sub-subparagraphs b. and
494 c.

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

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

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

502 (A) Age 62; or

503 (B) The age the member would attain if the member completed



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504 30 years of service with an employer, assuming the member worked
505 continuously from the estimate date, and disregarding any
506 vesting requirement that would otherwise apply under the pension
507 plan.

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

511 (A) Age 65; or

512 (B) The age the member would attain if the member completed
513 33 years of service with an employer, assuming the member worked
514 continuously from the estimate date, and disregarding any
515 vesting requirement that would otherwise apply under the pension
516 plan.

517 d. For members of the Special Risk Class and for members of
518 the Special Risk Administrative Support Class entitled to retain
519 the special risk normal retirement date:

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

523 (A) Age 55; or

524 (B) The age the member would attain if the member completed
525 25 years of service with an employer, assuming the member worked
526 continuously from the estimate date, and disregarding any
527 vesting requirement that would otherwise apply under the pension
528 plan.

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



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533 (A) Age 60; or

534 (B) The age the member would attain if the member completed
535 30 years of service with an employer, assuming the member worked
536 continuously from the estimate date, and disregarding any
537 vesting requirement that would otherwise apply under the pension
538 plan.

539 e. The calculation must disregard vesting requirements and
540 early retirement reduction factors that would otherwise apply
541 under the pension plan.

542 2. For each member who elects to transfer moneys from the
543 pension plan to his or her account in the investment plan, the
544 division shall recompute the amount transferred under
545 subparagraph 1. within 60 days after the actual transfer of
546 funds based upon the member's actual creditable service and
547 actual final average compensation as of the initial date of
548 participation in the investment plan. If the recomputed amount
549 differs from the amount transferred by \$10 or more, the division
550 shall:

551 a. Transfer, or cause to be transferred, from the Florida
552 Retirement System Trust Fund to the member's account the excess,
553 if any, of the recomputed amount over the previously transferred
554 amount together with interest from the initial date of transfer
555 to the date of transfer under this subparagraph, based upon the
556 effective annual interest equal to the assumed return on the
557 actuarial investment which was used in the most recent actuarial
558 valuation of the system, compounded annually.

559 b. Transfer, or cause to be transferred, from the member's
560 account to the Florida Retirement System Trust Fund the excess,
561 if any, of the previously transferred amount over the recomputed



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562 amount, together with interest from the initial date of transfer
563 to the date of transfer under this subparagraph, based upon 6
564 percent effective annual interest, compounded annually, pro rata
565 based on the member's allocation plan.

566 3. If contribution adjustments are made as a result of
567 employer errors or corrections, including plan corrections,
568 following recomputation of the amount transferred under
569 subparagraph 1., the member is entitled to the additional
570 contributions or is responsible for returning any excess
571 contributions resulting from the correction. However, a any
572 return of such erroneous excess pretax contribution by the plan
573 must be made within the period allowed by the Internal Revenue
574 Service. The present value of the member's accumulated benefit
575 obligation may shall not be recalculated.

576 4. As directed by the member, the state board shall
577 transfer or cause to be transferred the appropriate amounts to
578 the designated accounts within 30 days after the effective date
579 of the member's participation in the investment plan unless the
580 major financial markets for securities available for a transfer
581 are seriously disrupted by an unforeseen event that causes the
582 suspension of trading on a any national securities exchange in
583 the country where the securities were issued. In that event, the
584 30-day period may be extended by a resolution of the state
585 board. Transfers are not commissionable or subject to other fees
586 and may be in the form of securities or cash, as determined by
587 the state board. Such securities are valued as of the date of
588 receipt in the member's account.

589 5. If the state board or the division receives notification
590 from the United States Internal Revenue Service that this



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591 paragraph or any portion of this paragraph will cause the
592 retirement system, or a portion thereof, to be disqualified for
593 tax purposes under the Internal Revenue Code, the portion that
594 will cause the disqualification does not apply. Upon such
595 notice, the state board and the division shall notify the
596 presiding officers of the Legislature.

597 (4) PARTICIPATION; ENROLLMENT.—

598 (a)1. Effective June 1, 2002, through February 28, 2003, a
599 90-day election period, preceded by a 90-day education period,
600 was provided to each eligible employee participating in the
601 Florida Retirement System which permitted each eligible employee
602 to elect membership in the investment plan, and an employee who
603 failed to elect the investment plan during the election period
604 remained in the pension plan. An eligible employee who was
605 employed in a regularly established position during the election
606 period was granted the option to make one subsequent election,
607 as provided in paragraph (f). With respect to an eligible
608 employee who did not participate in the initial election period
609 or who is initially ~~employee who is~~ employed in a regularly
610 established position after the close of the initial election
611 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
612 employer:

613 ~~a. Any such employee may elect to participate in the~~
614 ~~investment plan in lieu of retaining his or her membership in~~
615 ~~the pension plan. The election must be made in writing or by~~
616 ~~electronic means and must be filed with the third-party~~
617 ~~administrator by August 31, 2002, or, in the case of an active~~
618 ~~employee who is on a leave of absence on April 1, 2002, by the~~
619 ~~last business day of the 5th month following the month the leave~~



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620 ~~of absence concludes. This election is irrevocable, except as~~
621 ~~provided in paragraph (g). Upon making such election, the~~
622 ~~employee shall be enrolled as a member of the investment plan,~~
623 ~~the employee's membership in the Florida Retirement System is~~
624 ~~governed by the provisions of this part, and the employee's~~
625 ~~membership in the pension plan terminates. The employee's~~
626 ~~enrollment in the investment plan is effective the first day of~~
627 ~~the month for which a full month's employer contribution is made~~
628 ~~to the investment plan.~~

629 ~~b. Any such employee who fails to elect to participate in~~
630 ~~the investment plan within the prescribed time period is deemed~~
631 ~~to have elected to retain membership in the pension plan, and~~
632 ~~the employee's option to elect to participate in the investment~~
633 ~~plan is forfeited.~~

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

638 ~~a. Any such employee shall, by default, be enrolled in the~~
639 ~~pension plan at the commencement of employment, and may, by the~~
640 ~~last business day of the 5th month following the employee's~~
641 ~~month of hire, elect to participate in the investment plan. The~~
642 ~~employee's election must be made in writing or by electronic~~
643 ~~means and must be filed with the third-party administrator. The~~
644 ~~election to participate in the investment plan is irrevocable,~~
645 ~~except as provided in paragraph (f) (g).~~

646 ~~a.b.~~ If the employee files such election within the
647 prescribed time period, enrollment in the investment plan is
648 effective on the first day of employment. The retirement



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649 contributions paid through the month of the employee plan change
650 shall be transferred to the investment program, and, effective
651 the first day of the next month, the employer and employee must
652 pay the applicable contributions based on the employee
653 membership class in the program.

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

659 ~~2.3.~~ With respect to employees who become eligible to
660 participate in the investment plan pursuant to s.
661 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
662 participate in the investment plan in lieu of retaining his or
663 her membership in the State Community College System Optional
664 Retirement Program or the State University System Optional
665 Retirement Program. The election must be ~~made~~ in writing or by
666 electronic means and must be filed with the third-party
667 administrator. This election is irrevocable, except as provided
668 in paragraph (f) ~~(g)~~. Upon making such election, the employee
669 shall be enrolled as a member in the investment plan, the
670 employee's membership in the Florida Retirement System is
671 governed by the provisions of this part, and the employee's
672 participation in the State Community College System Optional
673 Retirement Program or the State University System Optional
674 Retirement Program terminates. The employee's enrollment in the
675 investment plan is effective on the first day of the month for
676 which a full month's employer and employee contribution is made
677 to the investment plan.



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678 ~~4. For purposes of this paragraph, "state employer" means~~
679 ~~any agency, board, branch, commission, community college,~~
680 ~~department, institution, institution of higher education, or~~
681 ~~water management district of the state, which participates in~~
682 ~~the Florida Retirement System for the benefit of certain~~
683 ~~employees.~~

684 (b) With respect to employees who become eligible to
685 participate in the investment plan, except as provided in
686 paragraph (g), by reason of employment in a regularly
687 established position commencing on or after July 1, 2015, such
688 employee shall be enrolled in the pension plan at the
689 commencement of employment and may, by the last business day of
690 the 8th month following the employee's month of hire, elect to
691 participate in the pension plan or the investment plan. Eligible
692 employees may make a plan election only if they are earning
693 service credit in an employer-employee relationship consistent
694 with s. 121.021(17)(b), excluding leaves of absence without pay.

695 1. The employee's election must be in writing or by
696 electronic means and must be filed with the third-party
697 administrator. The election to participate in the pension plan
698 or investment plan is irrevocable, except as provided in
699 paragraph (f).

700 2. If the employee fails to make an election of the pension
701 plan or investment plan within 8 months following the month of
702 hire, the employee is deemed to have elected the investment plan
703 and will be defaulted into the investment plan retroactively to
704 the employee's date of employment. The employee's option to
705 participate in the pension plan is forfeited, except as provided
706 in paragraph (f).



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707 3. The amount of the employee and employer contributions
708 paid before the default to the investment plan shall be
709 transferred to the investment plan and placed in a default fund
710 as designated by the State Board of Administration. The employee
711 may move the contributions once an account is activated in the
712 investment plan.

713 4. Effective the first day of the month after an eligible
714 employee makes a plan election of the pension plan or investment
715 plan, or after the month of default to the investment plan, the
716 employee and employer shall pay the applicable contributions
717 based on the employee membership class in the pension plan or
718 investment plan.

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

722 ~~a. Any such employee may elect to participate in the~~
723 ~~investment plan in lieu of retaining his or her membership in~~
724 ~~the pension plan. The election must be made in writing or by~~
725 ~~electronic means and must be filed with the third party~~
726 ~~administrator by November 30, or, in the case of an active~~
727 ~~employee who is on a leave of absence on July 1, 2002, by the~~
728 ~~last business day of the 5th month following the month the leave~~
729 ~~of absence concludes. This election is irrevocable, except as~~
730 ~~provided in paragraph (g). Upon making such election, the~~
731 ~~employee shall be enrolled as a member of the investment plan,~~
732 ~~the employee's membership in the Florida Retirement System is~~
733 ~~governed by the provisions of this part, and the employee's~~
734 ~~membership in the pension plan terminates. The employee's~~
735 ~~enrollment in the investment plan is effective the first day of~~



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736 ~~the month for which a full month's employer contribution is made~~
737 ~~to the investment program.~~

738 ~~b. Any such employee who fails to elect to participate in~~
739 ~~the investment plan within the prescribed time period is deemed~~
740 ~~to have elected to retain membership in the pension plan, and~~
741 ~~the employee's option to elect to participate in the investment~~
742 ~~plan is forfeited.~~

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

747 ~~a. Any such employee shall, by default, be enrolled in the~~
748 ~~pension plan at the commencement of employment, and may, by the~~
749 ~~last business day of the 5th month following the employee's~~
750 ~~month of hire, elect to participate in the investment plan. The~~
751 ~~employee's election must be made in writing or by electronic~~
752 ~~means and must be filed with the third-party administrator. The~~
753 ~~election to participate in the investment plan is irrevocable,~~
754 ~~except as provided in paragraph (g).~~

755 ~~b. If the employee files such election within the~~
756 ~~prescribed time period, enrollment in the investment plan is~~
757 ~~effective on the first day of employment. The employer~~
758 ~~retirement contributions paid through the month of the employee~~
759 ~~plan change shall be transferred to the investment plan, and,~~
760 ~~effective the first day of the next month, the employer shall~~
761 ~~pay the applicable contributions based on the employee~~
762 ~~membership class in the investment plan.~~

763 ~~e. Any such employee who fails to elect to participate in~~
764 ~~the investment plan within the prescribed time period is deemed~~



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765 ~~to have elected to retain membership in the pension plan, and~~
766 ~~the employee's option to elect to participate in the investment~~
767 ~~plan is forfeited.~~

768 ~~3. For purposes of this paragraph, "district school board~~
769 ~~employer" means any district school board that participates in~~
770 ~~the Florida Retirement System for the benefit of certain~~
771 ~~employees, or a charter school or charter technical career~~
772 ~~center that participates in the Florida Retirement System as~~
773 ~~provided in s. 121.051(2) (d).~~

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

777 ~~a. Any such employee may elect to participate in the~~
778 ~~investment plan in lieu of retaining his or her membership in~~
779 ~~the pension plan. The election must be made in writing or by~~
780 ~~electronic means and must be filed with the third party~~
781 ~~administrator by February 28, 2003, or, in the case of an active~~
782 ~~employee who is on a leave of absence on October 1, 2002, by the~~
783 ~~last business day of the 5th month following the month the leave~~
784 ~~of absence concludes. This election is irrevocable, except as~~
785 ~~provided in paragraph (g). Upon making such election, the~~
786 ~~employee shall be enrolled as a participant of the investment~~
787 ~~plan, the employee's membership in the Florida Retirement System~~
788 ~~is governed by the provisions of this part, and the employee's~~
789 ~~membership in the pension plan terminates. The employee's~~
790 ~~enrollment in the investment plan is effective the first day of~~
791 ~~the month for which a full month's employer contribution is made~~
792 ~~to the investment plan.~~

793 ~~b. Any such employee who fails to elect to participate in~~



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794 ~~the investment plan within the prescribed time period is deemed~~
795 ~~to have elected to retain membership in the pension plan, and~~
796 ~~the employee's option to elect to participate in the investment~~
797 ~~plan is forfeited.~~

798 ~~2. With respect to employees who become eligible to~~
799 ~~participate in the investment plan by reason of employment in a~~
800 ~~regularly established position with a local employer commencing~~
801 ~~after October 1, 2002:~~

802 ~~a. Any such employee shall, by default, be enrolled in the~~
803 ~~pension plan at the commencement of employment, and may, by the~~
804 ~~last business day of the 5th month following the employee's~~
805 ~~month of hire, elect to participate in the investment plan. The~~
806 ~~employee's election must be made in writing or by electronic~~
807 ~~means and must be filed with the third-party administrator. The~~
808 ~~election to participate in the investment plan is irrevocable,~~
809 ~~except as provided in paragraph (g).~~

810 ~~b. If the employee files such election within the~~
811 ~~prescribed time period, enrollment in the investment plan is~~
812 ~~effective on the first day of employment. The employer~~
813 ~~retirement contributions paid through the month of the employee~~
814 ~~plan change shall be transferred to the investment plan, and,~~
815 ~~effective the first day of the next month, the employer shall~~
816 ~~pay the applicable contributions based on the employee~~
817 ~~membership class in the investment plan.~~

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



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

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

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

835 ~~(e)~~ ~~(f)~~ A member of the investment plan who takes a
836 distribution of any contributions from his or her investment
837 plan account is considered a retiree. A member retiree who
838 retires ~~is initially reemployed in a regularly established~~
839 ~~position~~ on or after July 1, 2010, is not eligible to be
840 enrolled in renewed membership. A member who retired before July
841 1, 2010, and is employed on or after January 1, 2015, in a
842 regularly established position shall be a renewed member as
843 provided under s. 121.122. A retiree who returned to covered
844 employment before July 1, 2010, shall continue membership in the
845 plan as provided under s. 121.122.

846 ~~(f)~~ ~~(g)~~ After the period during which an eligible employee
847 had the choice to elect the pension plan or the investment plan,
848 or the month following the receipt of the eligible employee's
849 plan election, if sooner, the employee shall have one
850 opportunity, at the employee's discretion, to ~~choose to~~ move
851 from the pension plan to the investment plan or from the



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852 investment plan to the pension plan. Eligible employees may
853 elect to move between plans only if they are earning service
854 credit in an employer-employee relationship consistent with s.
855 121.021(17)(b), excluding leaves of absence without pay.
856 Effective July 1, 2005, such elections are effective on the
857 first day of the month following the receipt of the election by
858 the third-party administrator and are not subject to the
859 requirements regarding an employer-employee relationship or
860 receipt of contributions for the eligible employee in the
861 effective month, except when the election is received by the
862 third-party administrator. This paragraph is contingent upon
863 approval by the Internal Revenue Service. This paragraph is not
864 applicable to compulsory members of the investment plan
865 described in paragraph (g).

866 1. If the employee chooses to move to the investment plan,
867 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.

868 2. If the employee chooses to move to the pension plan, the
869 employee must transfer from his or her investment plan account,
870 and from other employee moneys as necessary, a sum representing
871 the present value of that employee's accumulated benefit
872 obligation immediately following the time of such movement,
873 determined assuming that attained service equals the sum of
874 service in the pension plan and service in the investment plan.
875 Benefit commencement occurs on the first date the employee is
876 eligible for unreduced benefits, using the discount rate and
877 other relevant actuarial assumptions that were used to value the
878 pension plan liabilities in the most recent actuarial valuation.
879 For an ~~any~~ employee who, at the time of the second election,
880 already maintains an accrued benefit amount in the pension plan,



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881 the then-present value of the accrued benefit is deemed part of
882 the required transfer amount. The division must ensure that the
883 transfer sum is prepared using a formula and methodology
884 certified by an enrolled actuary. A refund of any employee
885 contributions or additional member payments made which exceed
886 the employee contributions that would have accrued had the
887 member remained in the pension plan and not transferred to the
888 investment plan is not permitted.

889 3. Notwithstanding subparagraph 2., an employee who chooses
890 to move to the pension plan and who became eligible to
891 participate in the investment plan by reason of employment in a
892 regularly established position with a state employer after June
893 1, 2002; a district school board employer after September 1,
894 2002; or a local employer after December 1, 2002, must transfer
895 from his or her investment plan account, and from other employee
896 moneys as necessary, a sum representing the employee's actuarial
897 accrued liability. A refund of any employee contributions or
898 additional member participant payments made which exceed the
899 employee contributions that would have accrued had the member
900 remained in the pension plan and not transferred to the
901 investment plan is not permitted.

902 4. An employee's ability to transfer from the pension plan
903 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
904 ~~(d)~~, and the ability of a current employee to have an option to
905 later transfer back into the pension plan under subparagraph 2.,
906 shall be deemed a significant system amendment. Pursuant to s.
907 121.031(4), any resulting unfunded liability arising from actual
908 original transfers from the pension plan to the investment plan
909 must be amortized within 30 plan years as a separate unfunded



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910 actuarial base independent of the reserve stabilization
911 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first
912 25 years, a direct amortization payment may not be calculated
913 for this base. During this 25-year period, the separate base
914 shall be used to offset the impact of employees exercising their
915 second program election under this paragraph. The actuarial
916 funded status of the pension plan will not be affected by such
917 second program elections in any significant manner, after due
918 recognition of the separate unfunded actuarial base. Following
919 the initial 25-year period, any remaining balance of the
920 original separate base shall be amortized over the remaining 5
921 years of the required 30-year amortization period.

922 5. If the employee chooses to transfer from the investment
923 plan to the pension plan and retains an excess account balance
924 in the investment plan after satisfying the buy-in requirements
925 under this paragraph, the excess may not be distributed until
926 the member retires from the pension plan. The excess account
927 balance may be rolled over to the pension plan and used to
928 purchase service credit or upgrade creditable service in the
929 pension plan.

930 (g) Except for members of the Elected Officers Class or
931 Senior Management Class eligible to withdraw from the Florida
932 Retirement System under s. 121.052(3)(d) or s. 121.055(1)(b)2.
933 or eligible for optional retirement programs under s.
934 121.051(1)(a), s. 121.051(2)(c), or s. 121.35, an employee
935 initially enrolled in the Florida Retirement System on or after
936 July 1, 2015, and whose first employment in a regularly
937 established position is covered by the Elected Officers' Class
938 or the Senior Management Service Class are compulsory members of



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939 the investment plan. Investment plan membership continues for a
940 compulsory member even if the employee is subsequently employed
941 in a position covered by another membership class. Membership in
942 the pension plan by a compulsory member is not permitted except
943 as provided in s. 121.591(2).

944 1. Employees initially enrolled in the system before July
945 1, 2015, may retain their membership in the pension plan or
946 investment plan and are eligible to use the election opportunity
947 specified in paragraph (f). Compulsory members are not eligible
948 to use the election opportunity.

949 2. Employees eligible to withdraw from the system under s.
950 121.052(3)(d) or s. 121.055(1)(b)2. may withdraw from the system
951 or participate in the investment plan as provided under those
952 provisions. Employees eligible for optional retirement programs
953 under s. 121.051(2)(c) or s. 121.35 may participate in the
954 optional retirement program or the investment plan as provided
955 in those provisions. Eligible employees required to participate
956 in the optional retirement program pursuant to s. 121.051(1)(a)
957 as provided under s. 121.35 must participate in the investment
958 plan if employed in a position not eligible for the optional
959 retirement program.

960 3. The amount of retirement contributions paid by the
961 employee and employer, as required under s. 121.72, shall be
962 placed in a default fund designated by the state board, until an
963 account is activated in the investment plan, at which time the
964 member may move the contributions from the default fund to other
965 funds provided in the investment plan.

966 (5) CONTRIBUTIONS.—

967 (c) The state board, acting as plan fiduciary, shall ~~must~~



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968 ensure that all plan assets are held in a trust, pursuant to s.
969 401 of the Internal Revenue Code. The fiduciary shall ~~must~~
970 ensure that such contributions are allocated as follows:

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

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

978 3. The employer contribution portion earmarked for
979 disability benefits shall be transferred to the Florida
980 Retirement System Trust Fund.

981 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
982 shall be administered by the state board and affected employers.
983 The state board may require oaths, by affidavit or otherwise,
984 and acknowledgments from persons in connection with the
985 administration of its statutory duties and responsibilities for
986 the investment plan. An oath, by affidavit or otherwise, is ~~may~~
987 not ~~be~~ required of a member at the time of enrollment. Except
988 for compulsory members described in paragraph (4) (g),
989 acknowledgment of an employee's election to participate in the
990 program may ~~shall~~ be no greater than necessary to confirm the
991 employee's election. The state board shall adopt rules to carry
992 out its statutory duties with respect to administering the
993 investment plan, including establishing the roles and
994 responsibilities of affected state, local government, and
995 education-related employers, the state board, the department,
996 and third-party contractors. The department shall adopt rules



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997 necessary to administer the investment plan in coordination with
998 the pension plan and the disability benefits available under the
999 investment plan.

1000 (a)1. The state board shall select and contract with a
1001 third-party administrator to provide administrative services if
1002 those services cannot be competitively and contractually
1003 provided by the division. With the approval of the state board,
1004 the third-party administrator may subcontract to provide
1005 components of the administrative services. As a cost of
1006 administration, the state board may compensate ~~any~~ such
1007 contractor for its services, in accordance with the terms of the
1008 contract, as is deemed necessary or proper by the board. The
1009 third-party administrator may not be an approved provider or be
1010 affiliated with an approved provider.

1011 2. These administrative services may include, but are not
1012 limited to, enrollment of eligible employees, collection of
1013 employer and employee contributions, disbursement of
1014 contributions to approved providers in accordance with the
1015 allocation directions of members; services relating to
1016 consolidated billing; individual and collective recordkeeping
1017 and accounting; asset purchase, control, and safekeeping; and
1018 direct disbursement of funds to and from the third-party
1019 administrator, the division, the state board, employers,
1020 members, approved providers, and beneficiaries. This section
1021 does not prevent or prohibit a bundled provider from providing
1022 any administrative or customer service, including accounting and
1023 administration of individual member benefits and contributions;
1024 individual member recordkeeping; asset purchase, control, and
1025 safekeeping; direct execution of the member's instructions as to



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1026 asset and contribution allocation; calculation of daily net
1027 asset values; direct access to member account information; or
1028 periodic reporting to members, at least quarterly, on account
1029 balances and transactions, if these services are authorized by
1030 the state board as part of the contract.

1031 (b)1. The state board shall select and contract with one or
1032 more organizations to provide educational services. With
1033 approval of the state board, the organizations may subcontract
1034 to provide components of the educational services. As a cost of
1035 administration, the state board may compensate any such
1036 contractor for its services in accordance with the terms of the
1037 contract, as is deemed necessary or proper by the board. The
1038 education organization may not be an approved provider or be
1039 affiliated with an approved provider.

1040 2. Educational services shall be designed by the state
1041 board and department to assist employers, eligible employees,
1042 members, and beneficiaries in order to maintain compliance with
1043 United States Department of Labor regulations under s. 404(c) of
1044 the Employee Retirement Income Security Act of 1974 and to
1045 assist employees in their choice of pension plan or investment
1046 plan retirement alternatives. Educational services include, but
1047 are not limited to, disseminating educational materials;
1048 providing retirement planning education; explaining the pension
1049 plan and the investment plan; and offering financial planning
1050 guidance on matters such as investment diversification,
1051 investment risks, investment costs, and asset allocation. An
1052 approved provider may also provide educational information,
1053 including retirement planning and investment allocation
1054 information concerning its products and services.



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1055 (c)1. In evaluating and selecting a third-party
1056 administrator, the state board shall establish criteria for
1057 evaluating the relative capabilities and qualifications of each
1058 proposed administrator. In developing such criteria, the state
1059 board shall consider:

1060 a. The administrator's demonstrated experience in providing
1061 administrative services to public or private sector retirement
1062 systems.

1063 b. The administrator's demonstrated experience in providing
1064 daily valued recordkeeping to defined contribution programs.

1065 c. The administrator's ability and willingness to
1066 coordinate its activities with employers, the state board, and
1067 the division, and to supply to such employers, the board, and
1068 the division the information and data they require, including,
1069 but not limited to, monthly management reports, quarterly member
1070 reports, and ad hoc reports requested by the department or state
1071 board.

1072 d. The cost-effectiveness and levels of the administrative
1073 services provided.

1074 e. The administrator's ability to interact with the
1075 members, the employers, the state board, the division, and the
1076 providers; the means by which members may access account
1077 information, direct investment of contributions, make changes to
1078 their accounts, transfer moneys between available investment
1079 vehicles, and transfer moneys between investment products; and
1080 any fees that apply to such activities.

1081 f. Any other factor deemed necessary by the state board.

1082 2. In evaluating and selecting an educational provider, the
1083 state board shall establish criteria under which it shall



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1084 consider the relative capabilities and qualifications of each
1085 proposed educational provider. In developing such criteria, the
1086 state board shall consider:

1087 a. Demonstrated experience in providing educational
1088 services to public or private sector retirement systems.

1089 b. Ability and willingness to coordinate its activities
1090 with the employers, the state board, and the division, and to
1091 supply to such employers, the board, and the division the
1092 information and data they require, including, but not limited
1093 to, reports on educational contacts.

1094 c. The cost-effectiveness and levels of the educational
1095 services provided.

1096 d. Ability to provide educational services via different
1097 media, including, but not limited to, the Internet, personal
1098 contact, seminars, brochures, and newsletters.

1099 e. Any other factor deemed necessary by the state board.

1100 3. The establishment of the criteria shall be solely within
1101 the discretion of the state board.

1102 (d) The state board shall develop the form and content of
1103 any contracts to be offered under the investment plan. In
1104 developing the contracts, the board shall consider:

1105 1. The nature and extent of the rights and benefits to be
1106 afforded in relation to the contributions required under the
1107 plan.

1108 2. The suitability of the rights and benefits provided and
1109 the interests of employers in the recruitment and retention of
1110 eligible employees.

1111 (e)1. The state board may contract for professional
1112 services, including legal, consulting, accounting, and actuarial



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1113 services, deemed necessary to implement and administer the
1114 investment plan. The state board may enter into a contract with
1115 one or more vendors to provide low-cost investment advice to
1116 members, supplemental to education provided by the third-party
1117 administrator. All fees under any such contract shall be paid by
1118 those members who choose to use the services of the vendor.

1119 2. The department may contract for professional services,
1120 including legal, consulting, accounting, and actuarial services,
1121 deemed necessary to implement and administer the investment plan
1122 in coordination with the pension plan. The department, in
1123 coordination with the state board, may enter into a contract
1124 with the third-party administrator in order to coordinate
1125 services common to the various programs within the Florida
1126 Retirement System.

1127 (f) The third-party administrator may not receive direct or
1128 indirect compensation from an approved provider, except as
1129 specifically provided ~~for~~ in the contract with the state board.

1130 (g) The state board shall receive and resolve member
1131 complaints against the program, the third-party administrator,
1132 or any program vendor or provider; shall resolve any conflict
1133 between the third-party administrator and an approved provider
1134 if such conflict threatens the implementation or administration
1135 of the program or the quality of services to employees; and may
1136 resolve any other conflicts. The third-party administrator shall
1137 retain all member records for at least 5 years for use in
1138 resolving ~~any~~ member conflicts. The state board, the third-party
1139 administrator, or a provider is not required to produce
1140 documentation or an audio recording to justify action taken with
1141 regard to a member if the action occurred 5 or more years before



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1142 the complaint is submitted to the state board. It is presumed
1143 that all action taken 5 or more years before the complaint is
1144 submitted was taken at the request of the member and with the
1145 member's full knowledge and consent. To overcome this
1146 presumption, the member must present documentary evidence or an
1147 audio recording demonstrating otherwise.

1148 (10) EDUCATION COMPONENT.—

1149 (a) The state board, in coordination with the department,
1150 shall provide ~~for~~ an education component for eligible employees
1151 ~~system members~~ in a manner consistent with ~~the provisions of~~
1152 this subsection ~~section~~. ~~The education component must be~~
1153 ~~available to eligible employees at least 90 days prior to the~~
1154 ~~beginning date of the election period for the employees of the~~
1155 ~~respective types of employers.~~

1156 (b) Except for compulsory members described in paragraph
1157 (4) (g), the education component must provide system members with
1158 impartial and balanced information about plan choices. The
1159 education component must involve multimedia formats. Program
1160 comparisons must, to the greatest extent possible, be based upon
1161 the retirement income that different retirement programs may
1162 provide to the member. The state board shall monitor the
1163 performance of the contract to ensure that the program is
1164 conducted in accordance with the contract, applicable law, and
1165 the rules of the state board.

1166 (c) Except for compulsory members described in paragraph
1167 (4) (g), the state board, in coordination with the department,
1168 shall provide for an initial and ongoing transfer education
1169 component to provide system members with information necessary
1170 to make informed plan choice decisions. The transfer education



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1171 component must include, but is not limited to, information on:

1172 1. The amount of money available to a member to transfer to
1173 the defined contribution program.

1174 2. The features of and differences between the pension plan
1175 and the defined contribution program, both generally and
1176 specifically, as those differences may affect the member.

1177 3. The expected benefit available if the member were to
1178 retire under each of the retirement programs, based on
1179 appropriate alternative sets of assumptions.

1180 4. The rate of return from investments in the defined
1181 contribution program and the period of time over which such rate
1182 of return must be achieved to equal or exceed the expected
1183 monthly benefit payable to the member under the pension plan.

1184 5. The historical rates of return for the investment
1185 alternatives available in the defined contribution programs.

1186 6. The benefits and historical rates of return on
1187 investments available in a typical deferred compensation plan or
1188 a typical plan under s. 403(b) of the Internal Revenue Code for
1189 which the employee may be eligible.

1190 7. The program choices available to employees of the State
1191 University System and the comparative benefits of each available
1192 program, if applicable.

1193 8. Payout options available in each of the retirement
1194 programs.

1195 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1196 ~~System employers have an obligation to regularly communicate the~~
1197 ~~existence of the two Florida Retirement System plans and the~~
1198 ~~plan choice in the natural course of administering their~~
1199 ~~personnel functions, using the educational materials supplied by~~



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1200 ~~the state board and the Department of Management Services.~~
1201 Section 9. Paragraph (b) of subsection (2) of section
1202 121.591, Florida Statutes, is amended to read:
1203 121.591 Payment of benefits.—Benefits may not be paid under
1204 the Florida Retirement System Investment Plan unless the member
1205 has terminated employment as provided in s. 121.021(39) (a) or is
1206 deceased and a proper application has been filed as prescribed
1207 by the state board or the department. Benefits, including
1208 employee contributions, are not payable under the investment
1209 plan for employee hardships, unforeseeable emergencies, loans,
1210 medical expenses, educational expenses, purchase of a principal
1211 residence, payments necessary to prevent eviction or foreclosure
1212 on an employee's principal residence, or any other reason except
1213 a requested distribution for retirement, a mandatory de minimis
1214 distribution authorized by the administrator, or a required
1215 minimum distribution provided pursuant to the Internal Revenue
1216 Code. The state board or department, as appropriate, may cancel
1217 an application for retirement benefits if the member or
1218 beneficiary fails to timely provide the information and
1219 documents required by this chapter and the rules of the state
1220 board and department. In accordance with their respective
1221 responsibilities, the state board and the department shall adopt
1222 rules establishing procedures for application for retirement
1223 benefits and for the cancellation of such application if the
1224 required information or documents are not received. The state
1225 board and the department, as appropriate, are authorized to cash
1226 out a de minimis account of a member who has been terminated
1227 from Florida Retirement System covered employment for a minimum
1228 of 6 calendar months. A de minimis account is an account



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1229 containing employer and employee contributions and accumulated
1230 earnings of not more than \$5,000 made under the provisions of
1231 this chapter. Such cash-out must be a complete lump-sum
1232 liquidation of the account balance, subject to the provisions of
1233 the Internal Revenue Code, or a lump-sum direct rollover
1234 distribution paid directly to the custodian of an eligible
1235 retirement plan, as defined by the Internal Revenue Code, on
1236 behalf of the member. Any nonvested accumulations and associated
1237 service credit, including amounts transferred to the suspense
1238 account of the Florida Retirement System Investment Plan Trust
1239 Fund authorized under s. 121.4501(6), shall be forfeited upon
1240 payment of any vested benefit to a member or beneficiary, except
1241 for de minimis distributions or minimum required distributions
1242 as provided under this section. If any financial instrument
1243 issued for the payment of retirement benefits under this section
1244 is not presented for payment within 180 days after the last day
1245 of the month in which it was originally issued, the third-party
1246 administrator or other duly authorized agent of the state board
1247 shall cancel the instrument and credit the amount of the
1248 instrument to the suspense account of the Florida Retirement
1249 System Investment Plan Trust Fund authorized under s.
1250 121.4501(6). Any amounts transferred to the suspense account are
1251 payable upon a proper application, not to include earnings
1252 thereon, as provided in this section, within 10 years after the
1253 last day of the month in which the instrument was originally
1254 issued, after which time such amounts and any earnings
1255 attributable to employer contributions shall be forfeited. Any
1256 forfeited amounts are assets of the trust fund and are not
1257 subject to chapter 717.



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1258 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1259 this subsection are payable in lieu of the benefits that would
1260 otherwise be payable under the provisions of subsection (1).
1261 Such benefits must be funded from employer contributions made
1262 under s. 121.571, transferred employee contributions and funds
1263 accumulated pursuant to paragraph (a), and interest and earnings
1264 thereon.

1265 (b) *Disability retirement; entitlement.*—

1266 1.a. A member of the investment plan initially enrolled
1267 before July 1, 2015, who becomes totally and permanently
1268 disabled, as defined in paragraph (d), after completing 8 years
1269 of creditable service, or a member who becomes totally and
1270 permanently disabled in the line of duty regardless of length of
1271 service, is entitled to a monthly disability benefit.

1272 b. A member of the investment plan initially enrolled on or
1273 after July 1, 2015, who becomes totally and permanently
1274 disabled, as defined in paragraph (d), after completing 10 years
1275 of creditable service, or a member who becomes totally and
1276 permanently disabled in the line of duty regardless of service,
1277 is entitled to a monthly disability benefit.

1278 2. In order for service to apply toward the 8 years of
1279 creditable service required for regular disability benefits, or
1280 toward the creditable service used in calculating a service-
1281 based benefit as provided under paragraph (g), the service must
1282 be creditable service as described below:

1283 a. The member's period of service under the investment plan
1284 is shall be considered creditable service, except as provided in
1285 subparagraph d.

1286 b. If the member has elected to retain credit for service



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1287 under the pension plan as provided under s. 121.4501(3), all
1288 such service is ~~shall be~~ considered creditable service.

1289 c. If the member elects to transfer to his or her member
1290 accounts a sum representing the present value of his or her
1291 retirement credit under the pension plan as provided under s.
1292 121.4501(3), the period of service under the pension plan
1293 represented in the present value amounts transferred is ~~shall be~~
1294 considered creditable service, except as provided in
1295 subparagraph d.

1296 d. If a member has terminated employment and has taken
1297 distribution of his or her funds as provided in subsection (1),
1298 all creditable service represented by such distributed funds is
1299 forfeited for purposes of this subsection.

1300 Section 10. Section 238.072, Florida Statutes, is amended
1301 to read:

1302 238.072 Special service provisions for extension
1303 personnel.—All state and county cooperative extension personnel
1304 holding appointments by the United States Department of
1305 Agriculture for extension work in agriculture and home economics
1306 in this state who are joint representatives of the University of
1307 Florida and the United States Department of Agriculture, as
1308 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the
1309 Teachers' Retirement System, chapter 238, and who are prohibited
1310 from transferring to and participating in the Florida Retirement
1311 System, chapter 121, may retire with full benefits upon
1312 completion of 30 years of creditable service and shall be
1313 considered to have attained normal retirement age under this
1314 chapter, any law to the contrary notwithstanding. In order to
1315 comply with ~~the provisions of~~ s. 14, Art. X of the State



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1316 Constitution, any liability accruing to the Florida Retirement
1317 System Trust Fund as a result of ~~the provisions of~~ this section
1318 shall be paid on an annual basis from the General Revenue Fund.

1319 Section 11. Subsection (11) of section 413.051, Florida
1320 Statutes, is amended to read:

1321 413.051 Eligible blind persons; operation of vending
1322 stands.-

1323 (11) Effective July 1, 1996, blind licensees who remain
1324 members of the Florida Retirement System pursuant to s.

1325 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1326 retirement costs from their net profits or from program income.

1327 Within 30 days after the effective date of this act, each blind
1328 licensee who is eligible to maintain membership in the Florida
1329 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1330 who elects to withdraw from the system as provided in s.

1331 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1332 1996, notify the Division of Blind Services and the Department
1333 of Management Services in writing of his or her election to
1334 withdraw. Failure to timely notify the divisions shall be deemed
1335 a decision to remain a compulsory member of the Florida

1336 Retirement System. However, if, at any time after July 1, 1996,
1337 sufficient funds are not paid by a blind licensee to cover the
1338 required contribution to the Florida Retirement System, that
1339 blind licensee shall become ineligible to participate in the
1340 Florida Retirement System on the last day of the first month for
1341 which no contribution is made or the amount contributed is
1342 insufficient to cover the required contribution. For any blind
1343 licensee who becomes ineligible to participate in the Florida
1344 Retirement System as described in this subsection, ~~no~~ creditable



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1345 service may not ~~shall~~ be earned under the Florida Retirement
1346 System for any period following the month that retirement
1347 contributions ceased to be reported. However, ~~any~~ such person
1348 may participate in the Florida Retirement System in the future
1349 if employed by a participating employer in a covered position.

1350 Section 12. (1) As soon as practicable, the State Board of
1351 Administration and the Department of Management Services shall
1352 request a determination letter from the United States Internal
1353 Revenue Service as to whether any portion of this act will cause
1354 the Florida Retirement System or a portion thereof to be
1355 disqualified for tax purposes under the Internal Revenue Code.
1356 If the Internal Revenue Service refuses to act upon a request
1357 for a determination letter, a legal opinion from a qualified tax
1358 attorney or firm may be substituted for the determination
1359 letter. If the board or the department receives notification
1360 from the Internal Revenue Service that this act or any portion
1361 of this act will cause the Florida Retirement System, or a
1362 portion thereof, to be disqualified for tax purposes under the
1363 Internal Revenue Code, that portion that will cause the
1364 disqualification does not apply. Upon receipt of such notice,
1365 the state board and the department shall notify the President of
1366 the Senate and the Speaker of the House of Representatives.

1367 (2) The State Board of Administration and the Department of
1368 Management Services shall also seek guidance from the United
1369 States Internal Revenue Service regarding potential consequences
1370 to the qualified status of the Florida Retirement System if the
1371 pension plan and the investment plan were to offer different
1372 pretax employee contributions rates to members participating in
1373 the same membership class. Upon receipt of such guidance, the



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1374 state board and the department shall notify the President of the
1375 Senate and the Speaker of the House of Representatives.

1376
1377 ===== T I T L E A M E N D M E N T =====

1378 And the title is amended as follows:

1379 Delete lines 7 - 96

1380 and insert:

1381 of creditable service; amending s. 121.052, F.S.;

1382 prohibiting members of the Elected Officers' Class

1383 from joining the Senior Management Service Class after

1384 a specified date; amending s. 121.053, F.S.;

1385 authorizing renewed membership in the retirement

1386 system for retirees who are reemployed in a position

1387 eligible for the Elected Officers' Class under certain

1388 circumstances; amending s. 121.055, F.S.; limiting the

1389 options of elected officers employed after a certain

1390 date to enroll in the Senior Management Service Class

1391 or in the Senior Management Service Optional Annuity

1392 Program; closing the Senior Management Optional

1393 Annuity Program to new members after a specified date;

1394 amending s. 121.091, F.S.; providing that certain

1395 members are entitled to a monthly disability benefit;

1396 revising provisions to conform to changes made by the

1397 act; amending s. 121.122, F.S.; requiring that certain

1398 retirees who are employed on or after a specified date

1399 be renewed members in the investment plan; providing

1400 exceptions; providing that creditable service does not

1401 accrue for a reemployed retiree during a specified

1402 period; prohibiting certain funds from being paid into



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1403 a renewed member's investment plan account for a
1404 specified period of employment; requiring the renewed
1405 member to satisfy vesting requirements; prohibiting a
1406 renewed member from receiving disability benefits;
1407 specifying requirements and limitations; requiring the
1408 employer and the retiree to make applicable
1409 contributions to the member's investment plan account;
1410 providing for the administration of the employer and
1411 employee contributions; prohibiting the purchase of
1412 past service in the investment plan during certain
1413 dates; authorizing a renewed member to receive
1414 additional credit toward the health insurance subsidy
1415 under certain circumstances; providing that a retiree
1416 employed on or after a specified date in a regularly
1417 established position eligible for the State University
1418 System Optional Retirement Program is a renewed member
1419 of that program; specifying requirements and
1420 limitations; requiring the employer and the retiree to
1421 make applicable contributions; prohibiting the
1422 purchase of past service in the program during certain
1423 dates; providing that a retiree employed on or after a
1424 specified date in a regularly established position
1425 eligible for the State Community College System
1426 Optional Retirement Program is a renewed member of
1427 that program; specifying requirements and limitations;
1428 requiring the employer and the retiree to make
1429 applicable contributions; prohibiting the purchase of
1430 past service in the program for certain dates;
1431 amending s. 121.35, F.S.; providing that certain



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1432 participants in the optional retirement program for
1433 the State University System have a choice between the
1434 optional retirement program and the Florida Retirement
1435 System Investment Plan; amending s. 121.4501, F.S.;
1436 requiring certain employees initially enrolled in the
1437 Florida Retirement System on or after a specified date
1438 to be compulsory members of the investment plan;
1439 revising the definition of the terms "eligible
1440 employee" and "member" or "employee"; revising a
1441 provision relating to acknowledgment of an employee's
1442 election to participate in the investment plan;
1443 placing certain employees in the pension plan from
1444 their respective dates of hire until they are
1445 automatically enrolled in the investment plan or
1446 timely elect enrollment in the pension plan;
1447 authorizing certain employees to elect to participate
1448 in the pension plan, rather than the default
1449 investment plan, within a specified time; specifying
1450 that a retiree who has returned to covered employment
1451 before a specified date may continue membership in his
1452 or her selected retirement plan; conforming a
1453 provision to changes made by the act; providing for
1454 the transfer of certain contributions; revising the
1455 education component; deleting the obligation of system
1456 employers to communicate the existence of both
1457 retirement plans; conforming provisions and cross-
1458 references to changes made by the act; amending s.
1459 121.591, F.S.; revising provisions relating to
1460 disability retirement benefits; amending ss. 238.072



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1461 and 413.051, F.S.; conforming cross-references;
1462 requiring the State Board of Administration and
1463 Department of Management Services to request a
1464 determination letter from the Internal Revenue Service
1465 as to whether any provision under the act will cause
1466 the Florida Retirement System to be disqualified for
1467 tax purposes and, if so, to notify the Legislature;
1468 requiring the board and department to also seek
1469 guidance regarding the consequences of differing tax
1470 contributions; providing that the act