



27 members after a specified date; providing an accrual  
 28 rate for membership in the class; amending s. 121.091,  
 29 F.S.; providing for the calculation of benefits for  
 30 members of the Florida Retirement System Hybrid Plan;  
 31 providing disability benefits for members in the  
 32 hybrid plan under certain conditions; specifying that  
 33 a hybrid plan member that receives a distribution of  
 34 employee contributions is considered retired;  
 35 providing a death benefit to members of the hybrid  
 36 plan; authorizing participation in the Deferred  
 37 Retirement Option Program for members of the hybrid  
 38 plan; conforming cross-references; amending s. 121.35,  
 39 F.S.; providing that certain participants in the  
 40 optional retirement program for the State University  
 41 System may choose to participate in the Florida  
 42 Retirement System; amending s. 121.4501, F.S.;

43 defining the "Florida Retirement System Hybrid Plan";  
 44 authorizing Special Risk Class members to participate  
 45 in the pension plan; requiring certain employees  
 46 initially enrolled in the Florida Retirement System on  
 47 or after a specified date to be initially enrolled in  
 48 the hybrid plan; providing a member with a specified  
 49 time to choose a plan; providing for the transfer of  
 50 certain contributions; creating an election for  
 51 members enrolled before a specified date to elect to  
 52 transfer to the hybrid plan; permitting the State

53 Board of Administration to develop investment products  
 54 to be offered in the investment plan; revising the  
 55 education component; conforming cross-references;  
 56 amending s. 121.591, F.S.; providing for the payment  
 57 of benefits accumulated in the member account for  
 58 hybrid plan members; amending s. 121.5911, F.S.;  
 59 providing for disability benefits for members of the  
 60 hybrid plan; amending s. 121.70, F.S.; providing that  
 61 the hybrid plan must be included in the uniform  
 62 funding of the Florida Retirement System; providing  
 63 that the Florida Retirement System is a single plan  
 64 which consists of three retirement plans; amending s.  
 65 121.71, F.S.; providing the employee and employer  
 66 contribution rates for the three plans; amending s.  
 67 121.72, F.S.; providing for the allocation of funds  
 68 for the hybrid plan; amending s. 121.77, F.S.;  
 69 authorizing the deduction of reasonable fees and  
 70 appropriate charges from hybrid member plan accounts;  
 71 amending s. 121.78, F.S.; providing for the assessment  
 72 of penalties; directing the transfer of certain funds;  
 73 amending s. 216.136, F.S.; requiring the Florida  
 74 Retirement System Actuarial Assumption Conference to  
 75 include the hybrid plan and pension plan as components  
 76 of the Florida Retirement System; adjusting the  
 77 required employer contribution rates for the unfunded  
 78 actuarial liability of the Florida Retirement System

79 | for select classes; amending ss. 121.0515, 121.053,  
 80 | 121.122, 121.125, 121.141, 121.23, 121.40, 238.072,  
 81 | 238.183, and 413.051, F.S.; conforming provisions to  
 82 | changes made by the act; providing that the act  
 83 | fulfills an important state interest; requiring the  
 84 | State Board of Administration and the Department of  
 85 | Management Services to request a determination letter  
 86 | from the Internal Revenue Service; providing a  
 87 | directive to the Division of Law Revision and  
 88 | Information; providing effective dates.

89 |

90 | Be It Enacted by the Legislature of the State of Florida:

91 |

92 | Section 1. Paragraphs (b) and (c) of subsection (2) and  
 93 | paragraph (e) of subsection (3) of section 112.363, Florida  
 94 | Statutes, are amended to read:

95 | 112.363 Retiree health insurance subsidy.—

96 | (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—

97 | (b) For purposes of this section, a person is deemed  
 98 | retired from a state-administered retirement system when he or  
 99 | she terminates employment with all employers participating in  
 100 | the Florida Retirement System as described in s. 121.021(39)  
 101 | and:

102 | ~~1. For a member of the investment plan established under~~  
 103 | ~~part II of chapter 121, the participant meets the age or service~~  
 104 | ~~requirements to qualify for normal retirement as set forth in s.~~

105 ~~121.021(29) and meets the definition of retiree in s.~~  
 106 ~~121.4501(2).~~

107 1.2. For a member of the Florida Retirement System Pension  
 108 Plan, or any employee who maintains creditable service under the  
 109 pension plan and the investment plan, the member begins drawing  
 110 retirement benefits from the pension plan.

111 2. For a member of the Florida Retirement System  
 112 Investment Plan established under part II of chapter 121, the  
 113 member meets the age or service requirements to qualify for  
 114 normal retirement as set forth in s. 121.021(29) and meets the  
 115 definition of retiree in s. 121.4501(2).

116 3. For a member of the Florida Retirement System Hybrid  
 117 Plan established under parts I and II of chapter 121, the member  
 118 begins drawing retirement benefits from the pension plan  
 119 component of the hybrid plan.

120 (c) Effective July 1, 2001, any person retiring on or  
 121 after that date as a member of the Florida Retirement System,  
 122 including a member of the investment plan administered pursuant  
 123 to part II of chapter 121 or a member of the hybrid plan  
 124 administered pursuant to parts I and II of chapter 121, must  
 125 have satisfied the vesting requirements for his or her  
 126 membership class under the pension plan as administered under  
 127 part I of chapter 121. However, a person retiring due to  
 128 disability must qualify for a regular or in-line-of-duty  
 129 disability benefit as provided in s. 121.091(5) ~~121.091(4)~~ or  
 130 qualify for a disability benefit under a disability plan

131 established under part II of chapter 121, as appropriate.

132 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—

133 (e)1. Beginning July 1, 2001, each eligible retiree of the  
 134 pension plan of the Florida Retirement System, or, if the  
 135 retiree is deceased, his or her beneficiary who is receiving a  
 136 monthly benefit from such retiree's account and who is a spouse,  
 137 or a person who meets the definition of joint annuitant in s.  
 138 121.021, shall receive a monthly retiree health insurance  
 139 subsidy payment equal to the number of years of creditable  
 140 service, as defined in s. 121.021, completed at the time of  
 141 retirement multiplied by \$5; however, no eligible retiree or  
 142 beneficiary may receive a subsidy payment of more than \$150 or  
 143 less than \$30. If there are multiple beneficiaries, the total  
 144 payment may not be greater than the payment to which the retiree  
 145 was entitled. The health insurance subsidy amount payable to any  
 146 person receiving the retiree health insurance subsidy payment on  
 147 July 1, 2001, may not be reduced solely by operation of this  
 148 subparagraph.

149 2. Beginning July 1, 2002, each eligible retiree ~~member~~ of  
 150 the investment plan of the Florida Retirement System who has met  
 151 the requirements of this section, or, if the retiree ~~member~~ is  
 152 deceased, his or her spouse who is the retiree's ~~member's~~  
 153 designated beneficiary, shall receive a monthly retiree health  
 154 insurance subsidy payment equal to the number of years of  
 155 creditable service, as provided in this subparagraph, completed  
 156 at the time of retirement, multiplied by \$5; however, an

157 eligible retiree or beneficiary may not receive a subsidy  
 158 payment of more than \$150 or less than \$30. For purposes of  
 159 determining a member's creditable service used to calculate the  
 160 health insurance subsidy, a member's years of service credit or  
 161 fraction thereof shall be based on the member's work year as  
 162 defined in s. 121.021(54). Credit must be awarded for a full  
 163 work year if health insurance subsidy contributions have been  
 164 made for each month in the member's work year. In addition, all  
 165 years of creditable service retained under the Florida  
 166 Retirement System Pension Plan must be included as creditable  
 167 service for purposes of this section. Notwithstanding any other  
 168 provision in this section, the spouse at the time of death is  
 169 the member's beneficiary unless such member has designated a  
 170 different beneficiary subsequent to the member's most recent  
 171 marriage.

172 3. Beginning July 1, 2015, each eligible retiree of the  
 173 hybrid plan of the Florida Retirement System, or, if the retiree  
 174 is deceased, his or her beneficiary who is receiving a monthly  
 175 benefit from such retiree's account and who is a spouse, or a  
 176 person who meets the definition of joint annuitant in s.  
 177 121.021(28), shall receive a monthly retiree health insurance  
 178 subsidy payment equal to the number of years of creditable  
 179 service, as defined in s. 121.021(17), completed at the time of  
 180 retirement multiplied by \$5; however, no eligible retiree or  
 181 beneficiary may receive a subsidy payment of more than \$150 or  
 182 less than \$30. If there are multiple beneficiaries, the total

PCB SAC 14-01

2014

183 payment may not be greater than the payment to which the retiree  
 184 was entitled.

185 Section 2. Subsections (3), (30), (39), (44), and (45) of  
 186 section 121.021, Florida Statutes, are amended to read:

187 121.021 Definitions.—The following words and phrases as  
 188 used in this chapter have the respective meanings set forth  
 189 unless a different meaning is plainly required by the context:

190 (3) "Florida Retirement System" or "system" means the  
 191 general retirement system established by this chapter,  
 192 including, but not limited to, the defined benefit program  
 193 administered under this part, referred to as the "Florida  
 194 Retirement System Pension Plan" or "pension plan;~~;~~" ~~and~~ the  
 195 defined contribution program administered under part II of this  
 196 chapter, referred to as the "Florida Retirement System  
 197 Investment Plan" or "investment plan;~~;~~" and the consolidated  
 198 defined benefit-defined contribution program administered under  
 199 parts I and II of this chapter, referred to as the "Florida  
 200 Retirement System Hybrid Plan" or "hybrid plan."

201 (30) "Early retirement date" means the first day of the  
 202 month following the date a member becomes vested and elects to  
 203 receive retirement benefits in accordance with this chapter.  
 204 Such benefits shall be based on average monthly compensation and  
 205 creditable service as of the member's early retirement date, and  
 206 the benefit so computed shall be reduced by five-twelfths of 1  
 207 percent for each complete month by which the early retirement  
 208 date precedes his or her normal retirement date as provided in



209 s. 121.091(4) ~~121.091(3)~~.

210 (39) (a) "Termination" occurs, except as provided in  
 211 paragraph (b), when a member ceases all employment relationships  
 212 with participating employers, however:

213 1. For retirements effective before July 1, 2010, if a  
 214 member is employed by any such employer within the next calendar  
 215 month, termination shall be deemed not to have occurred. A leave  
 216 of absence constitutes a continuation of the employment  
 217 relationship, except that a leave of absence without pay due to  
 218 disability may constitute termination if such member makes  
 219 application for and is approved for disability retirement in  
 220 accordance with s. 121.091(5) ~~121.091(4)~~. The department or  
 221 state board may require other evidence of termination as it  
 222 deems necessary.

223 2. For retirements effective on or after July 1, 2010, if  
 224 a member is employed by any such employer within the next 6  
 225 calendar months, termination shall be deemed not to have  
 226 occurred. A leave of absence constitutes a continuation of the  
 227 employment relationship, except that a leave of absence without  
 228 pay due to disability may constitute termination if such member  
 229 makes application for and is approved for disability retirement  
 230 in accordance with s. 121.091(5) ~~121.091(4)~~. The department or  
 231 state board may require other evidence of termination as it  
 232 deems necessary.

233 (b) "Termination" for a member electing to participate in  
 234 the Deferred Retirement Option Program occurs when the program

235 participant ceases all employment relationships with  
 236 participating employers in accordance with s. 121.091(14)  
 237 ~~121.091(13)~~, however:

238 1. For termination dates occurring before July 1, 2010, if  
 239 the member is employed by any such employer within the next  
 240 calendar month, termination will be deemed not to have occurred,  
 241 except as provided in s. 121.091(14)(b)4.c. ~~121.091(13)(b)4.e.~~ A  
 242 leave of absence shall constitute a continuation of the  
 243 employment relationship.

244 2. For termination dates occurring on or after July 1,  
 245 2010, if the member becomes employed by any such employer within  
 246 the next 6 calendar months, termination will be deemed not to  
 247 have occurred, except as provided in s. 121.091(14)(b)4.c.  
 248 ~~121.091(13)(b)4.e.~~ A leave of absence constitutes a continuation  
 249 of the employment relationship.

250 (c) Effective July 1, 2011, "termination" for a member  
 251 receiving a refund of employee contributions occurs when a  
 252 member ceases all employment relationships with participating  
 253 employers for 3 calendar months. A leave of absence constitutes  
 254 a continuation of the employment relationship.

255 (44) "DROP participant" means any member who elects to  
 256 retire and participate in the Deferred Retirement Option Program  
 257 as provided in s. 121.091(14) ~~121.091(13)~~.

258 (45) "Vested" or "vesting" means the guarantee that a  
 259 member is eligible to receive a future retirement benefit upon  
 260 completion of the required years of creditable service for the

PCB SAC 14-01

2014

261 employee's class of membership, even though the member may have  
 262 terminated covered employment before reaching normal or early  
 263 retirement date. Being vested does not entitle a member to a  
 264 disability benefit. Provisions governing entitlement to  
 265 disability benefits are set forth under s. 121.091(5)  
 266 ~~121.091(4)~~.

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

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

273 2. Any member not employed in a regularly established  
 274 position on July 1, 2001, shall be deemed vested upon completion  
 275 of 6 years of creditable service if such member is employed in a  
 276 covered position for at least 1 work year after July 1, 2001.  
 277 However, a member is not required to complete more years of  
 278 creditable service than would have been required for that member  
 279 to vest under retirement laws in effect before July 1, 2001.

280 3. Any member initially enrolled in the Florida Retirement  
 281 System on July 1, 2001, through June 30, 2011, shall be deemed  
 282 vested upon completion of 6 years of creditable service.

283 (b) Any member initially enrolled in the Florida  
 284 Retirement System Pension Plan on or after July 1, 2011, shall  
 285 be vested in the pension plan upon completion of 8 years of  
 286 creditable service.

287        (c) Any member initially enrolled in the Florida  
 288 Retirement System Hybrid Plan on or after July 1, 2015, shall be  
 289 vested in the pension plan component upon completion of 8 years  
 290 of creditable service.

291        Section 3. Subsections (3) through (9) of section 121.051,  
 292 Florida Statutes, are renumbered as subsections (4) through  
 293 (10), respectively, a new subsection (3) is added to that  
 294 section, and paragraph (a) of subsection (1) and paragraph (c)  
 295 of subsection (2) of that section, are amended to read:

296        121.051 Participation in the system.—

297        (1) COMPULSORY PARTICIPATION.—

298        (a) Participation in the Florida Retirement System is  
 299 compulsory for all officers and employees, except elected  
 300 officers who meet the requirements of s. 121.052(3), who are  
 301 employed on or after December 1, 1970, by an employer other than  
 302 those referred to in paragraph (2)(b). Each officer or employee,  
 303 as a condition of employment, becomes a member of the system on  
 304 the date of employment, except that a person who is retired from  
 305 any state retirement system and is reemployed on or after  
 306 December 1, 1970, may not renew his or her membership in any  
 307 state retirement system except as provided in s. 121.091(5)(h)  
 308 ~~121.091(4)(h)~~ for a person who recovers from disability, as  
 309 provided in s. 121.053 for a person who is elected to public  
 310 office, and, effective July 1, 1991, as provided in s. 121.122  
 311 for all other retirees.

312        1. Officers and employees of the University Athletic

313 Association, Inc., a nonprofit association connected with the  
 314 University of Florida, employed on and after July 1, 1979, may  
 315 not participate in any state-supported retirement system.

316 2. Any person appointed on or after July 1, 1989, to a  
 317 faculty position in a college at the J. Hillis Miller Health  
 318 Center at the University of Florida or the Medical Center at the  
 319 University of South Florida which has a faculty practice plan  
 320 adopted by rule by the Board of Regents may not participate in  
 321 the Florida Retirement System. Effective July 1, 2008, any  
 322 person appointed to a faculty position, including clinical  
 323 faculty, in a college at a state university that has a faculty  
 324 practice plan authorized by the Board of Governors may not  
 325 participate in the Florida Retirement System. A faculty member  
 326 so appointed shall participate in the optional retirement  
 327 program for the State University System notwithstanding s.  
 328 121.35(2) (a). For purposes of this subparagraph, the term:

329 a. "Faculty position" means a position assigned the  
 330 principal responsibility of teaching, research, or public  
 331 service activities or administrative responsibility directly  
 332 related to the academic mission of the college.

333 b. "Clinical faculty" means a faculty position appointment  
 334 in conjunction with a professional position in a hospital or  
 335 other clinical environment at a college.

336 c. "Faculty practice plan" includes professional services  
 337 to patients, institutions, or other parties which are rendered  
 338 by the clinical faculty employed by a college that has a faculty

339 practice plan at a state university authorized by the Board of  
 340 Governors.

341 (2) OPTIONAL PARTICIPATION.—

342 (c) Employees of public community colleges or charter  
 343 technical career centers sponsored by public community colleges,  
 344 designated in s. 1000.21(3), who are members of the Regular  
 345 Class of the Florida Retirement System and who comply with the  
 346 criteria set forth in this paragraph and s. 1012.875 may, in  
 347 lieu of participating in the Florida Retirement System, elect to  
 348 withdraw from the system altogether and participate in the State  
 349 Community College System Optional Retirement Program provided by  
 350 the employing agency under s. 1012.875.

351 1.a. Through June 30, 2001, the cost to the employer for  
 352 benefits under the optional retirement program equals the normal  
 353 cost portion of the employer retirement contribution which would  
 354 be required if the employee were a member of the pension plan's  
 355 Regular Class, plus the portion of the contribution rate  
 356 required by s. 112.363(8) which would otherwise be assigned to  
 357 the Retiree Health Insurance Subsidy Trust Fund.

358 b. Effective July 1, 2001, through June 30, 2011, each  
 359 employer shall contribute on behalf of each member of the  
 360 optional program an amount equal to 10.43 percent of the  
 361 employee's gross monthly compensation. The employer shall deduct  
 362 an amount for the administration of the program.

363 c. Effective July 1, 2011, through June 30, 2012, each  
 364 member shall contribute an amount equal to the employee

365 contribution required under s. 121.71(3). The employer shall  
 366 contribute on behalf of each program member an amount equal to  
 367 the difference between 10.43 percent of the employee's gross  
 368 monthly compensation and the employee's required contribution  
 369 based on the employee's gross monthly compensation.

370 d. Effective July 1, 2012, each member shall contribute an  
 371 amount equal to the employee contribution required under s.  
 372 121.71(3). The employer shall contribute on behalf of each  
 373 program member an amount equal to the difference between 8.15  
 374 percent of the employee's gross monthly compensation and the  
 375 employee's required contribution based on the employee's gross  
 376 monthly compensation.

377 e. The employer shall contribute an additional amount to  
 378 the Florida Retirement System Trust Fund equal to the unfunded  
 379 actuarial accrued liability portion of the Regular Class  
 380 contribution rate.

381 2. The decision to participate in the optional retirement  
 382 program is irrevocable as long as the employee holds a position  
 383 eligible for participation, except as provided in subparagraph  
 384 3. Any service creditable under the Florida Retirement System is  
 385 retained after the member withdraws from the system; however,  
 386 additional service credit in the system may not be earned while  
 387 a member of the optional retirement program.

388 3. Effective July 1, 2003, through June 30, 2015, an  
 389 employee who has elected to participate in the optional  
 390 retirement program shall have one opportunity, at the employee's

391 discretion, to transfer from the optional retirement program to  
 392 the pension plan of the Florida Retirement System or to the  
 393 investment plan established under part II of this chapter,  
 394 subject to the terms of the applicable optional retirement  
 395 program contracts. Except as provided in subsection (3), an  
 396 employee participating in the optional retirement program on or  
 397 after July 1, 2015, is not eligible to transfer to the Florida  
 398 Retirement System.

399 a. If the employee chooses to move to the investment plan,  
 400 any contributions, interest, and earnings creditable to the  
 401 employee under the optional retirement program are retained by  
 402 the employee in the optional retirement program, and the  
 403 applicable provisions of s. 121.4501(4) govern the election.

404 b. If the employee chooses to move to the pension plan of  
 405 the Florida Retirement System, the employee shall receive  
 406 service credit equal to his or her years of service under the  
 407 optional retirement program.

408 (I) The cost for such credit is the amount representing  
 409 the present value of the employee's accumulated benefit  
 410 obligation for the affected period of service. The cost shall be  
 411 calculated as if the benefit commencement occurs on the first  
 412 date the employee becomes eligible for unreduced benefits, using  
 413 the discount rate and other relevant actuarial assumptions that  
 414 were used to value the Florida Retirement System Pension Plan  
 415 liabilities in the most recent actuarial valuation. The  
 416 calculation must include any service already maintained under



417 the pension plan in addition to the years under the optional  
 418 retirement program. The present value of any service already  
 419 maintained must be applied as a credit to total cost resulting  
 420 from the calculation. The division must ensure that the transfer  
 421 sum is prepared using a formula and methodology certified by an  
 422 enrolled actuary.

423 (II) The employee must transfer from his or her optional  
 424 retirement program account and from other employee moneys as  
 425 necessary, a sum representing the present value of the  
 426 employee's accumulated benefit obligation immediately following  
 427 the time of such movement, determined assuming that attained  
 428 service equals the sum of service in the pension plan and  
 429 service in the optional retirement program.

430 4. Participation in the optional retirement program is  
 431 limited to employees who satisfy the following eligibility  
 432 criteria:

433 a. The employee is otherwise eligible for membership or  
 434 renewed membership in the Regular Class of the Florida  
 435 Retirement System, as provided in s. 121.021(11) and (12) or s.  
 436 121.122.

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

440 (I) Instructional; or

441 (II) Executive Management, Instructional Management, or  
 442 Institutional Management and the community college determines

443 that recruiting to fill a vacancy in the position is to be  
 444 conducted in the national or regional market, and the duties and  
 445 responsibilities of the position include the formulation,  
 446 interpretation, or implementation of policies, or the  
 447 performance of functions that are unique or specialized within  
 448 higher education and that frequently support the mission of the  
 449 community college.

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

453 5. Members of the program are subject to the same  
 454 reemployment limitations, renewed membership provisions, and  
 455 forfeiture provisions applicable to regular members of the  
 456 Florida Retirement System under ss. 121.091(10) ~~121.091(9)~~,  
 457 121.122, and 121.091(6) ~~121.091(5)~~, respectively. A member who  
 458 receives a program distribution funded by employer and required  
 459 employee contributions is deemed to be retired from a state-  
 460 administered retirement system if the member is subsequently  
 461 employed with an employer that participates in the Florida  
 462 Retirement System.

463 6. Eligible community college employees are compulsory  
 464 members of the Florida Retirement System until, pursuant to s.  
 465 1012.875, a written election to withdraw from the system and  
 466 participate in the optional retirement program is filed with the  
 467 program administrator and received by the division.

468 a. A community college employee whose program eligibility

469 results from initial employment shall be enrolled in the  
 470 optional retirement program retroactive to the first day of  
 471 eligible employment. The employer and employee retirement  
 472 contributions paid through the month of the employee plan change  
 473 shall be transferred to the community college to the employee's  
 474 optional program account, and, effective the first day of the  
 475 next month, the employer shall pay the applicable contributions  
 476 based upon subparagraph 1.

477         b. A community college employee whose program eligibility  
 478 is due to the subsequent designation of the employee's position  
 479 as one of those specified in subparagraph 4., or due to the  
 480 employee's appointment, promotion, transfer, or reclassification  
 481 to a position specified in subparagraph 4., must be enrolled in  
 482 the program on the first day of the first full calendar month  
 483 that such change in status becomes effective. The employer and  
 484 employee retirement contributions paid from the effective date  
 485 through the month of the employee plan change must be  
 486 transferred to the community college to the employee's optional  
 487 program account, and, effective the first day of the next month,  
 488 the employer shall pay the applicable contributions based upon  
 489 subparagraph 1.

490         7. Effective July 1, 2003, through December 31, 2008, any  
 491 member of the optional retirement program who has service credit  
 492 in the pension plan of the Florida Retirement System for the  
 493 period between his or her first eligibility to transfer from the  
 494 pension plan to the optional retirement program and the actual

495 date of transfer may, during employment, transfer to the  
 496 optional retirement program a sum representing the present value  
 497 of the accumulated benefit obligation under the defined benefit  
 498 retirement program for the period of service credit. Upon  
 499 transfer, all service credit previously earned under the pension  
 500 plan during this period is nullified for purposes of entitlement  
 501 to a future benefit under the pension plan.

502 (3) OPTIONAL PLAN MEMBERSHIP IN THE FLORIDA RETIREMENT  
 503 SYSTEM.—Effective July 1, 2015:

504 (a) An employee who is initially enrolled in the Florida  
 505 Retirement System on or after July 1, 2015, is not eligible to  
 506 participate solely in the pension plan unless employed in a  
 507 position covered by the Special Risk Class as provided in s.  
 508 121.4501(4) (b) .

509 (b) An employee eligible to withdraw from the Florida  
 510 Retirement System under s. 121.052(3) (d) or s. 121.055(1) (b) 2.  
 511 may withdraw from the system or participate in the investment  
 512 plan or the hybrid plan as provided under those sections. An  
 513 employee eligible to participate in an optional retirement  
 514 program under s. 121.051(2) (c) or s. 121.35 may participate in  
 515 the optional retirement program, the investment plan, or the  
 516 hybrid plan as provided under those sections. An employee  
 517 required to participate in the optional retirement program under  
 518 s. 121.35, pursuant to s. 121.051(1) (a), must elect to  
 519 participate in the investment plan or the hybrid plan if the  
 520 employee is later employed in a position that no longer

521 qualifies for the optional retirement program.

522 Section 4. Paragraph (c) of subsection (3), subsection  
 523 (10), paragraph (c) of subsection (11), and paragraphs (b) and  
 524 (c) of subsection (12) of section 121.052, Florida Statutes, are  
 525 amended to read:

526 121.052 Membership class of elected officers.—

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

534 (c) Before July 1, 2015, any elected officer may, within 6  
 535 months after assuming office, or within 6 months after this act  
 536 becomes a law for serving elected officers, elect membership in  
 537 the Senior Management Service Class as provided in s. 121.055 in  
 538 lieu of membership in the Elected Officers' Class. Any such  
 539 election made by a county elected officer shall have no effect  
 540 upon the statutory limit on the number of nonelective full-time  
 541 positions that may be designated by a local agency employer for  
 542 inclusion in the Senior Management Service Class under s.  
 543 121.055(1)(b)1.

544 (10) ACCRUED SERVICE VALUE.—

545 (a) Pension Plan Members.—A member of the Elected  
 546 Officers' Class who is a Supreme Court justice, district court

PCB SAC 14-01

2014

547 of appeal judge, circuit judge, or county court judge shall  
 548 receive judicial retirement credit of 3 1/3 percent of average  
 549 final compensation, and all other members shall receive elected  
 550 officer accrual value of 3 percent of average final  
 551 compensation, for each year of creditable service in such class.

552 (b) Hybrid Plan Members.—Effective July 1, 2015, a member  
 553 of the Elected Officers' Class who is a Supreme Court justice,  
 554 district court of appeal judge, circuit judge, or county court  
 555 judge shall receive judicial retirement credit of X.XX percent  
 556 of average final compensation, and all other members shall  
 557 receive elected officer accrual value of X.XX percent of average  
 558 final compensation, for each year of creditable service in such  
 559 class.

560 (11) RETENTION OF CREDIT.—

561 (c) Any member of the Elected Officers' Class who leaves  
 562 office or otherwise terminates membership in the retirement  
 563 system for any reason other than death or retirement and who  
 564 does not come under the provisions of paragraph (a) or paragraph  
 565 (b) shall be subject to the termination benefit provisions of s.  
 566 121.091(6) ~~121.091(5)~~.

567 (12) BENEFITS.—

568 (b) The benefit provisions of s. 121.091(3)-(7)  
 569 ~~121.091(2)-(6), (8),~~ (9), (10), and (12) ~~(11)~~, relating to  
 570 benefits payable for dual normal retirement ages, early  
 571 retirement, disability retirement, termination benefits,  
 572 optional forms of retirement, designation of beneficiaries,

573 employment after retirement, and method of computing actuarial  
 574 equivalent, respectively, shall also apply to members of the  
 575 Elected Officers' Class. These provisions shall be construed in  
 576 such manner as to make them compatible with the provisions of  
 577 this section.

578 (c) The benefit provisions of s. 121.091(8) ~~121.091(7)~~,  
 579 relating to death benefits, shall apply to members of the  
 580 Elected Officers' Class and shall be construed in such manner as  
 581 to make them compatible with the provisions of this section,  
 582 except that:

583 1. If any elected official dies in office who would have  
 584 been vested under the Elected Officers' Class, any other class  
 585 of the Florida Retirement System, or any other state-  
 586 administered retirement system, if the official had lived to  
 587 complete his or her term of office, the official's spouse may  
 588 elect to leave the official's retirement contributions in the  
 589 retirement trust fund and pay into said fund any required  
 590 contributions which would have been paid by the officer or the  
 591 employer had the officer lived to complete the term of office.

592 2. If a deceased member's surviving spouse as described in  
 593 subparagraph 1. previously received a refund of the member's  
 594 contributions made to the retirement trust fund, the surviving  
 595 spouse may pay into the retirement trust fund an amount equal to  
 596 the deceased member's contributions previously refunded,  
 597 together with interest at 4 percent compounded annually on the  
 598 amount of such refunded contributions from the date of refund

599 until July 1, 1975, and at 6.5 percent compounded annually  
 600 thereafter to the date of payment, plus such additional  
 601 contributions as may be required under subparagraph 1., in order  
 602 to become vested, as applicable.

603

604 Upon conclusion of the term of office to which the deceased  
 605 officer was elected, a spouse who pays into the retirement trust  
 606 fund such additional or refunded contributions, plus interest,  
 607 shall be eligible to receive a monthly benefit in the same  
 608 manner as the surviving spouse of a member who dies after  
 609 accumulating the required number of years of creditable service  
 610 as described herein.

611 Section 5. Paragraph (f) of subsection (1), paragraph (d)  
 612 of subsection (4), and paragraph (c) of subsection (6) of  
 613 section 121.055, Florida Statutes, are amended to read:

614 121.055 Senior Management Service Class.—There is hereby  
 615 established a separate class of membership within the Florida  
 616 Retirement System to be known as the "Senior Management Service  
 617 Class," which shall become effective February 1, 1987.

618 (1)

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

620 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 621 4., an elected state officer eligible for membership in the  
 622 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
 623 elects membership in the Senior Management Service Class under  
 624 s. 121.052(3)(c) may, within 6 months after assuming office or



625 within 6 months after this act becomes a law for serving elected  
 626 state officers, elect to participate in the Senior Management  
 627 Service Optional Annuity Program, as provided in subsection (6),  
 628 in lieu of membership in the Senior Management Service Class.

629 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 630 4., an elected officer of a local agency employer eligible for  
 631 membership in the Elected Officers' Class under s. 121.052(2)(d)  
 632 who elects membership in the Senior Management Service Class  
 633 under s. 121.052(3)(c) may, within 6 months after assuming  
 634 office, or within 6 months after this act becomes a law for  
 635 serving elected officers of a local agency employer, elect to  
 636 withdraw from the Florida Retirement System, as provided in  
 637 subparagraph (b)2., in lieu of membership in the Senior  
 638 Management Service Class.

639 3. A retiree of a state-administered retirement system who  
 640 is initially reemployed in a regularly established position on  
 641 or after July 1, 2010, as an elected official eligible for the  
 642 Elected Officers' Class may not be enrolled in renewed  
 643 membership in the Senior Management Service Class or in the  
 644 Senior Management Service Optional Annuity Program as provided  
 645 in subsection (6), and may not withdraw from the Florida  
 646 Retirement System as a renewed member as provided in  
 647 subparagraph (b)2., as applicable, in lieu of membership in the  
 648 Senior Management Service Class.

649 4. On or after July 1, 2015, an elected official eligible  
 650 for membership in the Elected Officers' Class may not enroll in

651 the Senior Management Service Class or in the Senior Management  
 652 Service Optional Annuity Program as provided in subsection (6).

653 (4)

654 (d) A pension plan member of the Senior Management Service  
 655 Class shall receive retirement credit at the rate of 2 percent  
 656 of average final compensation for each year of service in such  
 657 class after January 31, 1987. A hybrid plan member of the Senior  
 658 Management Service Class shall receive retirement credit at the  
 659 rate of X.XX percent of average final compensation for each year  
 660 of service in such class after June 30, 2015.

661 (6)

662 (c) Participation.—

663 1. An eligible employee who is employed on or before  
 664 February 1, 1987, may elect to participate in the optional  
 665 annuity program in lieu of participating in the Senior  
 666 Management Service Class. Such election must be made in writing  
 667 and filed with the department and the personnel officer of the  
 668 employer on or before May 1, 1987. An eligible employee who is  
 669 employed on or before February 1, 1987, and who fails to make an  
 670 election to participate in the optional annuity program by May  
 671 1, 1987, shall be deemed to have elected membership in the  
 672 Senior Management Service Class.

673 2. Except as provided in subparagraph 6., an employee who  
 674 becomes eligible to participate in the optional annuity program  
 675 by reason of initial employment commencing after February 1,  
 676 1987, may, within 90 days after the date of commencing

677 employment, elect to participate in the optional annuity  
 678 program. Such election must be made in writing and filed with  
 679 the personnel officer of the employer. An eligible employee who  
 680 does not within 90 days after commencing employment elect to  
 681 participate in the optional annuity program shall be deemed to  
 682 have elected membership in the Senior Management Service Class.

683 3. A person who is appointed to a position in the Senior  
 684 Management Service Class and who is a member of an existing  
 685 retirement system or the Special Risk or Special Risk  
 686 Administrative Support Classes of the Florida Retirement System  
 687 may elect to remain in such system or class in lieu of  
 688 participating in the Senior Management Service Class or optional  
 689 annuity program. Such election must be made in writing and filed  
 690 with the department and the personnel officer of the employer  
 691 within 90 days after such appointment. An eligible employee who  
 692 fails to make an election to participate in the existing system,  
 693 the Special Risk Class of the Florida Retirement System, the  
 694 Special Risk Administrative Support Class of the Florida  
 695 Retirement System, or the optional annuity program shall be  
 696 deemed to have elected membership in the Senior Management  
 697 Service Class.

698 4. Except as provided in subparagraph 5., an employee's  
 699 election to participate in the optional annuity program is  
 700 irrevocable if the employee continues to be employed in an  
 701 eligible position and continues to meet the eligibility  
 702 requirements set forth in this paragraph.

703           5. Effective from July 1, 2002, through September 30,  
 704 2002, an active employee in a regularly established position who  
 705 has elected to participate in the Senior Management Service  
 706 Optional Annuity Program has one opportunity to choose to move  
 707 from the Senior Management Service Optional Annuity Program to  
 708 the Florida Retirement System Pension Plan.

709           a. The election must be made in writing and must be filed  
 710 with the department and the personnel officer of the employer  
 711 before October 1, 2002, or, in the case of an active employee  
 712 who is on a leave of absence on July 1, 2002, within 90 days  
 713 after the conclusion of the leave of absence. This election is  
 714 irrevocable.

715           b. The employee shall receive service credit under the  
 716 pension plan equal to his or her years of service under the  
 717 Senior Management Service Optional Annuity Program. The cost for  
 718 such credit is the amount representing the present value of that  
 719 employee's accumulated benefit obligation for the affected  
 720 period of service.

721           c. The employee must transfer the total accumulated  
 722 employer contributions and earnings on deposit in his or her  
 723 Senior Management Service Optional Annuity Program account. If  
 724 the transferred amount is not sufficient to pay the amount due,  
 725 the employee must pay a sum representing the remainder of the  
 726 amount due. The employee may not retain any employer  
 727 contributions or earnings from the Senior Management Service  
 728 Optional Annuity Program account.

PCB SAC 14-01

2014

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

733           7. Effective July 1, 2015, the Senior Management Service  
 734 Optional Annuity Program is closed to new members. Members  
 735 enrolled in the Senior Management Service Optional Annuity  
 736 Program before July 1, 2015, may retain their membership in the  
 737 annuity program.

738           Section 6. Section 121.091, Florida Statutes, is amended  
 739 to read:

740           121.091 Benefits payable under the system.—Benefits may  
 741 not be paid under this section unless the member has terminated  
 742 employment as provided in s. 121.021(39) (a) or begun  
 743 participation in the Deferred Retirement Option Program as  
 744 provided in subsection (14) ~~(13)~~, and a proper application has  
 745 been filed in the manner prescribed by the department. The  
 746 department may cancel an application for retirement benefits  
 747 when the member or beneficiary fails to timely provide the  
 748 information and documents required by this chapter and the  
 749 department's rules. The department shall adopt rules  
 750 establishing procedures for application for retirement benefits  
 751 and for the cancellation of such application when the required  
 752 information or documents are not received.

753           (1) NORMAL RETIREMENT BENEFIT FOR PENSION PLAN MEMBERS.—  
 754 Upon attaining his or her normal retirement date, the member,

755 upon application to the administrator, shall receive a monthly  
 756 benefit which shall begin to accrue on the first day of the  
 757 month of retirement and be payable on the last day of that month  
 758 and each month thereafter during his or her lifetime. The normal  
 759 retirement benefit, including any past or additional retirement  
 760 credit, may not exceed 100 percent of the average final  
 761 compensation. The amount of monthly benefit shall be calculated  
 762 as the product of A and B, subject to the adjustment of C, if  
 763 applicable, as set forth below:

764 (a)1. For creditable years of Regular Class service or  
 765 Special Risk Administrative Support Class service, A is 1.60  
 766 percent of the member's average final compensation, up to the  
 767 member's normal retirement date. Upon completion of the first  
 768 year after the normal retirement date, A is 1.63 percent of the  
 769 member's average final compensation. Following the second year  
 770 after the normal retirement date, A is 1.65 percent of the  
 771 member's average final compensation. Following the third year  
 772 after the normal retirement date, and for subsequent years, A is  
 773 1.68 percent of the member's average final compensation.

774 2. For creditable years of special risk service, A is:

775 a. Two percent of the member's average final compensation  
 776 for all creditable years prior to October 1, 1974;

777 b. Three percent of the member's average final  
 778 compensation for all creditable years after September 30, 1974,  
 779 and before October 1, 1978;

780 c. Two percent of the member's average final compensation

781 for all creditable years after September 30, 1978, and before  
 782 January 1, 1989;

783 d. Two and two-tenths percent of the member's final  
 784 monthly compensation for all creditable years after December 31,  
 785 1988, and before January 1, 1990;

786 e. Two and four-tenths percent of the member's average  
 787 final compensation for all creditable years after December 31,  
 788 1989, and before January 1, 1991;

789 f. Two and six-tenths percent of the member's average  
 790 final compensation for all creditable years after December 31,  
 791 1990, and before January 1, 1992;

792 g. Two and eight-tenths percent of the member's average  
 793 final compensation for all creditable years after December 31,  
 794 1991, and before January 1, 1993;

795 h. Three percent of the member's average final  
 796 compensation for all creditable years after December 31, 1992;  
 797 and

798 i. Three percent of the member's average final  
 799 compensation for all creditable years of service after September  
 800 30, 1978, and before January 1, 1993, for any special risk  
 801 member who retires after July 1, 2000, or any member of the  
 802 Special Risk Administrative Support Class entitled to retain the  
 803 special risk normal retirement date who was a member of the  
 804 Special Risk Class during the time period and who retires after  
 805 July 1, 2000.

806 3. For creditable years of Senior Management Service Class

807 service after January 31, 1987, A is 2 percent;

808 4. For creditable years of Elected Officers' Class service  
 809 as a Supreme Court Justice, district court of appeal judge,  
 810 circuit judge, or county court judge, A is 3 1/3 percent of the  
 811 member's average final compensation, and for all other  
 812 creditable service in such class, A is 3 percent of average  
 813 final compensation;

814 (b) B is the number of the member's years and any  
 815 fractional part of a year of creditable service earned  
 816 subsequent to November 30, 1970; and

817 (c) C is the normal retirement benefit credit brought  
 818 forward as of November 30, 1970, by a former member of an  
 819 existing system. Such normal retirement benefit credit shall be  
 820 determined as the product of X and Y when X is the percentage of  
 821 average final compensation which the member would have been  
 822 eligible to receive if the member had attained his or her normal  
 823 retirement date as of November 30, 1970, all in accordance with  
 824 the existing system under which the member is covered on  
 825 November 30, 1970, and Y is average final compensation as  
 826 defined in s. 121.021(24). However, any member of an existing  
 827 retirement system who is eligible to retire and who does retire,  
 828 become disabled, or die prior to April 15, 1971, may have his or  
 829 her retirement benefits calculated on the basis of the best 5 of  
 830 the last 10 years of service.

831 (d) For members initially enrolled before July 1, 2011, a  
 832 member's average final compensation shall be determined by



833 formula to obtain the coverage for the 5 highest fiscal years'  
 834 salaries, calculated as provided by rule.

835 (e) For members initially enrolled on or after July 1,  
 836 2011, a member's average final compensation shall be determined  
 837 by formula to obtain the coverage for the 8 highest fiscal  
 838 years' salaries, calculated as provided by rule.

839 (2) NORMAL RETIREMENT BENEFIT FOR HYBRID PLAN MEMBERS.—  
 840 Effective July 1, 2015, upon attaining his or her normal  
 841 retirement date, the member, upon application to the  
 842 administrator, shall receive a monthly benefit which shall begin  
 843 to accrue on the first day of the month of retirement and be  
 844 payable on the last day of that month and each month thereafter  
 845 during his or her lifetime. The normal retirement benefit,  
 846 including any past or additional retirement credit, may not  
 847 exceed 100 percent of the average final compensation. The amount  
 848 of monthly benefit shall be calculated as the product of A and  
 849 B, as set forth below:

850 (a)1. For creditable years of Regular Class service or  
 851 Special Risk Administrative Support Class service, A is X.XX  
 852 percent of the member's average final compensation, up to the  
 853 member's normal retirement date. Upon completion of the first  
 854 year after the normal retirement date, A is X.XX percent of the  
 855 member's average final compensation. Following the second year  
 856 after the normal retirement date, A is X.XX percent of the  
 857 member's average final compensation. Following the third year  
 858 after the normal retirement date, and for subsequent years, A is

859 X.XX percent of the member's average final compensation.  
 860 2. For creditable years of Special Risk Class service, A  
 861 is X.XX percent of the member's average final compensation.  
 862 3. For creditable years of Senior Management Service Class  
 863 service, A is X.XX percent.  
 864 4. For creditable years of Elected Officers' Class service  
 865 for a member who is a Supreme Court justice, district court of  
 866 appeal judge, circuit judge, or county court judge, A is X.XX  
 867 percent of the member's average final compensation, and all  
 868 other members shall receive elected officer accrual value of  
 869 X.XX percent of average final compensation for each year of  
 870 creditable service in such class.  
 871 (b) B is the number of the member's years and any  
 872 fractional part of a year of creditable service earned.  
 873 (c) For all members initially enrolled before July 1,  
 874 2011, a member's average final compensation shall be determined  
 875 by formula to obtain the coverage for the 5 highest fiscal  
 876 years' salaries, calculated as provided by rule.  
 877 (d) For all members initially enrolled on or after July 1,  
 878 2011, a member's average final compensation shall be determined  
 879 by formula to obtain the coverage for the 8 highest fiscal  
 880 years' salaries, calculated as provided by rule.  
 881 (3) ~~(2)~~ BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT AGES.—  
 882 If a member accumulates retirement benefits to commence at  
 883 different normal retirement ages by virtue of having performed  
 884 duties for an employer which would entitle him or her to

885 benefits as both a member of the Special Risk Class and a member  
 886 of either the Regular Class, Senior Management Service Class, or  
 887 Elected Officers' Class, the amount of benefits payable shall be  
 888 computed separately with respect to each such age and the sum of  
 889 such computed amounts shall be paid as provided in this section.

890 (4)~~(3)~~ EARLY RETIREMENT BENEFIT.—Upon retirement on his or  
 891 her early retirement date, the member shall receive an immediate  
 892 monthly benefit that shall begin to accrue on the first day of  
 893 the month of the retirement date and be payable on the last day  
 894 of that month and each month thereafter during his or her  
 895 lifetime. Such benefit shall be calculated as follows:

896 (a) For a member initially enrolled:

897 1. Before July 1, 2011, the amount of each monthly payment  
 898 shall be computed in the same manner as for a normal retirement  
 899 benefit, in accordance with subsection (1) for members of the  
 900 pension plan, and in accordance with subsection (2) for members  
 901 of the hybrid plan, but shall be based on the member's average  
 902 monthly compensation and creditable service as of the member's  
 903 early retirement date. The benefit so computed shall be reduced  
 904 by five-twelfths of 1 percent for each complete month by which  
 905 the early retirement date precedes the normal retirement date of  
 906 age 62 for a member of the Regular Class, Senior Management  
 907 Service Class, or the Elected Officers' Class, and age 55 for a  
 908 member of the Special Risk Class, or age 52 if a Special Risk  
 909 member has completed 25 years of creditable service in  
 910 accordance with s. 121.021(29)(b)1.c.

PCB SAC 14-01

2014

911           2. On or after July 1, 2011, the amount of each monthly  
 912 payment shall be computed in the same manner as for a normal  
 913 retirement benefit, in accordance with subsection (1) for  
 914 members of the pension plan, and in accordance with subsection  
 915 (2) for members of the hybrid plan, but shall be based on the  
 916 member's average monthly compensation and creditable service as  
 917 of the member's early retirement date. The benefit so computed  
 918 shall be reduced by five-twelfths of 1 percent for each complete  
 919 month by which the early retirement date precedes the normal  
 920 retirement date of age 65 for a member of the Regular Class,  
 921 Senior Management Service Class, or the Elected Officers' Class,  
 922 and age 60 for a member of the Special Risk Class, or age 57 if  
 923 a special risk member has completed 30 years of creditable  
 924 service in accordance with s. 121.021(29)(b)2.c.

925           (b) If the employment of a member is terminated by reason  
 926 of death within 10 years before normal retirement as described  
 927 in s. 121.021(29)(a)1.b. or s. 121.021(29)(a)2.b., the monthly  
 928 benefit payable to the member's beneficiary shall be calculated  
 929 in accordance with subsection (1) for members of the pension  
 930 plan, and in accordance with subsection (2) for members of the  
 931 hybrid plan, but must be based on average monthly compensation  
 932 and creditable service as of the date of death. The benefit so  
 933 computed shall be reduced by five-twelfths of 1 percent for each  
 934 complete month by which death precedes the normal retirement  
 935 date specified above or the date on which the member would have  
 936 attained the normal retirement date had he or she survived and

937 continued his or her employment, whichever provides a higher  
 938 benefit.

939 (5)~~(4)~~ DISABILITY RETIREMENT BENEFIT.—

940 (a) Disability retirement; entitlement and effective  
 941 date.—

942 1.a. A member who becomes totally and permanently  
 943 disabled, as defined in paragraph (b), after completing 5 years  
 944 of creditable service, or a member who becomes totally and  
 945 permanently disabled in the line of duty regardless of service,  
 946 is entitled to a monthly disability benefit; except that any  
 947 member with less than 5 years of creditable service on July 1,  
 948 1980, or any person who becomes a member of the Florida  
 949 Retirement System on or after such date must have completed 10  
 950 years of creditable service before becoming totally and  
 951 permanently disabled in order to receive disability retirement  
 952 benefits for any disability which occurs other than in the line  
 953 of duty. However, if a member employed on July 1, 1980, who has  
 954 less than 5 years of creditable service as of that date becomes  
 955 totally and permanently disabled after completing 5 years of  
 956 creditable service and is found not to have attained fully  
 957 insured status for benefits under the federal Social Security  
 958 Act, such member is entitled to a monthly disability benefit.

959 b. Effective July 1, 2001, a member of the pension plan  
 960 who becomes totally and permanently disabled, as defined in  
 961 paragraph (b), after completing 8 years of creditable service,  
 962 or a member who becomes totally and permanently disabled in the

963 line of duty regardless of service, is entitled to a monthly  
 964 disability benefit.

965 c. Effective July 1, 2015, a member of the hybrid plan who  
 966 becomes totally and permanently disabled, as defined in  
 967 paragraph (b), after completing 8 years of creditable service,  
 968 or who becomes totally and permanently disabled in the line of  
 969 duty regardless of service, is entitled to a monthly disability  
 970 benefit. Such disability benefit must be funded from employer  
 971 contributions made under s. 121.571, transferred employee  
 972 contributions and funds accumulated in the investment plan, and  
 973 interest and earnings thereon. All moneys accumulated in the  
 974 member's account must be transferred from such individual  
 975 account to the division for deposit in the disability account of  
 976 the Florida Retirement System Trust Fund. Such moneys must be  
 977 accounted for separately. Earnings must be credited on an annual  
 978 basis for amounts held in the disability accounts of the Florida  
 979 Retirement System Trust Fund on actual earnings in the trust  
 980 fund.

981 2. If the division has received from the employer the  
 982 required documentation of the member's termination of  
 983 employment, the effective retirement date for a member who  
 984 applies and is approved for disability retirement shall be  
 985 established by rule of the division.

986 3. For a member who is receiving Workers' Compensation  
 987 payments, the effective disability retirement date may not  
 988 precede the date the member reaches Maximum Medical Improvement

989 (MMI), unless the member terminates employment before reaching  
 990 MMI.

991 (b) Total and permanent disability.—A member shall be  
 992 considered totally and permanently disabled if, in the opinion  
 993 of the administrator, he or she is prevented, by reason of a  
 994 medically determinable physical or mental impairment, from  
 995 rendering useful and efficient service as an officer or  
 996 employee.

997 (c) Proof of disability.—The administrator, before  
 998 approving payment of any disability retirement benefit, shall  
 999 require proof that the member is totally and permanently  
 1000 disabled as provided herein:

1001 1. Such proof shall include the certification of the  
 1002 member's total and permanent disability by two licensed  
 1003 physicians of the state and such other evidence of disability as  
 1004 the administrator may require, including reports from vocational  
 1005 rehabilitation, evaluation, or testing specialists who have  
 1006 evaluated the applicant for employment. A member whose position  
 1007 with an employer requires that the member work full time outside  
 1008 this state in the United States may include certification by two  
 1009 licensed physicians of the state where the member works.

1010 2. It must be documented that:

1011 a. The member's medical condition occurred or became  
 1012 symptomatic during the time the member was employed in an  
 1013 employee/employer relationship with his or her employer;

1014 b. The member was totally and permanently disabled at the

1015 time he or she terminated covered employment; and

1016 c. The member has not been employed with any other  
1017 employer after such termination.

1018 3. If the application is for in-line-of-duty disability,  
1019 in addition to the requirements of subparagraph 2., it must be  
1020 documented by competent medical evidence that the disability was  
1021 caused by a job-related illness or accident which occurred while  
1022 the member was in an employee/employer relationship with his or  
1023 her employer.

1024 4. The unavailability of an employment position that the  
1025 member is physically and mentally capable of performing will not  
1026 be considered as proof of total and permanent disability.

1027 (d) Election on appeal.—A member whose application for  
1028 regular disability retirement has been denied and who has filed  
1029 an appeal to the State Retirement Commission may, if eligible,  
1030 elect to receive normal or early service retirement benefits  
1031 while he or she is awaiting the decision on the appeal. However:

1032 1. If the member elects to receive service retirement  
1033 benefits and disability benefits are later approved as a result  
1034 of the appeal, the payment option chosen by the member may not  
1035 be changed.

1036 2. If the member elects to receive early service  
1037 retirement and the appeal is later denied, the member may not  
1038 change his or her election of early retirement.

1039  
1040 Before such regular or early retirement benefits may be paid by



1041 the division, the member must provide to the division a written  
 1042 statement indicating that the member understands that such  
 1043 changes are not permitted after he or she begins receiving the  
 1044 benefits.

1045 (e) Disability retirement benefit.—Upon the retirement of  
 1046 a member on his or her disability retirement date, the member  
 1047 shall receive a monthly benefit that shall begin to accrue on  
 1048 the first day of the month of disability retirement and shall be  
 1049 payable on the last day of that month and each month thereafter  
 1050 during his or her lifetime and continued disability.

1051 (f) Computation of disability retirement benefit.—The  
 1052 amount of each monthly payment shall be computed in the same  
 1053 manner as for a normal retirement benefit, in accordance with  
 1054 subsection (1) for members of the pension plan and for members  
 1055 of the hybrid plan, but shall be based on disability option  
 1056 actuarial equivalency tables and the average monthly  
 1057 compensation and creditable service of the member as of the  
 1058 disability retirement date, subject to the following conditions:

1059 1. If the member's disability occurred in the line of  
 1060 duty, the monthly Option 1 benefit shall not be less than:

1061 a. Forty-two percent of average monthly compensation as of  
 1062 the disability retirement date; or

1063 b. Sixty-five percent of the average monthly compensation  
 1064 as of the disability retirement date for a member of the special  
 1065 risk class who retires on or after July 1, 2000; or

1066 2. If the member's disability occurred other than in the

PCB SAC 14-01

2014

1067 line of duty, the monthly Option 1 benefit shall not be less  
1068 than 25 percent of average monthly compensation as of the  
1069 disability retirement date.

1070 (g) Reapplication.—A member, whose initial application for  
1071 disability retirement has been denied, may reapply for  
1072 disability benefits. However, such member's reapplication will  
1073 be considered only if the member presents new medical evidence  
1074 of a medical condition that existed prior to the member's  
1075 termination of employment. The division may prescribe by rule  
1076 procedures for reapplication and for review and approval or  
1077 disapproval of reapplication.

1078 (h) Recovery from disability.—The administrator may  
1079 require periodic reexaminations at the expense of the retirement  
1080 fund. The division may adopt rules establishing procedures for  
1081 conducting and review of such reexaminations.

1082 1. If the administrator finds that a member who is  
1083 receiving disability benefits is, at any time prior to his or  
1084 her normal retirement date, no longer disabled, the  
1085 administrator shall direct that the benefits be discontinued.  
1086 The decision of the administrator on this question shall be  
1087 final and binding. If such member:

1088 a. Does not reenter the employ of an employer and was not  
1089 vested as of the disability retirement date, he or she shall be  
1090 entitled to the excess, if any, of his or her accumulated  
1091 contributions over the total disability benefits received up to  
1092 the date of recovery.

1093 b. Does not reenter the employ of an employer, but was  
 1094 vested as of the disability retirement date, he or she may elect  
 1095 to receive:

1096 (I) The excess, if any, of his or her accumulated  
 1097 contributions over the total disability benefits received up to  
 1098 the date of recovery; or

1099 (II) A deferred benefit commencing on the last day of the  
 1100 month of the normal retirement date which shall be payable on  
 1101 the last day of the month thereafter during his or her lifetime.  
 1102 The amount of such monthly benefit shall be computed in the same  
 1103 manner as for a normal retirement benefit, in accordance with  
 1104 subsection (1) for members of the pension plan, and in  
 1105 accordance with subsection (2) for members of the hybrid plan,  
 1106 but shall be based on average monthly compensation and  
 1107 creditable service as of the member's disability retirement  
 1108 date.

1109 c. Reenters employment of an employer within 6 months  
 1110 after recovery, the member's service will be deemed to have been  
 1111 continuous, but the period beginning with the first month for  
 1112 which he or she received a disability benefit payment and ending  
 1113 with the date he or she reentered employment will not be  
 1114 considered as creditable service for the purpose of computing  
 1115 benefits except as provided in sub-subparagraph d. As used in  
 1116 this section, the term "accumulated contributions" for such  
 1117 member means the excess of the member's accumulated  
 1118 contributions as of the disability retirement date over the

1119 total disability benefits received under paragraph (e).  
 1120         d. Terminates his or her disability benefit, reenters  
 1121 covered employment, and is continuously employed for a minimum  
 1122 of 1 year of creditable service, he or she may claim as  
 1123 creditable service the months during which he or she was  
 1124 receiving a disability benefit, upon payment of the required  
 1125 contributions. Contributions shall equal the total required  
 1126 employee and employer contribution rate applicable during the  
 1127 period the retiree received retirement benefits, multiplied  
 1128 times his or her rate of monthly compensation prior to the  
 1129 commencement of disability retirement for each month of the  
 1130 period claimed, plus 4 percent interest until July 1, 1975, and  
 1131 6.5 percent interest thereafter, compounded annually each June  
 1132 30 to the date of payment. If the member does not claim credit  
 1133 for all of the months he or she received disability benefits,  
 1134 the months claimed must be the most recent months of retirement.  
 1135 Such credit for periods of disability, when purchased under the  
 1136 Florida Retirement System, shall apply toward vesting  
 1137 requirements for eligibility to purchase additional credit for  
 1138 other service.

1139         2. Both the member receiving disability benefits who  
 1140 reenters employment and the employer employing such disability  
 1141 retiree shall notify the division immediately upon reemployment,  
 1142 and the division shall terminate such member's disability  
 1143 benefits, effective the first day of the month following the  
 1144 month in which notification of recovery is received. If the

PCB SAC 14-01

2014

1145 member is reemployed with a Florida Retirement System employer  
 1146 at the time of benefit termination, and he or she has received  
 1147 disability retirement benefit and salary payments concurrently  
 1148 prior to notifying the division, he or she may elect within 30  
 1149 days to:

1150 a. Retain the retirement benefits received prior to  
 1151 termination of disability benefits and begin receiving  
 1152 retirement service credit effective upon the date of termination  
 1153 of benefits; or

1154 b. Repay, within 12 months after his or her decision to  
 1155 receive service credit, the retirement benefits received for  
 1156 each month of reemployment prior to termination of disability  
 1157 benefits and begin receiving retirement service credit effective  
 1158 upon the date of reemployment. Any such unpaid benefits shall  
 1159 have compound interest of 6.5 percent added June 30.

1160  
 1161 A member may not receive both retirement service credit for  
 1162 employment and retirement benefits for the same month.

1163 3. If, after recovery of disability and reentry into  
 1164 covered employment, the member again becomes disabled and is  
 1165 again approved for disability retirement, the Option 1 monthly  
 1166 retirement benefit shall not be less than the Option 1 monthly  
 1167 benefit calculated at the time of the previous disability, plus  
 1168 any cost of living increases up to the time the disability  
 1169 benefit was terminated upon his or her reentry into covered  
 1170 employment.

1171 (i) Nonadmissible causes of disability.—A member shall not  
 1172 be entitled to receive any disability retirement benefit if the  
 1173 disability is a result of any of the following:

1174 1. Injury or disease sustained by the member while  
 1175 willfully participating in a riot, civil insurrection, or other  
 1176 act of violence or while committing a felony;

1177 2. Injury or disease sustained by the member after his or  
 1178 her employment has terminated; or

1179 3. Intentional, self-inflicted injury.

1180 (j) Disability retirement of justice or judge by order of  
 1181 Supreme Court.—

1182 1. If a member is a justice of the Supreme Court, judge of  
 1183 a district court of appeal, circuit judge, or judge of a county  
 1184 court who has served for the number of years equal to, or  
 1185 greater than, the vesting requirement in s. 121.021(45) as an  
 1186 elected constitutional judicial officer, including service as a  
 1187 judicial officer, in any court abolished pursuant to Art. V of  
 1188 the State Constitution, and who is retired for disability by  
 1189 order of the Supreme Court upon recommendation of the Judicial  
 1190 Qualifications Commission pursuant to Art. V of the State  
 1191 Constitution, the member's Option 1 monthly benefit as provided  
 1192 in subparagraph (7) (a)1. ~~(6) (a)1.~~ may not be less than two-  
 1193 thirds of his or her monthly compensation as of the member's  
 1194 disability retirement date. Such member may alternatively elect  
 1195 to receive a disability retirement benefit under any other  
 1196 option as provided in paragraph (7) (a) ~~(6) (a)~~.

1197           2. Should any justice or judge who is a member of the  
 1198 Florida Retirement System Pension Plan be retired for disability  
 1199 by order of the Supreme Court upon recommendation of the  
 1200 Judicial Qualifications Commission pursuant to Art. V of the  
 1201 State Constitution, then all contributions to his or her account  
 1202 and all contributions made on his or her behalf by the employer  
 1203 shall be transferred to and deposited in the General Revenue  
 1204 Fund of the state, and there is hereby appropriated annually out  
 1205 of the General Revenue Fund, to be paid into the Florida  
 1206 Retirement System Fund, an amount necessary to pay the benefits  
 1207 of all justices and judges retired from the Florida Retirement  
 1208 System pursuant to Art. V of the State Constitution. Florida  
 1209 Retirement System Hybrid Plan member and employer contributions  
 1210 shall be transferred to and deposited according to the  
 1211 provisions in paragraph (a).

1212           (6)~~(5)~~ TERMINATION BENEFITS.—A member whose employment is  
 1213 terminated prior to retirement retains membership rights to  
 1214 previously earned member-noncontributory service credit, and to  
 1215 member-contributory service credit, if the member leaves the  
 1216 member contributions on deposit in his or her retirement  
 1217 account. If a terminated member receives a refund of member  
 1218 contributions, such member may reinstate membership rights to  
 1219 the previously earned service credit represented by the refund  
 1220 by completing 1 year of creditable service and repaying the  
 1221 refunded member contributions, plus interest. Effective July 1,  
 1222 2015, a member of the hybrid plan who takes a distribution of

1223 member contributions is considered retired as provided in s.  
 1224 121.591.

1225 (a) A member whose employment is terminated for any reason  
 1226 other than death or retirement before becoming vested is  
 1227 entitled to the return of his or her accumulated contributions  
 1228 as of the date of termination. Effective July 1, 2011, upon  
 1229 termination of employment from all participating employers for 3  
 1230 calendar months as defined in s. 121.021(39)(c) for any reason  
 1231 other than retirement, a member may receive a refund of all  
 1232 contributions he or she has made to the pension plan, subject to  
 1233 the restrictions otherwise provided in this chapter. The refund  
 1234 may be received as a lump-sum payment, a rollover to a qualified  
 1235 plan, or a combination of these methods. Partial refunds are not  
 1236 permitted. The refund may not include any interest earnings on  
 1237 the contributions for a member of the pension plan. Employer  
 1238 contributions made on behalf of the member are not refundable. A  
 1239 member may not receive a refund of employee contributions if a  
 1240 pending or an approved qualified domestic relations order is  
 1241 filed against his or her retirement account. By obtaining a  
 1242 refund of contributions, a member waives all rights under the  
 1243 Florida Retirement System and the health insurance subsidy to  
 1244 the service credit represented by the refunded contributions,  
 1245 except the right to purchase his or her prior service credit in  
 1246 accordance with s. 121.081(2).

1247 (b) A member whose employment is terminated for any reason  
 1248 other than death or retirement after becoming vested may elect



1249 to receive a deferred monthly benefit which shall begin to  
 1250 accrue on the first day of the month of normal or early  
 1251 retirement and shall be payable on the last day of that month  
 1252 and each month thereafter during his or her lifetime. The amount  
 1253 of monthly benefit shall be computed in the same manner as for a  
 1254 normal retirement benefit in accordance with subsection (1) for  
 1255 members of the pension plan, in accordance with subsection (2)  
 1256 for members of the hybrid plan, or early retirement benefit in  
 1257 accordance with s. 121.021(30), but based on average monthly  
 1258 compensation and creditable service as of the date of  
 1259 termination.

1260 (c) In lieu of the deferred monthly benefit provided in  
 1261 paragraph (b), the terminated member may elect to receive a  
 1262 lump-sum amount equal to his or her accumulated contributions as  
 1263 of the date of termination. Effective July 1, 2011, upon  
 1264 termination of employment from all participating employers for 3  
 1265 calendar months as defined in s. 121.021(39)(c) for any reason  
 1266 other than retirement, a member may receive a refund of all  
 1267 contributions he or she has made to the pension plan, subject to  
 1268 the restrictions otherwise provided in this chapter. Partial  
 1269 refunds are not permitted. The refund may not include any  
 1270 interest earnings on the contributions for a member of the  
 1271 pension plan. Employer contributions made on behalf of the  
 1272 member are not refundable. A member may not receive a refund of  
 1273 employee contributions if a pending or an approved qualified  
 1274 domestic relations order is filed against his or her retirement

1275 account. By obtaining a refund of contributions, a member waives  
 1276 all rights under the Florida Retirement System and the health  
 1277 insurance subsidy to the service credit represented by the  
 1278 refunded contributions, except the right to purchase his or her  
 1279 prior service credit in accordance with s. 121.081(2).

1280 (d) If any retired member dies without having received in  
 1281 benefit payments an amount equal to his or her accumulated  
 1282 contributions, there shall be payable to his or her designated  
 1283 beneficiary an amount equal to the excess, if any, of the  
 1284 member's accumulated contributions over the total monthly  
 1285 payments made to the member prior to the date of death.

1286 (e) A member shall be deemed a terminated member when  
 1287 termination of employment has occurred as provided in s.  
 1288 121.021(39).

1289 (f) Any member who has been found guilty by a verdict of a  
 1290 jury, or by the court trying the case without a jury, of  
 1291 committing, aiding, or abetting any embezzlement or theft from  
 1292 his or her employer, bribery in connection with the employment,  
 1293 or other felony specified in chapter 838, except ss. 838.15 and  
 1294 838.16, committed prior to retirement, or who has entered a plea  
 1295 of guilty or of nolo contendere to such crime, or any member  
 1296 whose employment is terminated by reason of the member's  
 1297 admitted commitment, aiding, or abetting of an embezzlement or  
 1298 theft from his or her employer, bribery, or other felony  
 1299 specified in chapter 838, except ss. 838.15 and 838.16, shall  
 1300 forfeit all rights and benefits under this chapter, except the

1301 return of his or her accumulated contributions as of the date of  
 1302 termination.

1303 (g) Any elected official who is convicted by the Senate of  
 1304 an impeachable offense shall forfeit all rights and benefits  
 1305 under this chapter, except the return of his or her accumulated  
 1306 contributions as of the date of the conviction.

1307 (h) Any member who, prior to retirement, is adjudged by a  
 1308 court of competent jurisdiction to have violated any state law  
 1309 against strikes by public employees, or who has been found  
 1310 guilty by such court of violating any state law prohibiting  
 1311 strikes by public employees, shall forfeit all rights and  
 1312 benefits under this chapter, except the return of his or her  
 1313 accumulated contributions as of the date of the conviction.

1314 (i) The division may not pay benefits to any member  
 1315 convicted of a felony committed on or after October 1, 2008,  
 1316 defined in s. 800.04 against a victim younger than 16 years of  
 1317 age, or defined in chapter 794 against a victim younger than 18  
 1318 years of age, through the use or attempted use of power, rights,  
 1319 privileges, duties, or position of the member's public office or  
 1320 employment position. However, the division shall return the  
 1321 member's accumulated contributions, if any, that the member  
 1322 accumulated as of the date of conviction.

1323 (j) Any beneficiary who by a verdict of a jury or by the  
 1324 court trying the case without a jury is found guilty, or who has  
 1325 entered a plea of guilty or nolo contendere, of unlawfully and  
 1326 intentionally killing or procuring the death of the member

1327 forfeits all rights to the deceased member's benefits under this  
 1328 chapter, and the benefits will be paid as if such beneficiary  
 1329 had predeceased the decedent.

1330 (k) Benefits shall not be paid by the division pending  
 1331 final resolution of such charges against a member or beneficiary  
 1332 if the resolution of such charges could require the forfeiture  
 1333 of benefits as provided in paragraph (f), paragraph (g),  
 1334 paragraph (h), paragraph (i), or paragraph (j).

1335 (7)~~(6)~~ OPTIONAL FORMS OF RETIREMENT BENEFITS AND  
 1336 DISABILITY RETIREMENT BENEFITS.—

1337 (a) Prior to the receipt of the first monthly retirement  
 1338 payment, a member shall elect to receive the retirement benefits  
 1339 to which he or she is entitled under subsection (1), subsection  
 1340 (2), subsection (3), ~~or~~ subsection (4), or subsection (5) in  
 1341 accordance with one of the following options:

- 1342 1. The maximum retirement benefit payable to the member  
 1343 during his or her lifetime.
- 1344 2. A decreased retirement benefit payable to the member  
 1345 during his or her lifetime and, in the event of his or her death  
 1346 within a period of 10 years after retirement, the same monthly  
 1347 amount payable for the balance of such 10-year period to his or  
 1348 her beneficiary or, in case the beneficiary is deceased, in  
 1349 accordance with subsection (9)~~(8)~~ as though no beneficiary had  
 1350 been named.
- 1351 3. A decreased retirement benefit payable during the joint  
 1352 lifetime of both the member and his or her joint annuitant and

1353 which, after the death of either, shall continue during the  
 1354 lifetime of the survivor in the same amount, subject to the  
 1355 provisions of subsection (13) ~~(12)~~.

1356 4. A decreased retirement benefit payable during the joint  
 1357 lifetime of the member and his or her joint annuitant and which,  
 1358 after the death of either, shall continue during the lifetime of  
 1359 the survivor in an amount equal to 66 2/3 percent of the amount  
 1360 that was payable during the joint lifetime of the member and his  
 1361 or her joint annuitant, subject to the provisions of subsection  
 1362 (13) ~~(12)~~.

1363  
 1364 The spouse of any member who elects to receive the benefit  
 1365 provided under subparagraph 1. or subparagraph 2. shall be  
 1366 notified of and shall acknowledge any such election. The  
 1367 division shall establish by rule a method for selecting the  
 1368 appropriate actuarial factor for optional forms of benefits  
 1369 selected under subparagraphs 3. and 4., based on the age of the  
 1370 member and the joint annuitant.

1371 (b) The benefit payable under any option stated above  
 1372 shall be the actuarial equivalent, based on tables adopted by  
 1373 the administrator for this purpose, of the amount to which the  
 1374 member was otherwise entitled.

1375 (c) A member who elects the option in subparagraph (a)2.  
 1376 shall, in accordance with subsection (9) ~~(8)~~, designate one or  
 1377 more persons to receive the benefits payable in the event of his  
 1378 or her death. Such persons shall be the beneficiaries of the

1379 member. The member may also designate one or more contingent  
 1380 beneficiaries to receive any benefits remaining upon the death  
 1381 of the primary beneficiary.

1382 (d) A member who elects the option in subparagraph (a)3.  
 1383 or subparagraph (a)4. shall, on a form provided for that  
 1384 purpose, designate a joint annuitant to receive the benefits  
 1385 which continue to be payable upon the death of the member. After  
 1386 benefits have commenced under the option in subparagraph (a)3.  
 1387 or subparagraph (a)4., the following shall apply:

1388 1. A retired member may change his or her designation of a  
 1389 joint annuitant only twice. If such a retired member desires to  
 1390 change his or her designation of a joint annuitant, he or she  
 1391 shall file with the division a notarized "change of joint  
 1392 annuitant" form and shall notify the former joint annuitant in  
 1393 writing of such change. Effective the first day of the next  
 1394 month following receipt by the division of a completed change of  
 1395 joint annuitant form, the division shall adjust the member's  
 1396 monthly benefit by the application of actuarial tables and  
 1397 calculations developed to ensure that the benefit paid is the  
 1398 actuarial equivalent of the present value of the member's  
 1399 current benefit. The consent of a retired member's first  
 1400 designated joint annuitant to any such change shall not be  
 1401 required. However, if either the member or the joint annuitant  
 1402 dies before the effective date of the request for change of  
 1403 joint annuitant, the requested change shall be void, and  
 1404 survivor benefits, if any, shall be paid as if no request had

1405 | been made.

1406 |         2. In the event of the dissolution of marriage of a  
 1407 | retired member and a joint annuitant, such member may make an  
 1408 | election to nullify the joint annuitant designation of the  
 1409 | former spouse, unless there is an existing qualified domestic  
 1410 | relations order preventing such action. The member shall file  
 1411 | with the division a written, notarized nullification which shall  
 1412 | be effective on the first day of the next month following  
 1413 | receipt by the division. Benefits shall be paid as if the former  
 1414 | spouse predeceased the member. A member who makes such an  
 1415 | election may not reverse the nullification but may designate a  
 1416 | new joint annuitant in accordance with subparagraph 1.

1417 |         (e) The election of an option shall be null and void if  
 1418 | the member dies before the effective date of retirement.

1419 |         (f) A member who elects to receive benefits under the  
 1420 | option in subparagraph (a)3. may designate one or more qualified  
 1421 | persons, either a spouse or other dependent, as his or her joint  
 1422 | annuitant to receive the benefits after the member's death in  
 1423 | whatever proportion he or she so assigns to each person named as  
 1424 | joint annuitant. The division shall adopt appropriate actuarial  
 1425 | tables and calculations necessary to ensure that the benefit  
 1426 | paid is the actuarial equivalent of the benefit to which the  
 1427 | member is otherwise entitled under the option in subparagraph  
 1428 | (a)1.

1429 |         (g) Upon the death of a retired member or beneficiary  
 1430 | receiving monthly benefits under this chapter, the monthly

1431 benefits shall be paid through the last day of the month of  
 1432 death and shall terminate, or be adjusted, if applicable, as of  
 1433 that date in accordance with the optional form of benefit  
 1434 selected at the time of retirement.

1435 (h) The option selected or determined for payment of  
 1436 benefits as provided in this section shall be final and  
 1437 irrevocable at the time a benefit payment is cashed or deposited  
 1438 or credited to the Deferred Retirement Option Program as  
 1439 provided in subsection (14) ~~(13)~~.

1440 (8) ~~(7)~~ DEATH BENEFITS.—

1441 (a) If the employment of a member is terminated by reason  
 1442 of his or her death prior to being vested, except as provided in  
 1443 paragraph (f), there shall be payable to his or her designated  
 1444 beneficiary the member's accumulated contributions.

1445 (b) If the employment of an active member who may or may  
 1446 not have applied for retirement is terminated by reason of his  
 1447 or her death subsequent to becoming vested and prior to his or  
 1448 her effective date of retirement, if established, it shall be  
 1449 assumed that the member retired as of the date of death in  
 1450 accordance with subsection (1) for members of the pension plan,  
 1451 and in accordance with subsection (2) for members of the hybrid  
 1452 plan if eligible for normal retirement benefits, subsection (3)  
 1453 ~~(2)~~ if eligible for benefits payable for dual normal retirement,  
 1454 or subsection (4) ~~(3)~~ if eligible for early retirement benefits.  
 1455 Benefits payable to the designated beneficiary shall be as  
 1456 follows:



1457 1. For a beneficiary who qualifies as a joint annuitant,  
 1458 the optional form of payment provided in accordance with  
 1459 subparagraph (7) (a) 3. ~~(6) (a) 3.~~ shall be paid for the joint  
 1460 annuitant's lifetime.

1461 2. For a beneficiary who does not qualify as a joint  
 1462 annuitant, no continuing monthly benefit shall be paid and the  
 1463 beneficiary shall be entitled only to the return of the member's  
 1464 personal contributions. If there is no monetary interest in the  
 1465 member's retirement account for which such beneficiary is  
 1466 eligible, the beneficiary shall be the next named beneficiary  
 1467 or, if no other beneficiary is named, the beneficiary shall be  
 1468 the next eligible beneficiary according to subsection (9) ~~(8)~~.

1469 (c) If a retiring member dies on or after the effective  
 1470 date of retirement, but prior to a benefit payment being cashed  
 1471 or deposited, or credited to the Deferred Retirement Option  
 1472 Program, benefits shall be paid as follows:

1473 1. For a designated beneficiary who qualifies as a joint  
 1474 annuitant, benefits shall be paid in the optional form of  
 1475 payment provided in subparagraph (7) (a) 3. ~~(6) (a) 3.~~ for the joint  
 1476 annuitant's lifetime or, if the member chose the optional form  
 1477 of payment provided in subparagraph (7) (a) 2. ~~(6) (a) 2.~~, the joint  
 1478 annuitant may select the form provided in either subparagraph  
 1479 (7) (a) 2. ~~(6) (a) 2.~~ or subparagraph (7) (a) 3. ~~(6) (a) 3.~~

1480 2. For a designated beneficiary who does not qualify as a  
 1481 joint annuitant, any benefits payable shall be paid as provided  
 1482 in the option selected by the member; or if the member has not

1483 selected an option, benefits shall be paid in the optional form  
 1484 of payment provided in subparagraph (7) (a)1. ~~(6) (a)1.~~

1485 (d) Notwithstanding any other provision in this chapter to  
 1486 the contrary, with the exception of the Deferred Retirement  
 1487 Option Program, as provided in subsection (14) ~~(13)~~:

1488 1.a. The surviving spouse of any pension plan member  
 1489 killed in the line of duty may receive a monthly pension equal  
 1490 to one-half of the monthly salary being received by the member  
 1491 at the time of death for the rest of the surviving spouse's  
 1492 lifetime or, if the member was vested, such surviving spouse may  
 1493 elect to receive a benefit as provided in paragraph (b).  
 1494 Benefits provided by this paragraph shall supersede any other  
 1495 distribution that may have been provided by the member's  
 1496 designation of beneficiary.

1497 b. The surviving spouse of any hybrid plan member killed  
 1498 in the line of duty may receive a monthly pension equal to one-  
 1499 half of the monthly salary being received by the member at the  
 1500 time of death for the rest of the surviving spouse's lifetime,  
 1501 or if the member was vested, such surviving spouse may elect to  
 1502 receive a benefit as provided in paragraph (b). If the surviving  
 1503 spouse elects to receive a monthly pension equal to one-half of  
 1504 the monthly salary being received by the member at the time of  
 1505 death, the member's contributions and funds accumulated in the  
 1506 investment plan component, and interest and earnings thereon,  
 1507 must be transferred from such individual account to the division  
 1508 for deposit in the Florida Retirement System Trust Fund.

1509 Benefits provided by this paragraph shall supersede any other  
 1510 distribution that may have been provided by the member's  
 1511 designation of beneficiary.

1512         2. If the surviving spouse of a member killed in the line  
 1513 of duty dies, the monthly payments which would have been payable  
 1514 to such surviving spouse had such surviving spouse lived shall  
 1515 be paid for the use and benefit of such member's child or  
 1516 children under 18 years of age and unmarried until the 18th  
 1517 birthday of the member's youngest child.

1518         3. If a member killed in the line of duty leaves no  
 1519 surviving spouse but is survived by a child or children under 18  
 1520 years of age, the benefits provided by subparagraph 1., normally  
 1521 payable to a surviving spouse, shall be paid for the use and  
 1522 benefit of such member's child or children under 18 years of age  
 1523 and unmarried until the 18th birthday of the member's youngest  
 1524 child.

1525         4. The surviving spouse of a member whose benefit  
 1526 terminated because of remarriage shall have the benefit  
 1527 reinstated beginning July 1, 1993, at an amount that would have  
 1528 been payable had the benefit not been terminated.

1529         (e) The surviving spouse or other dependent of any member,  
 1530 except a member who participated in the Deferred Retirement  
 1531 Option Program, whose employment is terminated by death shall,  
 1532 upon application to the administrator, be permitted to pay the  
 1533 required contributions for any service performed by the member  
 1534 which could have been claimed by the member at the time of his

1535 or her death. Such service shall be added to the creditable  
 1536 service of the member and shall be used in the calculation of  
 1537 any benefits which may be payable to the surviving spouse or  
 1538 other surviving dependent.

1539 (f) Notwithstanding any other provisions in this chapter  
 1540 to the contrary and upon application to the administrator, an  
 1541 eligible joint annuitant, of a member whose employment is  
 1542 terminated by death within 1 year of such member satisfying the  
 1543 service requirements for vesting and retirement eligibility,  
 1544 shall be permitted to purchase only the additional service  
 1545 credit necessary to vest and qualify for retirement benefits,  
 1546 not to exceed a total of 1 year of credit, by one or a  
 1547 combination of the following methods:

1548 1. Such eligible joint annuitant may use the deceased  
 1549 member's accumulated hours of annual, sick, and compensatory  
 1550 leave to purchase additional creditable service, on an hour by  
 1551 hour basis, provided that such deceased member's accumulated  
 1552 leave is sufficient to cover the additional months required. For  
 1553 each month of service credit needed prior to the final month,  
 1554 credit for the total number of work hours in that month must be  
 1555 purchased, using an equal number of the deceased member's  
 1556 accumulated leave hours. Service credit required for the final  
 1557 month in which the deceased member would have become vested  
 1558 shall be awarded upon the purchase of 1 hour of credit. Such  
 1559 eligible joint annuitant shall pay the contribution rate in  
 1560 effect for the period of time being claimed for the deceased

1561 member's class of membership, multiplied by such member's  
 1562 monthly salary at the time of death, plus 6.5 percent interest  
 1563 compounded annually. The accumulated leave payment used in the  
 1564 average final compensation shall not include that portion of the  
 1565 payment that represents any leave hours used in the purchase of  
 1566 such creditable service.

1567         2. Such eligible joint annuitant may purchase additional  
 1568 months of creditable service for any periods of out-of-state  
 1569 service as provided in s. 121.1115, and in-state service as  
 1570 provided in s. 121.1122, that the deceased member would have  
 1571 been eligible to purchase prior to his or her death.

1572  
 1573 Service purchased under this paragraph shall be added to the  
 1574 creditable service of the member and used to vest for retirement  
 1575 eligibility, and shall be used in the calculation of any  
 1576 benefits which may be payable to the eligible joint annuitant.  
 1577 Any benefits paid in accordance with this paragraph shall only  
 1578 be made prospectively.

1579         (g) Notwithstanding any other provisions in this chapter  
 1580 to the contrary, if any member who is vested dies and the  
 1581 surviving spouse receives a refund of the accumulated  
 1582 contributions made to the retirement trust fund, such spouse may  
 1583 pay to the Division of Retirement an amount equal to the sum of  
 1584 the amount of the deceased member's accumulated contributions  
 1585 previously refunded plus interest at 4 percent compounded  
 1586 annually each June 30 from the date of refund until July 1,

1587 1975, and 6.5 percent interest compounded annually thereafter,  
 1588 until full payment is made, and receive the monthly retirement  
 1589 benefit as provided in paragraph (b).

1590 (h) The designated beneficiary who is the surviving spouse  
 1591 or other dependent of a member whose employment is terminated by  
 1592 death subsequent to becoming vested, but prior to actual  
 1593 retirement, may elect to receive a deferred monthly benefit as  
 1594 if the member had lived and had elected a deferred monthly  
 1595 benefit, as provided in paragraph (6) (b) ~~(5) (b)~~, calculated on  
 1596 the basis of the average final compensation and creditable  
 1597 service of the member at his or her death and the age the member  
 1598 would have attained on the commencement date of the deferred  
 1599 benefit elected by the beneficiary, paid in accordance with  
 1600 option 3 of paragraph (7) (a) ~~(6) (a)~~.

1601 (i) In addition to the death benefits available under  
 1602 paragraphs (a) through (h), members of the hybrid plan also  
 1603 receive death benefits payable in accordance with s. 121.591(3),  
 1604 plus interest and investment earnings, from the member's  
 1605 investment account, except as provided in paragraph (d).

1606 (9) ~~(8)~~ DESIGNATION OF BENEFICIARIES.-

1607 (a) Each member may, on a form provided for that purpose,  
 1608 signed and filed with the division, designate a choice of one or  
 1609 more persons, named sequentially or jointly, as his or her  
 1610 beneficiary who shall receive the benefits, if any, which may be  
 1611 payable in the event of the member's death pursuant to the  
 1612 provisions of this chapter. If no beneficiary is named in the

1613 manner provided above, or if no beneficiary designated by the  
 1614 member survives the member, the beneficiary shall be the spouse  
 1615 of the deceased, if living. If the member's spouse is not alive  
 1616 at his or her death, the beneficiary shall be the living  
 1617 children of the member. If no children survive, the beneficiary  
 1618 shall be the member's father or mother, if living; otherwise,  
 1619 the beneficiary shall be the member's estate. The beneficiary  
 1620 most recently designated by a member on a form or letter filed  
 1621 with the division shall be the beneficiary entitled to any  
 1622 benefits payable at the time of the member's death, except that  
 1623 benefits shall be paid as provided in paragraph (8) (d) ~~(7) (d)~~  
 1624 when death occurs in the line of duty. Notwithstanding any other  
 1625 provisions in this subsection to the contrary, for a member who  
 1626 dies prior to his or her effective date of retirement on or  
 1627 after January 1, 1999, the spouse at the time of death shall be  
 1628 the member's beneficiary unless such member designates a  
 1629 different beneficiary as provided herein subsequent to the  
 1630 member's most recent marriage.

1631 (b) A designated beneficiary of a retirement account for  
 1632 whom there is a monetary interest may disclaim his or her  
 1633 monetary interest as provided in chapter 739 and in accordance  
 1634 with division rules governing such disclaimers. Such disclaimer  
 1635 must be filed within 24 months after the event that created the  
 1636 interest, that is, the death of the member or annuitant.

1637 (c) Notwithstanding the member's designation of benefits  
 1638 to be paid through a trust to a beneficiary that is a natural

1639 person as provided in s. 121.021(46), and notwithstanding the  
 1640 provisions of the trust, benefits shall be paid directly to the  
 1641 beneficiary if the person is no longer a minor or an  
 1642 incapacitated person as defined in s. 744.102.

1643 (10)~~(9)~~ EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

1644 (a) Any person who is retired under this chapter, except  
 1645 under the disability retirement provisions of subsection (5)~~(4)~~,  
 1646 may be employed by an employer that does not participate in a  
 1647 state-administered retirement system and receive compensation  
 1648 from that employment without limiting or restricting in any way  
 1649 the retirement benefits payable to that person.

1650 (b) Any person whose retirement is effective before July  
 1651 1, 2010, or whose participation in the Deferred Retirement  
 1652 Option Program terminates before July 1, 2010, except under the  
 1653 disability retirement provisions of subsection (5) ~~(4)~~ or as  
 1654 provided in s. 121.053, may be reemployed by an employer that  
 1655 participates in a state-administered retirement system and  
 1656 receive retirement benefits and compensation from that employer,  
 1657 except that the person may not be reemployed by an employer  
 1658 participating in the Florida Retirement System before meeting  
 1659 the definition of termination in s. 121.021 and may not receive  
 1660 both a salary from the employer and retirement benefits for 12  
 1661 calendar months immediately subsequent to the date of  
 1662 retirement. However, a DROP participant shall continue  
 1663 employment and receive a salary during the period of  
 1664 participation in the Deferred Retirement Option Program, as



1665 provided in subsection (14) ~~(13)~~.

1666           1. A retiree who violates such reemployment limitation  
 1667 before completion of the 12-month limitation period must give  
 1668 timely notice of this fact in writing to the employer and to the  
 1669 Division of Retirement or the state board and shall have his or  
 1670 her retirement benefits suspended for the months employed or the  
 1671 balance of the 12-month limitation period as required in sub-  
 1672 subparagraphs b. and c. A retiree employed in violation of this  
 1673 paragraph and an employer who employs or appoints such person  
 1674 are jointly and severally liable for reimbursement to the  
 1675 retirement trust fund, including the Florida Retirement System  
 1676 Trust Fund and the Public Employee Optional Retirement Program  
 1677 Trust Fund, from which the benefits were paid. The employer must  
 1678 have a written statement from the retiree that he or she is not  
 1679 retired from a state-administered retirement system. Retirement  
 1680 benefits shall remain suspended until repayment has been made.  
 1681 Benefits suspended beyond the reemployment limitation shall  
 1682 apply toward repayment of benefits received in violation of the  
 1683 reemployment limitation.

1684           a. A district school board may reemploy a retiree as a  
 1685 substitute or hourly teacher, education paraprofessional,  
 1686 transportation assistant, bus driver, or food service worker on  
 1687 a noncontractual basis after he or she has been retired for 1  
 1688 calendar month. A district school board may reemploy a retiree  
 1689 as instructional personnel, as defined in s. 1012.01(2)(a), on  
 1690 an annual contractual basis after he or she has been retired for

1691 1 calendar month. Any member who is reemployed within 1 calendar  
 1692 month after retirement shall void his or her application for  
 1693 retirement benefits. District school boards reemploying such  
 1694 teachers, education paraprofessionals, transportation  
 1695 assistants, bus drivers, or food service workers are subject to  
 1696 the retirement contribution required by subparagraph 2.

1697 b. A Florida College System institution board of trustees  
 1698 may reemploy a retiree as an adjunct instructor or as a  
 1699 participant in a phased retirement program within the Florida  
 1700 College System, after he or she has been retired for 1 calendar  
 1701 month. A member who is reemployed within 1 calendar month after  
 1702 retirement shall void his or her application for retirement  
 1703 benefits. Boards of trustees reemploying such instructors are  
 1704 subject to the retirement contribution required in subparagraph  
 1705 2. A retiree may be reemployed as an adjunct instructor for no  
 1706 more than 780 hours during the first 12 months of retirement. A  
 1707 retiree reemployed for more than 780 hours during the first 12  
 1708 months of retirement must give timely notice in writing to the  
 1709 employer and to the Division of Retirement or the state board of  
 1710 the date he or she will exceed the limitation. The division  
 1711 shall suspend his or her retirement benefits for the remainder  
 1712 of the 12 months of retirement. Any retiree employed in  
 1713 violation of this sub-subparagraph and any employer who employs  
 1714 or appoints such person without notifying the division to  
 1715 suspend retirement benefits are jointly and severally liable for  
 1716 any benefits paid during the reemployment limitation period. The

1717 employer must have a written statement from the retiree that he  
 1718 or she is not retired from a state-administered retirement  
 1719 system. Any retirement benefits received by the retiree while  
 1720 reemployed in excess of 780 hours during the first 12 months of  
 1721 retirement must be repaid to the Florida Retirement System Trust  
 1722 Fund, and retirement benefits shall remain suspended until  
 1723 repayment is made. Benefits suspended beyond the end of the  
 1724 retiree's first 12 months of retirement shall apply toward  
 1725 repayment of benefits received in violation of the 780-hour  
 1726 reemployment limitation.

1727 c. The State University System may reemploy a retiree as  
 1728 an adjunct faculty member or as a participant in a phased  
 1729 retirement program within the State University System after the  
 1730 retiree has been retired for 1 calendar month. A member who is  
 1731 reemployed within 1 calendar month after retirement shall void  
 1732 his or her application for retirement benefits. The State  
 1733 University System is subject to the retired contribution  
 1734 required in subparagraph 2., as appropriate. A retiree may be  
 1735 reemployed as an adjunct faculty member or a participant in a  
 1736 phased retirement program for no more than 780 hours during the  
 1737 first 12 months of his or her retirement. A retiree reemployed  
 1738 for more than 780 hours during the first 12 months of retirement  
 1739 must give timely notice in writing to the employer and to the  
 1740 Division of Retirement or the state board of the date he or she  
 1741 will exceed the limitation. The division shall suspend his or  
 1742 her retirement benefits for the remainder of the 12 months. Any

1743 retiree employed in violation of this sub-subparagraph and any  
 1744 employer who employs or appoints such person without notifying  
 1745 the division to suspend retirement benefits are jointly and  
 1746 severally liable for any benefits paid during the reemployment  
 1747 limitation period. The employer must have a written statement  
 1748 from the retiree that he or she is not retired from a state-  
 1749 administered retirement system. Any retirement benefits received  
 1750 by the retiree while reemployed in excess of 780 hours during  
 1751 the first 12 months of retirement must be repaid to the Florida  
 1752 Retirement System Trust Fund, and retirement benefits shall  
 1753 remain suspended until repayment is made. Benefits suspended  
 1754 beyond the end of the retiree's first 12 months of retirement  
 1755 shall apply toward repayment of benefits received in violation  
 1756 of the 780-hour reemployment limitation.

1757         d. The Board of Trustees of the Florida School for the  
 1758 Deaf and the Blind may reemploy a retiree as a substitute  
 1759 teacher, substitute residential instructor, or substitute nurse  
 1760 on a noncontractual basis after he or she has been retired for 1  
 1761 calendar month. Any member who is reemployed within 1 calendar  
 1762 month after retirement shall void his or her application for  
 1763 retirement benefits. The Board of Trustees of the Florida School  
 1764 for the Deaf and the Blind reemploying such teachers,  
 1765 residential instructors, or nurses is subject to the retirement  
 1766 contribution required by subparagraph 2.

1767         e. A developmental research school may reemploy a retiree  
 1768 as a substitute or hourly teacher or an education

PCB SAC 14-01

2014

1769 | paraprofessional as defined in s. 1012.01(2) on a noncontractual  
 1770 | basis after he or she has been retired for 1 calendar month. A  
 1771 | developmental research school may reemploy a retiree as  
 1772 | instructional personnel, as defined in s. 1012.01(2)(a), on an  
 1773 | annual contractual basis after he or she has been retired for 1  
 1774 | calendar month after retirement. Any member who is reemployed  
 1775 | within 1 calendar month voids his or her application for  
 1776 | retirement benefits. A developmental research school that  
 1777 | reemploys retired teachers and education paraprofessionals is  
 1778 | subject to the retirement contribution required by subparagraph  
 1779 | 2.

1780 |         f. A charter school may reemploy a retiree as a substitute  
 1781 | or hourly teacher on a noncontractual basis after he or she has  
 1782 | been retired for 1 calendar month. A charter school may reemploy  
 1783 | a retired member as instructional personnel, as defined in s.  
 1784 | 1012.01(2)(a), on an annual contractual basis after he or she  
 1785 | has been retired for 1 calendar month after retirement. Any  
 1786 | member who is reemployed within 1 calendar month voids his or  
 1787 | her application for retirement benefits. A charter school that  
 1788 | reemploys such teachers is subject to the retirement  
 1789 | contribution required by subparagraph 2.

1790 |         2. The employment of a retiree or DROP participant of a  
 1791 | state-administered retirement system does not affect the average  
 1792 | final compensation or years of creditable service of the retiree  
 1793 | or DROP participant. Before July 1, 1991, upon employment of any  
 1794 | person, other than an elected officer as provided in s. 121.053,

1795 who is retired under a state-administered retirement program,  
 1796 the employer shall pay retirement contributions in an amount  
 1797 equal to the unfunded actuarial liability portion of the  
 1798 employer contribution which would be required for regular  
 1799 members of the Florida Retirement System. Effective July 1,  
 1800 1991, contributions shall be made as provided in s. 121.122 for  
 1801 retirees who have renewed membership or, as provided in  
 1802 subsection (14) ~~(13)~~, for DROP participants.

1803         3. Any person who is holding an elective public office  
 1804 which is covered by the Florida Retirement System and who is  
 1805 concurrently employed in nonelected covered employment may elect  
 1806 to retire while continuing employment in the elective public  
 1807 office if he or she terminates his or her nonelected covered  
 1808 employment. Such person shall receive his or her retirement  
 1809 benefits in addition to the compensation of the elective office  
 1810 without regard to the time limitations otherwise provided in  
 1811 this subsection. A person who seeks to exercise the provisions  
 1812 of this subparagraph as they existed before May 3, 1984, may not  
 1813 be deemed to be retired under those provisions, unless such  
 1814 person is eligible to retire under this subparagraph, as amended  
 1815 by chapter 84-11, Laws of Florida.

1816         (c) Any person whose retirement is effective on or after  
 1817 July 1, 2010, or whose participation in the Deferred Retirement  
 1818 Option Program terminates on or after July 1, 2010, who is  
 1819 retired under this chapter, except under the disability  
 1820 retirement provisions of subsection (5) ~~(4)~~ or as provided in s.

PCB SAC 14-01

2014

1821 121.053, may be reemployed by an employer that participates in a  
 1822 state-administered retirement system and receive retirement  
 1823 benefits and compensation from that employer. However, a person  
 1824 may not be reemployed by an employer participating in the  
 1825 Florida Retirement System before meeting the definition of  
 1826 termination in s. 121.021 and may not receive both a salary from  
 1827 the employer and retirement benefits for 6 calendar months after  
 1828 meeting the definition of termination. However, a DROP  
 1829 participant shall continue employment and receive a salary  
 1830 during the period of participation in the Deferred Retirement  
 1831 Option Program, as provided in subsection (14) ~~(13)~~.

1832 1. The reemployed retiree may not renew membership in the  
 1833 Florida Retirement System.

1834 2. The employer shall pay retirement contributions in an  
 1835 amount equal to the unfunded actuarial liability portion of the  
 1836 employer contribution that would be required for active members  
 1837 of the Florida Retirement System in addition to the  
 1838 contributions required by s. 121.76.

1839 3. A retiree initially reemployed in violation of this  
 1840 paragraph and an employer that employs or appoints such person  
 1841 are jointly and severally liable for reimbursement of any  
 1842 retirement benefits paid to the retirement trust fund from which  
 1843 the benefits were paid, including the Florida Retirement System  
 1844 Trust Fund and the Public Employee Optional Retirement Program  
 1845 Trust Fund, as appropriate. The employer must have a written  
 1846 statement from the employee that he or she is not retired from a

1847 state-administered retirement system. Retirement benefits shall  
 1848 remain suspended until repayment is made. Benefits suspended  
 1849 beyond the end of the retiree's 6-month reemployment limitation  
 1850 period shall apply toward the repayment of benefits received in  
 1851 violation of this paragraph.

1852 (d) This subsection applies to retirees, as defined in s.  
 1853 121.4501(2), of the Florida Retirement System Investment Plan or  
 1854 the Florida Retirement System Hybrid Plan, subject to the  
 1855 following conditions:

1856 1. A retiree may not be reemployed with an employer  
 1857 participating in the Florida Retirement System until such person  
 1858 has been retired for 6 calendar months.

1859 2. A retiree employed in violation of this subsection and  
 1860 an employer that employs or appoints such person are jointly and  
 1861 severally liable for reimbursement of any benefits paid to the  
 1862 retirement trust fund from which the benefits were paid. The  
 1863 employer must have a written statement from the retiree that he  
 1864 or she is not retired from a state-administered retirement  
 1865 system.

1866 (e) The limitations of this subsection apply to  
 1867 reemployment in any capacity irrespective of the category of  
 1868 funds from which the person is compensated.

1869 ~~(11)-(10)~~ FUTURE BENEFITS BASED ON ACTUARIAL DATA.—It is  
 1870 the intent of the Legislature that future benefit increases  
 1871 enacted into law in this chapter shall be financed concurrently  
 1872 by increased contributions or other adequate funding, and such



1873 funding shall be based on sound actuarial data as developed by  
 1874 the actuary or state retirement actuary, as provided in ss.  
 1875 121.021(6) and 121.192.

1876 (12)~~(11)~~ A member who becomes eligible to retire and has  
 1877 accumulated the maximum benefit of 100 percent of average final  
 1878 compensation may continue in active service, and, if upon the  
 1879 member's retirement the member elects to receive a retirement  
 1880 compensation pursuant to subsection (3) ~~(2)~~, subsection (7) ~~(6)~~,  
 1881 or subsection (8) ~~(7)~~, the actuarial equivalent percentage  
 1882 factor applicable to the age of such member at the time the  
 1883 member reached the maximum benefit and to the age, at that time,  
 1884 of the member's spouse shall determine the amount of benefits to  
 1885 be paid.

1886 (13)~~(12)~~ SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN  
 1887 SURVIVOR BENEFITS.—Notwithstanding any provision of this chapter  
 1888 to the contrary, for members with an effective date of  
 1889 retirement, or date of death if prior to retirement, on or after  
 1890 January 1, 1996, the named joint annuitant, as defined in s.  
 1891 121.021(28)(b), who is eligible to receive benefits under  
 1892 subparagraph (7)(a)3. ~~(6)(a)3.~~ or subparagraph (7)(a)4.  
 1893 ~~(6)(a)4.~~, shall receive the maximum monthly retirement benefit  
 1894 that would have been payable to the member under subparagraph  
 1895 (7)(a)1. ~~(6)(a)1.~~; however, payment of such benefit shall cease  
 1896 the month the joint annuitant attains age 25 unless such joint  
 1897 annuitant is disabled and incapable of self-support, in which  
 1898 case, benefits shall cease when the joint annuitant is no longer

PCB SAC 14-01

2014

1899 disabled. The administrator may require proof of disability or  
 1900 continued disability in the same manner as is provided for a  
 1901 member seeking or receiving a disability retirement benefit  
 1902 under subsection (5) ~~(4)~~.

1903 (14) ~~(13)~~ DEFERRED RETIREMENT OPTION PROGRAM.—In general,  
 1904 and subject to this section, the Deferred Retirement Option  
 1905 Program, hereinafter referred to as DROP, is a program under  
 1906 which an eligible member of the Florida Retirement System may  
 1907 elect to participate, deferring receipt of retirement benefits  
 1908 while continuing employment with his or her Florida Retirement  
 1909 System employer. The deferred monthly benefits shall accrue in  
 1910 the Florida Retirement System on behalf of the member, plus  
 1911 interest compounded monthly, for the specified period of the  
 1912 DROP participation, as provided in paragraph (c). Upon  
 1913 termination of employment, the member shall receive the total  
 1914 DROP benefits and begin to receive the previously determined  
 1915 normal retirement benefits. Participation in the DROP does not  
 1916 guarantee employment for the specified period of DROP.  
 1917 Participation in DROP by an eligible member beyond the initial  
 1918 60-month period as authorized in this subsection shall be on an  
 1919 annual contractual basis for all participants.

1920 (a) Eligibility of member to participate in DROP.—All  
 1921 active Florida Retirement System Pension Plan and Florida  
 1922 Retirement System Hybrid Plan members in a regularly established  
 1923 position, and all active members of the Teachers' Retirement  
 1924 System established in chapter 238 or the State and County

1925 Officers' and Employees' Retirement System established in  
 1926 chapter 122, which are consolidated within the Florida  
 1927 Retirement System under s. 121.011, are eligible to elect  
 1928 participation in DROP if:

1929 1. The member is not a renewed member under s. 121.122, ~~or~~  
 1930 a member of the Florida Retirement System Investment Plan under  
 1931 part II of this chapter, a member of the State Community College  
 1932 System Optional Retirement Program under s. 121.051, the Senior  
 1933 Management Service Optional Annuity Program under s. 121.055, or  
 1934 the optional retirement program for the State University System  
 1935 under s. 121.35.

1936 2. Except as provided in subparagraph 6., for members  
 1937 initially enrolled before July 1, 2011, election to participate  
 1938 is made within 12 months immediately following the date on which  
 1939 the member first reaches normal retirement date, or, for a  
 1940 member who reaches normal retirement date based on service  
 1941 before he or she reaches age 62, or age 55 for Special Risk  
 1942 Class members, election to participate may be deferred to the 12  
 1943 months immediately following the date the member attains age 57,  
 1944 or age 52 for Special Risk Class members. Except as provided in  
 1945 subparagraph 6., for members initially enrolled on or after July  
 1946 1, 2011, election to participate is made within 12 months  
 1947 immediately following the date on which the member first reaches  
 1948 normal retirement date, or, for a member who reaches normal  
 1949 retirement date based on service before he or she reaches age  
 1950 65, or age 60 for Special Risk Class members, election to

1951 participate may be deferred to the 12 months immediately  
 1952 following the date the member attains age 60, or age 55 for  
 1953 Special Risk Class members. A member who delays DROP  
 1954 participation during the 12-month period immediately following  
 1955 his or her maximum DROP deferral date, except as provided in  
 1956 subparagraph 6., loses a month of DROP participation for each  
 1957 month delayed. A member who fails to make an election within the  
 1958 12-month limitation period forfeits all rights to participate in  
 1959 DROP. The member shall advise his or her employer and the  
 1960 division in writing of the date DROP begins. The beginning date  
 1961 may be subsequent to the 12-month election period but must be  
 1962 within the original 60-month participation period provided in  
 1963 subparagraph (b)1. When establishing eligibility to participate  
 1964 in DROP, the member may elect to include or exclude any optional  
 1965 service credit purchased by the member from the total service  
 1966 used to establish the normal retirement date. A member who has  
 1967 dual normal retirement dates is eligible to elect to participate  
 1968 in DROP after attaining normal retirement date in either class.

1969         3. The employer of a member electing to participate in  
 1970 DROP, or employers if dually employed, shall acknowledge in  
 1971 writing to the division the date the member's participation in  
 1972 DROP begins and the date the member's employment and DROP  
 1973 participation terminates.

1974         4. Simultaneous employment of a member by additional  
 1975 Florida Retirement System employers subsequent to the  
 1976 commencement of a member's participation in DROP is permissible

1977 | if such employers acknowledge in writing a DROP termination date  
 1978 | no later than the member's existing termination date or the  
 1979 | maximum participation period provided in subparagraph (b)1.

1980 |         5. A member may change employers while participating in  
 1981 | DROP, subject to the following:

1982 |             a. A change of employment takes place without a break in  
 1983 | service so that the member receives salary for each month of  
 1984 | continuous DROP participation. If a member receives no salary  
 1985 | during a month, DROP participation ceases unless the employer  
 1986 | verifies a continuation of the employment relationship for such  
 1987 | member pursuant to s. 121.021(39)(b).

1988 |             b. The member and new employer notify the division of the  
 1989 | identity of the new employer on forms required by the division.

1990 |             c. The new employer acknowledges, in writing, the member's  
 1991 | DROP termination date, which may be extended but not beyond the  
 1992 | maximum participation period provided in subparagraph (b)1.,  
 1993 | acknowledges liability for any additional retirement  
 1994 | contributions and interest required if the member fails to  
 1995 | timely terminate employment, and is subject to the adjustment  
 1996 | required in sub-subparagraph (c)5.d.

1997 |         6. Effective July 1, 2001, for instructional personnel as  
 1998 | defined in s. 1012.01(2), election to participate in DROP may be  
 1999 | made at any time following the date on which the member first  
 2000 | reaches normal retirement date. The member shall advise his or  
 2001 | her employer and the division in writing of the date on which  
 2002 | DROP begins. When establishing eligibility of the member to

2003 participate in DROP for the 60-month participation period  
 2004 provided in subparagraph (b)1., the member may elect to include  
 2005 or exclude any optional service credit purchased by the member  
 2006 from the total service used to establish the normal retirement  
 2007 date. A member who has dual normal retirement dates is eligible  
 2008 to elect to participate in either class.

2009 (b) Participation in DROP.—

2010 1. An eligible member may elect to participate in DROP for  
 2011 a period not to exceed a maximum of 60 calendar months. However,  
 2012 members who are instructional personnel employed by the Florida  
 2013 School for the Deaf and the Blind and authorized by the Board of  
 2014 Trustees of the Florida School for the Deaf and the Blind, who  
 2015 are instructional personnel as defined in s. 1012.01(2)(a)-(d)  
 2016 in grades K-12 and authorized by the district school  
 2017 superintendent, or who are instructional personnel as defined in  
 2018 s. 1012.01(2)(a) employed by a developmental research school and  
 2019 authorized by the school's director, or if the school has no  
 2020 director, by the school's principal, may participate in DROP for  
 2021 up to 36 calendar months beyond the 60-month period.

2022 2. Upon deciding to participate in DROP, the member shall  
 2023 submit, on forms required by the division:

2024 a. A written election to participate in DROP;

2025 b. Selection of DROP participation and termination dates  
 2026 that satisfy the limitations stated in paragraph (a) and  
 2027 subparagraph 1. The termination date must be in a binding letter  
 2028 of resignation to the employer establishing a deferred

2029 termination date. The member may change the termination date  
 2030 within the limitations of subparagraph 1., but only with the  
 2031 written approval of the employer;

2032 c. A properly completed DROP application for service  
 2033 retirement as provided in this section; and

2034 d. Any other information required by the division.

2035 3. The DROP participant is a retiree under the Florida  
 2036 Retirement System for all purposes, except for paragraph (6) (f)  
 2037 ~~(5) (f)~~ and subsection (10) ~~(9)~~ and ss. 112.3173, 112.363,  
 2038 121.053, and 121.122. DROP participation is final and may not be  
 2039 canceled by the participant after the first payment is credited  
 2040 during the DROP participation period. However, participation in  
 2041 DROP does not alter the participant's employment status, and the  
 2042 member is not deemed retired from employment until his or her  
 2043 deferred resignation is effective and termination occurs as  
 2044 defined in s. 121.021.

2045 4. Elected officers are eligible to participate in DROP  
 2046 subject to the following:

2047 a. An elected officer who reaches normal retirement date  
 2048 during a term of office may defer the election to participate  
 2049 until the next succeeding term in that office. An elected  
 2050 officer who exercises this option may participate in DROP for up  
 2051 to 60 calendar months or no longer than the succeeding term of  
 2052 office, whichever is less.

2053 b. An elected or a nonelected participant may run for a  
 2054 term of office while participating in DROP and, if elected,

PCB SAC 14-01

2014

2055 extend the DROP termination date accordingly; however, if such  
 2056 additional term of office exceeds the 60-month limitation  
 2057 established in subparagraph 1., and the officer does not resign  
 2058 from office within such 60-month limitation, the retirement and  
 2059 the participant's DROP is null and void as provided in sub-  
 2060 subparagraph (c)5.d.

2061 c. An elected officer who is dually employed and elects to  
 2062 participate in DROP must terminate all employment relationships  
 2063 as provided in s. 121.021(39) for the nonelected position within  
 2064 the original 60-month period or maximum participation period as  
 2065 provided in subparagraph 1. For DROP participation ending:

2066 (I) Before July 1, 2010, the officer may continue  
 2067 employment as an elected officer as provided in s. 121.053. The  
 2068 elected officer shall be enrolled as a renewed member in the  
 2069 Elected Officers' Class or the Regular Class, as provided in ss.  
 2070 121.053 and 121.122, on the first day of the month after  
 2071 termination of employment in the nonelected position and  
 2072 termination of DROP. Distribution of the DROP benefits shall be  
 2073 made as provided in paragraph (c).

2074 (II) On or after July 1, 2010, the officer may continue  
 2075 employment as an elected officer but must defer termination as  
 2076 provided in s. 121.053.

2077 (c) Benefits payable under DROP.—

2078 1. Effective on the date of DROP participation, the  
 2079 member's initial normal monthly benefit, including creditable  
 2080 service, optional form of payment, and average final



2081 compensation, and the effective date of retirement are fixed.  
 2082 The beneficiary established under the Florida Retirement System  
 2083 is the beneficiary eligible to receive any DROP benefits payable  
 2084 if the DROP participant dies before completing the period of  
 2085 DROP participation. If a joint annuitant predeceases the member,  
 2086 the member may name a beneficiary to receive accumulated DROP  
 2087 benefits payable. The retirement benefit, the annual cost of  
 2088 living adjustments provided in s. 121.101, and interest accrue  
 2089 monthly in the Florida Retirement System Trust Fund. For members  
 2090 whose DROP participation begins:

2091 a. Before July 1, 2011, the interest accrues at an  
 2092 effective annual rate of 6.5 percent compounded monthly, on the  
 2093 prior month's accumulated ending balance, up to the month of  
 2094 termination or death, except as provided in s. 121.053(7).

2095 b. On or after July 1, 2011, the interest accrues at an  
 2096 effective annual rate of 1.3 percent, compounded monthly, on the  
 2097 prior month's accumulated ending balance, up to the month of  
 2098 termination or death, except as provided in s. 121.053(7).

2099 2. Each employee who elects to participate in DROP may  
 2100 elect to receive a lump-sum payment for accrued annual leave  
 2101 earned in accordance with agency policy upon beginning  
 2102 participation in DROP. The accumulated leave payment certified  
 2103 to the division upon commencement of DROP shall be included in  
 2104 the calculation of the member's average final compensation. The  
 2105 employee electing the lump-sum payment is not eligible to  
 2106 receive a second lump-sum payment upon termination, except to

2107 the extent the employee has earned additional annual leave  
 2108 which, combined with the original payment, does not exceed the  
 2109 maximum lump-sum payment allowed by the employing agency's  
 2110 policy or rules. An early lump-sum payment shall be based on the  
 2111 hourly wage of the employee at the time he or she begins  
 2112 participation in DROP. If the member elects to wait and receive  
 2113 a lump-sum payment upon termination of DROP and termination of  
 2114 employment with the employer, any accumulated leave payment made  
 2115 at that time may not be included in the member's retirement  
 2116 benefit, which was determined and fixed by law when the employee  
 2117 elected to participate in DROP.

2118 3. The effective date of DROP participation and the  
 2119 effective date of retirement of a DROP participant shall be the  
 2120 first day of the month selected by the member to begin  
 2121 participation in DROP, provided such date is properly  
 2122 established, with the written confirmation of the employer, and  
 2123 the approval of the division, on forms required by the division.

2124 4. Normal retirement benefits and any interest continue to  
 2125 accrue in DROP until the established termination date of DROP or  
 2126 until the member terminates employment or dies before such date,  
 2127 except as provided in s. 121.053(7). Although individual DROP  
 2128 accounts may not be established, a separate accounting of each  
 2129 member's accrued benefits under DROP shall be calculated and  
 2130 provided to the member.

2131 5. At the conclusion of the member's participation in  
 2132 DROP, the division shall distribute the member's total

2133 accumulated DROP benefits, subject to the following:

2134 a. The division shall receive verification by the member's  
 2135 employer or employers that the member has terminated all  
 2136 employment relationships as provided in s. 121.021(39).

2137 b. The terminated DROP participant or, if deceased, the  
 2138 member's named beneficiary, shall elect on forms provided by the  
 2139 division to receive payment of the DROP benefits in accordance  
 2140 with one of the options listed below. If a member or beneficiary  
 2141 fails to elect a method of payment within 60 days after  
 2142 termination of DROP, the division shall pay a lump sum as  
 2143 provided in sub-sub-subparagraph (I).

2144 (I) Lump sum.—All accrued DROP benefits, plus interest,  
 2145 less withholding taxes remitted to the Internal Revenue Service,  
 2146 shall be paid to the DROP participant or surviving beneficiary.

2147 (II) Direct rollover.—All accrued DROP benefits, plus  
 2148 interest, shall be paid from DROP directly to the custodian of  
 2149 an eligible retirement plan as defined in s. 402(c)(8)(B) of the  
 2150 Internal Revenue Code. However, in the case of an eligible  
 2151 rollover distribution to the surviving spouse of a deceased  
 2152 member, an eligible retirement plan is an individual retirement  
 2153 account or an individual retirement annuity as described in s.  
 2154 402(c)(9) of the Internal Revenue Code.

2155 (III) Partial lump sum.—A portion of the accrued DROP  
 2156 benefits shall be paid to DROP participant or surviving spouse,  
 2157 less withholding taxes remitted to the Internal Revenue Service,  
 2158 and the remaining DROP benefits must be transferred directly to

2159 | the custodian of an eligible retirement plan as defined in s.  
 2160 | 402(c)(8)(B) of the Internal Revenue Code. However, in the case  
 2161 | of an eligible rollover distribution to the surviving spouse of  
 2162 | a deceased member, an eligible retirement plan is an individual  
 2163 | retirement account or an individual retirement annuity as  
 2164 | described in s. 402(c)(9) of the Internal Revenue Code. The  
 2165 | proportions must be specified by the DROP participant or  
 2166 | surviving beneficiary.

2167 |         c. The form of payment selected by the DROP participant or  
 2168 | surviving beneficiary must comply with the minimum distribution  
 2169 | requirements of the Internal Revenue Code.

2170 |         d. A DROP participant who fails to terminate all  
 2171 | employment relationships as provided in s. 121.021(39) shall be  
 2172 | deemed as not retired, and the DROP election is null and void.  
 2173 | Florida Retirement System membership shall be reestablished  
 2174 | retroactively to the date of the commencement of DROP, and each  
 2175 | employer with whom the member continues employment must pay to  
 2176 | the Florida Retirement System Trust Fund the difference between  
 2177 | the DROP contributions paid in paragraph (i) and the  
 2178 | contributions required for the applicable Florida Retirement  
 2179 | System class of membership during the period the member  
 2180 | participated in DROP, plus 6.5 percent interest compounded  
 2181 | annually.

2182 |         6. The retirement benefits of any DROP participant who  
 2183 | terminates all employment relationships as provided in s.  
 2184 | 121.021(39) but is reemployed in violation of the reemployment

2185 provisions of subsection (10) ~~(9)~~ are suspended during those  
 2186 months in which the retiree is in violation. Any retiree in  
 2187 violation of this subparagraph and any employer that employs or  
 2188 appoints such person without notifying the division to suspend  
 2189 retirement benefits are jointly and severally liable for any  
 2190 benefits paid during the reemployment limitation period. The  
 2191 employer must have a written statement from the retiree that he  
 2192 or she is not retired from a state-administered retirement  
 2193 system. Any retirement benefits received by a retiree while  
 2194 employed in violation of the reemployment limitations must be  
 2195 repaid to the Florida Retirement System Trust Fund, and his or  
 2196 her retirement benefits shall remain suspended until payment is  
 2197 made. Benefits suspended beyond the end of the reemployment  
 2198 limitation period apply toward repayment of benefits received in  
 2199 violation of the reemployment limitation.

2200 7. The accrued benefits of any DROP participant, and any  
 2201 contributions accumulated under the program, are not subject to  
 2202 assignment, execution, attachment, or any legal process except  
 2203 for qualified domestic relations court orders, income deduction  
 2204 orders as provided in s. 61.1301, and federal income tax levies.

2205 8. DROP participants are not eligible for disability  
 2206 retirement benefits as provided in subsection (5) ~~(4)~~.

2207 (d) Death benefits under DROP.—

2208 1. Upon the death of a DROP participant, the named  
 2209 beneficiary is entitled to apply for and receive the accrued  
 2210 benefits in DROP as provided in sub-subparagraph (c)5.b.

2211           2. The normal retirement benefit accrued to DROP during  
 2212 the month of a participant's death is the final monthly benefit  
 2213 credited for such DROP participant.

2214           3. Eligibility to participate in DROP terminates upon  
 2215 death of the participant. If the participant dies on or after  
 2216 the effective date of enrollment in DROP, but before the first  
 2217 monthly benefit is credited to DROP, Florida Retirement System  
 2218 benefits are paid in accordance with subparagraph (8) (c) 1.  
 2219 ~~(7) (e) 1.~~ or subparagraph 2.

2220           4. A DROP participant's survivors are not eligible to  
 2221 receive Florida Retirement System death benefits as provided in  
 2222 paragraph (8) (d) ~~(7) (d)~~.

2223           (e) Cost-of-living adjustment.—On each July 1, the  
 2224 participant's normal retirement benefit shall be increased as  
 2225 provided in s. 121.101.

2226           (f) Retiree health insurance subsidy.—DROP participants  
 2227 are not eligible to apply for the retiree health insurance  
 2228 subsidy payments as provided in s. 112.363 until such  
 2229 participants have terminated employment and participation in  
 2230 DROP.

2231           (g) Renewed membership.—DROP participants are not eligible  
 2232 for renewed membership in the Florida Retirement System under  
 2233 ss. 121.053 and 121.122 until all employment relationships are  
 2234 terminated as provided in s. 121.021(39).

2235           (h) Employment limitation after DROP participation.—Upon  
 2236 termination as defined in s. 121.021, DROP participants are

2237 subject to the same reemployment limitations as other retirees.  
 2238 Reemployment restrictions applicable to retirees as provided in  
 2239 subsection (10) ~~(9)~~ do not apply to DROP participants until  
 2240 their employment and participation in DROP are terminated.

2241 (i) Contributions.—

2242 1. All employers paying the salary of a DROP participant  
 2243 filling a regularly established position shall contribute 8.0  
 2244 percent of such participant's gross compensation for the period  
 2245 of July 1, 2002, through June 30, 2003, and the percentage of  
 2246 such compensation required by s. 121.71 thereafter, which shall  
 2247 constitute the entire employer DROP contribution with respect to  
 2248 such participant. Such contributions, payable to the Florida  
 2249 Retirement System Trust Fund in the same manner as required in  
 2250 s. 121.071, must be made as appropriate for each pay period and  
 2251 are in addition to contributions required for social security  
 2252 and the Retiree Health Insurance Subsidy Trust Fund. Such  
 2253 employer, social security, and health insurance subsidy  
 2254 contributions are not included in DROP.

2255 2. The employer shall, in addition to subparagraph 1.,  
 2256 also withhold one-half of the entire social security  
 2257 contribution required for the participant. Contributions for  
 2258 social security by each participant and each employer, in the  
 2259 amount required for social security coverage as provided by the  
 2260 federal Social Security Act, are in addition to contributions  
 2261 specified in subparagraph 1.

2262 3. All employers paying the salary of a DROP participant

PCB SAC 14-01

2014

2263 filling a regularly established position shall contribute the  
 2264 percent of such participant's gross compensation required in s.  
 2265 121.071(4), which constitutes the employer's health insurance  
 2266 subsidy contribution with respect to such participant. Such  
 2267 contributions must be deposited by the administrator in the  
 2268 Retiree Health Insurance Subsidy Trust Fund.

2269 4. A DROP participant who is a member of the hybrid plan  
 2270 may not continue to make contributions to the member's  
 2271 investment plan account. The member may not take a distribution  
 2272 from the member's investment plan account until the member's  
 2273 employment and participation in DROP has terminated.

2274 (j) Forfeiture of retirement benefits.—This section does  
 2275 not remove DROP participants from the scope of s. 8(d), Art. II  
 2276 of the State Constitution, s. 112.3173, and paragraph (6) (f)  
 2277 ~~(5) (f)~~. DROP participants who commit a specified felony offense  
 2278 while employed are subject to forfeiture of all retirement  
 2279 benefits, including DROP benefits, pursuant to those provisions  
 2280 of law.

2281 (k) Administration of program.—The division shall adopt  
 2282 rules as necessary for the effective and efficient  
 2283 administration of this subsection. The division is not required  
 2284 to advise members of the federal tax consequences of an election  
 2285 related to the DROP but may advise members to seek independent  
 2286 advice.

2287 (15) (14) PAYMENT OF BENEFITS.—This subsection applies to  
 2288 the payment of benefits to a payee (retiree or beneficiary)



2289 | under the Florida Retirement System:

2290 |       (a) Federal income tax shall be withheld in accordance  
 2291 | with federal law, unless the payee elects otherwise on Form W-  
 2292 | 4P. The division shall prepare and distribute to each recipient  
 2293 | of monthly retirement benefits an appropriate income tax form  
 2294 | that reflects the recipient's income and federal income tax  
 2295 | withheld for the calendar year just ended.

2296 |       (b) Subject to approval by the division in accordance with  
 2297 | rule 60S-4.015, Florida Administrative Code, a payee receiving  
 2298 | retirement benefits under the system may also have the following  
 2299 | payments deducted from his or her monthly benefit:

2300 |           1. Premiums for life and health-related insurance policies  
 2301 | from approved companies.

2302 |           2. Life insurance premiums for the State Group Life  
 2303 | Insurance Plan, if authorized in writing by the payee and by the  
 2304 | department.

2305 |           3. Repayment of overpayments from the Florida Retirement  
 2306 | System Trust Fund, the State Employees' Health Insurance Trust  
 2307 | Fund, or the State Employees' Life Insurance Trust Fund, upon  
 2308 | notification of the payee.

2309 |           4. Payments to an alternate payee for alimony or child  
 2310 | support pursuant to an income deduction order under s. 61.1301,  
 2311 | or division of marital assets pursuant to a qualified domestic  
 2312 | relations order under s. 222.21.

2313 |           5. Payments to the Internal Revenue Service for federal  
 2314 | income tax levies, upon notification of the division by the

2315 Internal Revenue Service.

2316 (c) A payee must notify the division of any change in his  
 2317 or her address. The division may suspend benefit payments to a  
 2318 payee if correspondence sent to the payee's mailing address is  
 2319 returned due to an incorrect address. Benefit payments shall be  
 2320 resumed upon notification to the division of the payee's new  
 2321 address.

2322 (d) A payee whose retirement benefits are reduced by the  
 2323 application of maximum benefit limits under s. 415(b) of the  
 2324 Internal Revenue Code, as specified in s. 121.30(5), shall have  
 2325 the portion of his or her calculated benefit in the Florida  
 2326 Retirement System Pension Plan which exceeds such federal  
 2327 limitation paid through the Florida Retirement System  
 2328 Preservation of Benefits Plan, as provided in s. 121.1001.

2329 (e) The Division of Retirement may issue retirement  
 2330 benefits payable for division of marital assets pursuant to a  
 2331 qualified domestic relations order directly to the alternate  
 2332 payee, any court order to the contrary notwithstanding, in order  
 2333 to meet Internal Revenue Code requirements.

2334 (f) A benefit may not be reduced for the purpose of  
 2335 preserving the member's eligibility for a federal program.

2336 (g) The division shall adopt rules establishing procedures  
 2337 for determining that persons to whom benefits are being paid are  
 2338 still living. The division shall suspend the benefits being paid  
 2339 to any payee if it is unable to contact such payee and to  
 2340 confirm that he or she is still living.

2341 Section 7. Paragraph (c) of subsection (3) of section  
 2342 121.35, Florida Statutes, is amended to read:

2343 121.35 Optional retirement program for the State  
 2344 University System.—

2345 (3) ELECTION OF OPTIONAL PROGRAM.—

2346 (c) Any employee who becomes eligible to participate in  
 2347 the optional retirement program on or after January 1, 1993,  
 2348 shall be a compulsory participant of the program unless such  
 2349 employee elects membership in the Florida Retirement System.  
 2350 Such election shall be made in writing and filed with the  
 2351 personnel officer of the employer. Any eligible employee who  
 2352 fails to make such election within the prescribed time period  
 2353 shall be deemed to have elected to participate in the optional  
 2354 retirement program.

2355 1. Any employee whose optional retirement program  
 2356 eligibility results from initial employment shall be enrolled in  
 2357 the program at the commencement of employment. If, within 90  
 2358 days after commencement of employment, the employee elects  
 2359 membership in the Florida Retirement System, such membership  
 2360 shall be effective retroactive to the date of commencement of  
 2361 employment as provided in s. 121.4501(4).

2362 2. Any employee whose optional retirement program  
 2363 eligibility results from a change in status due to the  
 2364 subsequent designation of the employee's position as one of  
 2365 those specified in paragraph (2)(a) or due to the employee's  
 2366 appointment, promotion, transfer, or reclassification to a

2367 position specified in paragraph (2) (a) shall be enrolled in the  
 2368 optional retirement program upon such change in status and shall  
 2369 be notified by the employer of such action. If, within 90 days  
 2370 after the date of such notification, the employee elects to  
 2371 retain membership in the Florida Retirement System, such  
 2372 continuation of membership shall be retroactive to the date of  
 2373 the change in status.

2374 3. Notwithstanding subparagraphs 1. and 2. ~~the provisions~~  
 2375 ~~of this paragraph~~, effective July 1, 1997, any employee who is  
 2376 eligible to participate in the Optional Retirement Program and  
 2377 who fails to execute a contract with one of the approved  
 2378 companies and to notify the department in writing as provided in  
 2379 subsection (4) within 90 days after the date of eligibility  
 2380 shall be deemed to have elected membership in the Florida  
 2381 Retirement System, except as provided in s. 121.051(1) (a). This  
 2382 provision shall also apply to any employee who terminates  
 2383 employment in an eligible position before executing the required  
 2384 investment annuity contract and notifying the department. Such  
 2385 membership shall be retroactive to the date of eligibility, and  
 2386 all appropriate contributions shall be transferred to the  
 2387 Florida Retirement System Trust Fund and the Health Insurance  
 2388 Subsidy Trust Fund.

2389 Section 8. Paragraph (e) and paragraphs (g) through (l) of  
 2390 subsection (2), subsection (4), paragraph (a) of subsection (5),  
 2391 paragraph (a) of subsection (9), paragraph (c) of subsection  
 2392 (10), and subsection (21) of section 121.4501, Florida Statutes,

2393 are amended to read:

2394 121.4501 Florida Retirement System Investment Plan.—

2395 (2) DEFINITIONS.—As used in this part, the term:

2396 (e) "Eligible employee" means an officer or employee, as  
2397 defined in s. 121.021, who:

2398 1. Is a member of, or is eligible for membership in, the  
2399 Florida Retirement System, including any renewed member of the  
2400 Florida Retirement System initially enrolled before July 1,  
2401 2010; or

2402 2. Participates in, or is eligible to participate in, the  
2403 Senior Management Service Optional Annuity Program as  
2404 established under s. 121.055(6), the State Community College  
2405 System Optional Retirement Program as established under s.  
2406 121.051(2)(c), or the State University System Optional  
2407 Retirement Program established under s. 121.35.

2408  
2409 The term does not include any member participating in the  
2410 Deferred Retirement Option Program established under s.  
2411 121.091(14) ~~121.091(13)~~, a retiree of a state-administered  
2412 retirement system initially reemployed in a regularly  
2413 established position on or after July 1, 2010, or a mandatory  
2414 participant of the State University System Optional Retirement  
2415 Program established under s. 121.35.

2416 (g) "Florida Retirement System Hybrid Plan" or "hybrid  
2417 plan" means a retirement program where the member participates  
2418 in both the pension plan and the investment plan. The pension

2419 plan component is funded by employer contributions and the  
 2420 investment plan component is funded by employee contributions.

2421 (h)~~(g)~~ "Florida Retirement System Investment Plan" or  
 2422 "investment plan" means the defined contribution program  
 2423 established under this part.

2424 (i)~~(h)~~ "Florida Retirement System Pension Plan" or  
 2425 "pension plan" means the defined benefit program of the Florida  
 2426 Retirement System administered under part I of this chapter.

2427 (j)~~(i)~~ "Member" or "employee" means an eligible employee  
 2428 who enrolls in the hybrid plan or investment plan or defaults  
 2429 into the investment plan as provided in subsection (4), a  
 2430 terminated Deferred Retirement Option Program member as  
 2431 described in subsection (21), or a beneficiary or alternate  
 2432 payee of a member or employee.

2433 (k)~~(j)~~ "Member contributions" or "employee contributions"  
 2434 means the sum of all amounts deducted from the salary of a  
 2435 member by his or her employer in accordance with s. 121.71(3)  
 2436 and credited to his or her individual account in the investment  
 2437 plan, plus any earnings on such amounts and any contributions  
 2438 specified in paragraph (5)(e).

2439 (l)~~(k)~~ "Retiree" means a former member of the investment  
 2440 plan or hybrid plan who has terminated employment and taken a  
 2441 distribution of vested employee or employer contributions as  
 2442 provided in s. 121.591, except for a mandatory distribution of a  
 2443 de minimis account authorized by the state board or a minimum  
 2444 required distribution provided by s. 401(a)(9) of the Internal

2445 Revenue Code.

2446 ~~(m)(1)~~ "Vested" or "vesting" means the guarantee that a  
 2447 member is eligible to receive a retirement benefit upon  
 2448 completion of the required years of service under the investment  
 2449 plan.

2450 (4) PARTICIPATION; ENROLLMENT.—

2451 (a)1. Effective June 1, 2002, through February 28, 2003, a  
 2452 90-day election period was provided to each eligible employee  
 2453 participating in the Florida Retirement System, preceded by a  
 2454 90-day education period, allowing each eligible employee to  
 2455 elect membership in the investment plan; an employee who failed  
 2456 to elect the investment plan during the election period remained  
 2457 in the pension plan. An eligible employee who was employed in a  
 2458 regularly established position during the election period was  
 2459 granted the option to make one subsequent election, as provided  
 2460 in paragraph (f). With respect to an eligible employee who did  
 2461 not participate in the initial election period or who is  
 2462 employed initially in a regularly established position after the  
 2463 close of the initial election period but before July 1, 2015, on  
 2464 June 1, 2002, by a state employer:

2465 ~~a. Any such employee may elect to participate in the~~  
 2466 ~~investment plan in lieu of retaining his or her membership in~~  
 2467 ~~the pension plan. The election must be made in writing or by~~  
 2468 ~~electronic means and must be filed with the third party~~  
 2469 ~~administrator by August 31, 2002, or, in the case of an active~~  
 2470 ~~employee who is on a leave of absence on April 1, 2002, by the~~

2471 ~~last business day of the 5th month following the month the leave~~  
 2472 ~~of absence concludes. This election is irrevocable, except as~~  
 2473 ~~provided in paragraph (g). Upon making such election, the~~  
 2474 ~~employee shall be enrolled as a member of the investment plan,~~  
 2475 ~~the employee's membership in the Florida Retirement System is~~  
 2476 ~~governed by the provisions of this part, and the employee's~~  
 2477 ~~membership in the pension plan terminates. The employee's~~  
 2478 ~~enrollment in the investment plan is effective the first day of~~  
 2479 ~~the month for which a full month's employer contribution is made~~  
 2480 ~~to the investment plan.~~

2481 ~~b. Any such employee who fails to elect to participate in~~  
 2482 ~~the investment plan within the prescribed time period is deemed~~  
 2483 ~~to have elected to retain membership in the pension plan, and~~  
 2484 ~~the employee's option to elect to participate in the investment~~  
 2485 ~~plan is forfeited.~~

2486 ~~2. With respect to employees who become eligible to~~  
 2487 ~~participate in the investment plan by reason of employment in a~~  
 2488 ~~regularly established position with a state employer commencing~~  
 2489 ~~after April 1, 2002:~~

2490 ~~a. Any such employee shall, by default, be enrolled in the~~  
 2491 ~~pension plan at the commencement of employment, and may, by the~~  
 2492 ~~last business day of the 5th month following the employee's~~  
 2493 ~~month of hire, elect to participate in the investment plan. The~~  
 2494 ~~employee's election must be made in writing or by electronic~~  
 2495 ~~means and must be filed with the third-party administrator. The~~  
 2496 ~~election to participate in the investment plan is irrevocable,~~



2497 | except as provided in paragraph (f) ~~(g)~~.

2498 |       ~~a.b.~~ If the employee files such election within the  
 2499 | prescribed time period, enrollment in the investment plan is  
 2500 | effective on the first day of employment. The retirement  
 2501 | contributions paid through the month of the employee plan change  
 2502 | shall be transferred to the investment program, and, effective  
 2503 | the first day of the next month, the employer and employee must  
 2504 | pay the applicable contributions based on the employee  
 2505 | membership class in the program.

2506 |       ~~b.c.~~ An employee who fails to elect to participate in the  
 2507 | investment plan within the prescribed time period is deemed to  
 2508 | have elected to retain membership in the pension plan, and the  
 2509 | employee's option to elect to participate in the investment plan  
 2510 | is forfeited.

2511 |       ~~2.3.~~ With respect to employees who become eligible to  
 2512 | participate in the investment plan pursuant to s.  
 2513 | 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
 2514 | participate in the investment plan in lieu of retaining his or  
 2515 | her membership in the State Community College System Optional  
 2516 | Retirement Program or the State University System Optional  
 2517 | Retirement Program. The election must be made in writing or by  
 2518 | electronic means and must be filed with the third-party  
 2519 | administrator. This election is irrevocable, except as provided  
 2520 | in paragraphs (f) and ~~paragraph~~ (g). Upon making such election,  
 2521 | the employee shall be enrolled as a member in the investment  
 2522 | plan, the employee's membership in the Florida Retirement System

2523 is governed by the provisions of this part, and the employee's  
 2524 participation in the State Community College System Optional  
 2525 Retirement Program or the State University System Optional  
 2526 Retirement Program terminates. The employee's enrollment in the  
 2527 investment plan is effective on the first day of the month for  
 2528 which a full month's employer and employee contribution is made  
 2529 to the investment plan.

2530 ~~4. For purposes of this paragraph, "state employer" means~~  
 2531 ~~any agency, board, branch, commission, community college,~~  
 2532 ~~department, institution, institution of higher education, or~~  
 2533 ~~water management district of the state, which participates in~~  
 2534 ~~the Florida Retirement System for the benefit of certain~~  
 2535 ~~employees.~~

2536 ~~(b)1. With respect to an eligible employee who is employed~~  
 2537 ~~in a regularly established position on September 1, 2002, by a~~  
 2538 ~~district school board employer:~~

2539 ~~a. Any such employee may elect to participate in the~~  
 2540 ~~investment plan in lieu of retaining his or her membership in~~  
 2541 ~~the pension plan. The election must be made in writing or by~~  
 2542 ~~electronic means and must be filed with the third party~~  
 2543 ~~administrator by November 30, or, in the case of an active~~  
 2544 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
 2545 ~~last business day of the 5th month following the month the leave~~  
 2546 ~~of absence concludes. This election is irrevocable, except as~~  
 2547 ~~provided in paragraph (g). Upon making such election, the~~  
 2548 ~~employee shall be enrolled as a member of the investment plan,~~

2549 ~~the employee's membership in the Florida Retirement System is~~  
 2550 ~~governed by the provisions of this part, and the employee's~~  
 2551 ~~membership in the pension plan terminates. The employee's~~  
 2552 ~~enrollment in the investment plan is effective the first day of~~  
 2553 ~~the month for which a full month's employer contribution is made~~  
 2554 ~~to the investment program.~~

2555 ~~b. Any such employee who fails to elect to participate in~~  
 2556 ~~the investment plan within the prescribed time period is deemed~~  
 2557 ~~to have elected to retain membership in the pension plan, and~~  
 2558 ~~the employee's option to elect to participate in the investment~~  
 2559 ~~plan is forfeited.~~

2560 ~~2. With respect to employees who become eligible to~~  
 2561 ~~participate in the investment plan by reason of employment in a~~  
 2562 ~~regularly established position with a district school board~~  
 2563 ~~employer commencing after July 1, 2002:~~

2564 ~~a. Any such employee shall, by default, be enrolled in the~~  
 2565 ~~pension plan at the commencement of employment, and may, by the~~  
 2566 ~~last business day of the 5th month following the employee's~~  
 2567 ~~month of hire, elect to participate in the investment plan. The~~  
 2568 ~~employee's election must be made in writing or by electronic~~  
 2569 ~~means and must be filed with the third-party administrator. The~~  
 2570 ~~election to participate in the investment plan is irrevocable,~~  
 2571 ~~except as provided in paragraph (g).~~

2572 ~~b. If the employee files such election within the~~  
 2573 ~~prescribed time period, enrollment in the investment plan is~~  
 2574 ~~effective on the first day of employment. The employer~~

2575 ~~retirement contributions paid through the month of the employee~~  
 2576 ~~plan change shall be transferred to the investment plan, and,~~  
 2577 ~~effective the first day of the next month, the employer shall~~  
 2578 ~~pay the applicable contributions based on the employee~~  
 2579 ~~membership class in the investment plan.~~

2580 ~~e. Any such employee who fails to elect to participate in~~  
 2581 ~~the investment plan within the prescribed time period is deemed~~  
 2582 ~~to have elected to retain membership in the pension plan, and~~  
 2583 ~~the employee's option to elect to participate in the investment~~  
 2584 ~~plan is forfeited.~~

2585 ~~3. For purposes of this paragraph, "district school board~~  
 2586 ~~employer" means any district school board that participates in~~  
 2587 ~~the Florida Retirement System for the benefit of certain~~  
 2588 ~~employees, or a charter school or charter technical career~~  
 2589 ~~center that participates in the Florida Retirement System as~~  
 2590 ~~provided in s. 121.051(2) (d).~~

2591 ~~(c)1. With respect to an eligible employee who is employed~~  
 2592 ~~in a regularly established position on December 1, 2002, by a~~  
 2593 ~~local employer:~~

2594 ~~a. Any such employee may elect to participate in the~~  
 2595 ~~investment plan in lieu of retaining his or her membership in~~  
 2596 ~~the pension plan. The election must be made in writing or by~~  
 2597 ~~electronic means and must be filed with the third-party~~  
 2598 ~~administrator by February 28, 2003, or, in the case of an active~~  
 2599 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
 2600 ~~last business day of the 5th month following the month the leave~~

2601 ~~of absence concludes. This election is irrevocable, except as~~  
 2602 ~~provided in paragraph (g). Upon making such election, the~~  
 2603 ~~employee shall be enrolled as a participant of the investment~~  
 2604 ~~plan, the employee's membership in the Florida Retirement System~~  
 2605 ~~is governed by the provisions of this part, and the employee's~~  
 2606 ~~membership in the pension plan terminates. The employee's~~  
 2607 ~~enrollment in the investment plan is effective the first day of~~  
 2608 ~~the month for which a full month's employer contribution is made~~  
 2609 ~~to the investment plan.~~

2610 ~~b. Any such employee who fails to elect to participate in~~  
 2611 ~~the investment plan within the prescribed time period is deemed~~  
 2612 ~~to have elected to retain membership in the pension plan, and~~  
 2613 ~~the employee's option to elect to participate in the investment~~  
 2614 ~~plan is forfeited.~~

2615 ~~2. With respect to employees who become eligible to~~  
 2616 ~~participate in the investment plan by reason of employment in a~~  
 2617 ~~regularly established position with a local employer commencing~~  
 2618 ~~after October 1, 2002:~~

2619 ~~a. Any such employee shall, by default, be enrolled in the~~  
 2620 ~~pension plan at the commencement of employment, and may, by the~~  
 2621 ~~last business day of the 5th month following the employee's~~  
 2622 ~~month of hire, elect to participate in the investment plan. The~~  
 2623 ~~employee's election must be made in writing or by electronic~~  
 2624 ~~means and must be filed with the third party administrator. The~~  
 2625 ~~election to participate in the investment plan is irrevocable,~~  
 2626 ~~except as provided in paragraph (g).~~

2627 ~~b. If the employee files such election within the~~  
 2628 ~~prescribed time period, enrollment in the investment plan is~~  
 2629 ~~effective on the first day of employment. The employer~~  
 2630 ~~retirement contributions paid through the month of the employee~~  
 2631 ~~plan change shall be transferred to the investment plan, and,~~  
 2632 ~~effective the first day of the next month, the employer shall~~  
 2633 ~~pay the applicable contributions based on the employee~~  
 2634 ~~membership class in the investment plan.~~

2635 ~~e. Any such employee who fails to elect to participate in~~  
 2636 ~~the investment plan within the prescribed time period is deemed~~  
 2637 ~~to have elected to retain membership in the pension plan, and~~  
 2638 ~~the employee's option to elect to participate in the investment~~  
 2639 ~~plan is forfeited.~~

2640 ~~3. For purposes of this paragraph, "local employer" means~~  
 2641 ~~any employer not included in paragraph (a) or paragraph (b).~~

2642 (b)1.a. An employee who is initially employed on or after  
 2643 July 1, 2015, in a covered position eligible to participate in  
 2644 the Special Risk Class, shall be enrolled in the pension plan at  
 2645 the commencement of employment.

2646 b. The employee must elect to participate in the pension  
 2647 plan, the hybrid plan, or the investment plan by the last  
 2648 business day of the 8th month following the employee's month of  
 2649 hire. The employee's election must be in writing or by  
 2650 electronic means and filed with the administrator. The employee  
 2651 must be earning service credit in an employer-employee  
 2652 relationship that is consistent with s. 121.021(17)(b),

2653 excluding leaves of absence without pay. The election is  
 2654 irrevocable except as provided in paragraph (f).

2655 c. If the employee files such election within the  
 2656 prescribed time period, enrollment in the pension plan, the  
 2657 hybrid plan, or the investment plan is effective on the first  
 2658 day of employment. The retirement contributions paid through the  
 2659 month of the employee plan change shall be transferred, if  
 2660 necessary, to the plan selected by the employee. Effective the  
 2661 first day of the next month, the employer and employee shall pay  
 2662 the applicable contributions based on the employee membership  
 2663 class.

2664 d. If the employee fails to make an election by the last  
 2665 business day of the 8th month following the employee's month of  
 2666 hire, the employee is deemed to have elected the investment plan  
 2667 and will be defaulted into the investment plan retroactively to  
 2668 the employee's date of employment.

2669 e. The amount of the employee and employer contributions  
 2670 paid before the default shall be transferred to the investment  
 2671 plan and be placed in a default fund as designated by the state  
 2672 board. The employee may move the contributions once an account  
 2673 is activated in the investment plan.

2674 f. If the employee chooses to participate in the pension  
 2675 plan, but the employee is later employed in a position that is  
 2676 no longer eligible to participate in the Special Risk Class, the  
 2677 employee will continue to participate in the pension plan,  
 2678 unless the employee elects to transfer to another plan. Such

2679 transfer may only occur if the employee has an election  
 2680 opportunity remaining as provided for in paragraph (f).

2681 g. An employee initially enrolled on or after July 1,  
 2682 2015, who was not eligible to elect participation in the pension  
 2683 plan, who later becomes eligible to participate in the Special  
 2684 Risk Class, may elect to transfer to the pension plan if the  
 2685 employee has an election opportunity remaining as provided in  
 2686 paragraph (f).

2687 2.a. An employee who is initially enrolled in the system  
 2688 on or after July 1, 2015, except an employee who participates in  
 2689 the Special Risk Class, withdraws from the system under s.  
 2690 121.052(3)(d) or s. 121.055(1)(b)2., or participates in an  
 2691 optional retirement programs under s. 121.051(1)(a), s.  
 2692 121.051(2)(c), or s. 121.35, shall be enrolled in the hybrid  
 2693 plan at the commencement of employment and may, by the last  
 2694 business day of the 8th month following the employee's month of  
 2695 hire, elect to participate in the hybrid plan or the investment  
 2696 plan. Employees may make a plan election only if they are  
 2697 earning service credit in an employer-employee relationship  
 2698 consistent with s. 121.021(17)(b), excluding leaves of absence  
 2699 without pay.

2700 b. The employee's election must be made in writing or by  
 2701 electronic means and must be filed with the administrator. The  
 2702 election to participate in the hybrid plan or investment plan is  
 2703 irrevocable, except as provided in paragraph (f).

2704 c. If the employee fails to make an election to either the



2705 hybrid plan or investment plan during the 8 months following the  
 2706 month of hire, the employee is deemed to have elected the  
 2707 investment plan, and will be defaulted to the investment plan  
 2708 retroactively to the employee's date of employment. The  
 2709 employee's option to participate in the hybrid plan is  
 2710 forfeited, except as provided in paragraph (f).

2711 d. The amount of the employer contributions paid prior to  
 2712 the default to the investment plan shall be transferred to the  
 2713 investment plan and placed in the employee's account.

2714 e. The amount of the employee contributions paid prior to  
 2715 the default to the investment plan shall be transferred to the  
 2716 investment plan and placed in a default fund as designated by  
 2717 the state board. The employee may move the contributions once an  
 2718 account is activated in the investment plan.

2719 f. Effective the first day of the month after an eligible  
 2720 employee makes a plan election to the hybrid plan or investment  
 2721 plan, or after the month of default to the investment plan, the  
 2722 employee and employer shall pay the applicable contributions  
 2723 based on the employee membership class.

2724 g. The employee is not permitted to use the election  
 2725 opportunity specified in paragraph (f) to transfer to the  
 2726 pension plan, except as provided in sub-subparagraph (b)1.g.

2727 (c)-(d) Contributions available for self-direction by a  
 2728 member who has not selected one or more specific investment  
 2729 products shall be allocated as prescribed by the state board.  
 2730 The third-party administrator shall notify the member at least

PCB SAC 14-01

2014

2731 | quarterly that the member should take an affirmative action to  
 2732 | make an asset allocation among the investment products.

2733 |       ~~(d)~~~~(e)~~ On or after July 1, 2011, a member of the pension  
 2734 | plan who obtains a refund of employee contributions retains his  
 2735 | or her prior plan choice upon return to employment in a  
 2736 | regularly established position with a participating employer.

2737 |       ~~(e)~~~~(f)~~ A member of the investment plan who takes a  
 2738 | distribution of any contributions from his or her investment  
 2739 | plan account is considered a retiree. A retiree who is initially  
 2740 | reemployed in a regularly established position on or after July  
 2741 | 1, 2010, is not eligible to be enrolled in renewed membership.

2742 |       ~~(f)1.~~~~(g)~~ After the period during which an eligible  
 2743 | employee, who initially enrolled before July 1, 2015, had the  
 2744 | choice to elect the pension plan or the investment plan, or the  
 2745 | month following the receipt of the eligible employee's plan  
 2746 | election, if sooner, the employee shall have one opportunity, at  
 2747 | the employee's discretion, to choose to move from the pension  
 2748 | plan to the investment plan or from the investment plan to the  
 2749 | pension plan.

2750 |       2. After the initial period during which an employee  
 2751 | eligible to participate in the Special Risk Class, who initially  
 2752 | enrolled on or after July 1, 2015, had the choice to elect the  
 2753 | pension plan, hybrid plan, or investment plan, or the month  
 2754 | following the receipt of the eligible employee's plan election,  
 2755 | if sooner, the employee shall have one opportunity, at the  
 2756 | employee's discretion, to move between plans.

2757 3. An eligible employee, other than an employee eligible  
 2758 to participate in the Special Risk Class, who initially enrolled  
 2759 on or after July 1, 2015, shall have one opportunity, at the  
 2760 employee's discretion, to move from the hybrid plan to the  
 2761 investment plan or from the investment plan to the hybrid plan.

2762 4. Eligible employees may elect to move between plans only  
 2763 if they are earning service credit in an employer-employee  
 2764 relationship consistent with s. 121.021(17)(b), excluding leaves  
 2765 of absence without pay. ~~Effective July 1, 2005,~~ Such elections  
 2766 are effective on the first day of the month following the  
 2767 receipt of the election by the third-party administrator and are  
 2768 not subject to the requirements regarding an employer-employee  
 2769 relationship or receipt of contributions for the eligible  
 2770 employee in the effective month, except when the election is  
 2771 received by the third-party administrator. Notwithstanding any  
 2772 other provision of law, an employee who uses the election option  
 2773 in paragraph (g), if applicable, forfeits any remaining option  
 2774 in this paragraph. This paragraph is contingent upon approval by  
 2775 the Internal Revenue Service.

2776 a.1. If the employee chooses to move to the investment  
 2777 plan, the provisions of subsection (3) govern the transfer.

2778 b.2. If the employee chooses to move to the pension plan,  
 2779 the employee must transfer from his or her investment plan  
 2780 account, and from other employee moneys as necessary, a sum  
 2781 representing the present value of that employee's accumulated  
 2782 benefit obligation immediately following the time of such

2783 movement, determined assuming that attained service equals the  
 2784 sum of service in the pension plan and service in the investment  
 2785 plan. Benefit commencement occurs on the first date the employee  
 2786 is eligible for unreduced benefits, using the discount rate and  
 2787 other relevant actuarial assumptions that were used to value the  
 2788 pension plan liabilities in the most recent actuarial valuation.  
 2789 For any employee who, at the time of the second election,  
 2790 already maintains an accrued benefit amount in the pension plan,  
 2791 the then-present value of the accrued benefit is deemed part of  
 2792 the required transfer amount. The division must ensure that the  
 2793 transfer sum is prepared using a formula and methodology  
 2794 certified by an enrolled actuary. A refund of any employee  
 2795 contributions or additional member payments made which exceed  
 2796 the employee contributions that would have accrued had the  
 2797 member remained in the pension plan and not transferred to the  
 2798 investment plan is not permitted.

2799 c.3. Notwithstanding sub-subparagraph b. ~~subparagraph 2.~~,  
 2800 an employee who chooses to move to the pension plan and who  
 2801 became eligible to participate in the investment plan by reason  
 2802 of employment in a regularly established position with a state  
 2803 employer after June 1, 2002; a district school board employer  
 2804 after September 1, 2002; or a local employer after December 1,  
 2805 2002, must transfer from his or her investment plan account, and  
 2806 from other employee moneys as necessary, a sum representing the  
 2807 employee's actuarial accrued liability. A refund of any employee  
 2808 contributions or additional member ~~participant~~ payments made

2809 | which exceed the employee contributions that would have accrued  
 2810 | had the member remained in the pension plan and not transferred  
 2811 | to the investment plan is not permitted.

2812 |       d.4. An employee's ability to transfer from the pension  
 2813 | plan to the investment plan pursuant to paragraph (a) and this  
 2814 | paragraph ~~paragraphs (a)–(d)~~, and the ability of a current  
 2815 | employee to have an option to later transfer back into the  
 2816 | pension plan under sub-subparagraph b. subparagraph 2., shall be  
 2817 | deemed a significant system amendment. Pursuant to s.  
 2818 | 121.031(4), any resulting unfunded liability arising from actual  
 2819 | original transfers from the pension plan to the investment plan  
 2820 | must be amortized within 30 plan years as a separate unfunded  
 2821 | actuarial base independent of the reserve stabilization  
 2822 | mechanism defined in s. 121.031(3)(f). For the first 25 years, a  
 2823 | direct amortization payment may not be calculated for this base.  
 2824 | During this 25-year period, the separate base shall be used to  
 2825 | offset the impact of employees exercising their second program  
 2826 | election under this paragraph. The actuarial funded status of  
 2827 | the pension plan is ~~will~~ not be affected by such second program  
 2828 | elections in any significant manner, after due recognition of  
 2829 | the separate unfunded actuarial base. Following the initial 25-  
 2830 | year period, any remaining balance of the original separate base  
 2831 | shall be amortized over the remaining 5 years of the required  
 2832 | 30-year amortization period.

2833 |       e.5. If the employee chooses to transfer from the  
 2834 | investment plan to the pension plan and retains an excess

2835 account balance in the investment plan after satisfying the buy-  
 2836 in requirements under this paragraph, the excess may not be  
 2837 distributed until the member retires from the pension plan. The  
 2838 excess account balance may be rolled over to the pension plan  
 2839 and used to purchase service credit or upgrade creditable  
 2840 service in the pension plan.

2841 f. An employee who chooses to move to the hybrid plan from  
 2842 the investment plan may transfer to the hybrid plan  
 2843 prospectively and retain the account balance under the  
 2844 investment plan or may elect to transfer from his or her  
 2845 investment plan account, and from other employee moneys as  
 2846 necessary, a sum representing the employee's employer portion of  
 2847 the actuarial accrued liability. The employee's portion of the  
 2848 actuarial accrued liability shall be contained in the investment  
 2849 component of the hybrid plan.

2850 g. An employee who chooses to move to the hybrid plan from  
 2851 the pension plan, may retain all service credit earned under the  
 2852 pension plan or elect to transfer a sum representing the present  
 2853 value of the member's accumulated benefit obligation funded  
 2854 through required employee contributions in the period of service  
 2855 credit before transfer. The cost shall be calculated using the  
 2856 discount rate and other relevant actuarial assumptions that were  
 2857 used to value the Florida Retirement System pension liabilities  
 2858 in the most recent actuarial valuation. The present value shall  
 2859 be transferred to the investment plan and, if no fund selection  
 2860 is made, shall be placed in a default fund as designated by the

2861 state board. The employee may move the contribution once an  
 2862 account is activated in the investment plan.

2863 (g) An employee initially enrolled before July 1, 2015,  
 2864 shall have one opportunity, at the employee's discretion, to  
 2865 transfer from the pension plan to the hybrid plan or from the  
 2866 investment plan to the hybrid plan. An eligible employee may  
 2867 elect to transfer between plans only if he or she is earning  
 2868 service credit in an employer-employee relationship consistent  
 2869 with s. 121.021(17) (b), excluding leaves of absence without pay.  
 2870 Such election is effective on the first day of the month  
 2871 following the receipt of the election by the administrator and  
 2872 is not subject to the requirements regarding an employer-  
 2873 employee relationship or receipt of contributions for the  
 2874 eligible employee in the effective month, except when the  
 2875 election is received by the third-party administrator. This one-  
 2876 time career transfer is irrevocable, and no other transfer is  
 2877 allowed.

2878 (5) CONTRIBUTIONS.—

2879 (a) 1. For members of the investment plan, the employee and  
 2880 employer shall make the required contributions to the investment  
 2881 plan based on a percentage of the employee's gross monthly  
 2882 compensation, as provided in part III of this chapter.

2883 2. Effective July 1, 2015, for members of the hybrid plan,  
 2884 the employee shall make the required contributions to the  
 2885 investment plan component based on a percentage of the  
 2886 employee's gross monthly compensation, as provided in part III

2887 of this chapter.

2888 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.—

2889 (a) The state board shall develop policy and procedures  
 2890 for selecting, evaluating, and monitoring the performance of  
 2891 approved providers and investment products under the investment  
 2892 plan. In accordance with such policy and procedures, the state  
 2893 board shall designate and contract for a number of investment  
 2894 products as determined by the board. The board shall also select  
 2895 one or more bundled providers, each of which may offer multiple  
 2896 investment options and related services, if such approach is  
 2897 determined by the board to provide value to the members  
 2898 otherwise not available through individual investment products.  
 2899 Each approved bundled provider may offer investment options that  
 2900 provide members with the opportunity to invest in each of the  
 2901 following asset classes, to be composed of individual options  
 2902 that represent a single asset class or a combination thereof:  
 2903 money markets, United States fixed income, United States  
 2904 equities, and foreign stock. The state board shall review and  
 2905 manage all educational materials, contract terms, fee schedules,  
 2906 and other aspects of the approved provider relationships to  
 2907 ensure that no provider is unduly favored or penalized by virtue  
 2908 of its status within the investment plan. Additionally, the  
 2909 state board, consistent with its fiduciary responsibilities, may  
 2910 develop one or more investment products to be offered in the  
 2911 investment plan.

2912 (10) EDUCATION COMPONENT.—



2913 (c) The state board, in coordination with the department,  
 2914 shall provide for an initial and ongoing transfer education  
 2915 component to provide system members with information necessary  
 2916 to make informed plan choice decisions. The transfer education  
 2917 component must include, but is not limited to, information on:  
 2918 1. The amount of money available to a member for  
 2919 transferring to the investment plan or the hybrid plan ~~to~~  
 2920 ~~transfer to the defined contribution program.~~  
 2921 2. The features of and differences between the pension  
 2922 plan, the investment plan, and the hybrid plan ~~and the defined~~  
 2923 ~~contribution program~~, both generally and specifically, as those  
 2924 differences may affect the member.  
 2925 3. The expected benefit available if the member were to  
 2926 retire under each of the retirement plans ~~programs~~, based on  
 2927 appropriate alternative sets of assumptions.  
 2928 4. The rate of return from investments in the investment  
 2929 plan ~~defined contribution program~~ and the period of time over  
 2930 which such rate of return must be achieved to equal or exceed  
 2931 the expected monthly benefit payable to the member under the  
 2932 pension plan or the benefit payable to the member under the  
 2933 hybrid plan.  
 2934 5. The historical rates of return for the investment  
 2935 alternatives available in the investment plan and hybrid plan  
 2936 ~~defined contribution programs.~~  
 2937 6. The benefits and historical rates of return on  
 2938 investments available in a typical deferred compensation plan or

PCB SAC 14-01

2014

2939 a typical plan under s. 403(b) of the Internal Revenue Code for  
 2940 which the employee may be eligible.

2941 7. The program choices available to employees of the State  
 2942 University System and the comparative benefits of each available  
 2943 program, if applicable.

2944 8. Payout options available in each of the retirement  
 2945 plans ~~programs~~.

2946 (21) PARTICIPATION BY TERMINATED DEFERRED RETIREMENT  
 2947 OPTION PROGRAM MEMBERS.—Notwithstanding any other provision of  
 2948 law, members in the Deferred Retirement Option Program offered  
 2949 under part I may, after conclusion of their participation in the  
 2950 program, elect to roll over or authorize a direct trustee-to-  
 2951 trustee transfer to an account under the investment plan of  
 2952 their Deferred Retirement Option Program proceeds distributed as  
 2953 provided under s. 121.091(14)(c)5. ~~121.091(13)(c)5.~~ The  
 2954 transaction must constitute an "eligible rollover distribution"  
 2955 within the meaning of s. 402(c)(4) of the Internal Revenue Code.

2956 (a) The investment plan may accept such amounts for  
 2957 deposit into member accounts as provided in paragraph (5)(e).

2958 (b) The affected member shall direct the investment of his  
 2959 or her investment account; however, unless he or she becomes a  
 2960 renewed member of the Florida Retirement System under s. 121.122  
 2961 and elects to participate in the investment plan, no  
 2962 contributions may be made to the member's account as provided  
 2963 under paragraph (5)(a).

2964 (c) The state board or the department is not responsible

PCB SAC 14-01

2014

2965 for locating those persons who may be eligible to participate in  
 2966 the investment plan under this subsection.

2967 Section 9. Section 121.591, Florida Statutes, is amended  
 2968 to read:

2969 121.591 Payment of benefits.—Benefits may not be paid  
 2970 under the Florida Retirement System Investment Plan or Florida  
 2971 Retirement System Hybrid Plan unless the member has terminated  
 2972 employment as provided in s. 121.021(39)(a) or is deceased and a  
 2973 proper application has been filed as prescribed by the state  
 2974 board or the department. Benefits, including employee  
 2975 contributions, are not payable under the investment plan or  
 2976 hybrid plan for employee hardships, unforeseeable emergencies,  
 2977 loans, medical expenses, educational expenses, purchase of a  
 2978 principal residence, payments necessary to prevent eviction or  
 2979 foreclosure on an employee's principal residence, or any other  
 2980 reason except a requested distribution for retirement, a  
 2981 mandatory de minimis distribution authorized by the  
 2982 administrator, or a required minimum distribution provided  
 2983 pursuant to the Internal Revenue Code. The state board or  
 2984 department, as appropriate, may cancel an application for  
 2985 retirement benefits if the member or beneficiary fails to timely  
 2986 provide the information and documents required by this chapter  
 2987 and the rules of the state board and department. In accordance  
 2988 with their respective responsibilities, the state board and the  
 2989 department shall adopt rules establishing procedures for  
 2990 application for retirement benefits and for the cancellation of

PCB SAC 14-01

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

PCB SAC 14-01

2014

2991 such application if the required information or documents are  
 2992 not received. The state board and the department, as  
 2993 appropriate, are authorized to cash out a de minimis account of  
 2994 a member who has been terminated from Florida Retirement System  
 2995 covered employment for a minimum of 6 calendar months. A de  
 2996 minimis account is an account containing employer and employee  
 2997 contributions and accumulated earnings of not more than \$5,000  
 2998 made under the provisions of this chapter. Such cash-out must be  
 2999 a complete lump-sum liquidation of the account balance, subject  
 3000 to the provisions of the Internal Revenue Code, or a lump-sum  
 3001 direct rollover distribution paid directly to the custodian of  
 3002 an eligible retirement plan, as defined by the Internal Revenue  
 3003 Code, on behalf of the member. Any nonvested accumulations and  
 3004 associated service credit, including amounts transferred to the  
 3005 suspense account of the Florida Retirement System Investment  
 3006 Plan Trust Fund authorized under s. 121.4501(6), shall be  
 3007 forfeited upon payment of any vested benefit to a member or  
 3008 beneficiary, except for de minimis distributions or minimum  
 3009 required distributions as provided under this section. If any  
 3010 financial instrument issued for the payment of retirement  
 3011 benefits under this section is not presented for payment within  
 3012 180 days after the last day of the month in which it was  
 3013 originally issued, the third-party administrator or other duly  
 3014 authorized agent of the state board shall cancel the instrument  
 3015 and credit the amount of the instrument to the suspense account  
 3016 of the Florida Retirement System Investment Plan Trust Fund

PCB SAC 14-01

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

PCB SAC 14-01

2014

3017 | authorized under s. 121.4501(6). Any amounts transferred to the  
 3018 | suspense account are payable upon a proper application, not to  
 3019 | include earnings thereon, as provided in this section, within 10  
 3020 | years after the last day of the month in which the instrument  
 3021 | was originally issued, after which time such amounts and any  
 3022 | earnings attributable to employer contributions shall be  
 3023 | forfeited. Any forfeited amounts are assets of the trust fund  
 3024 | and are not subject to chapter 717.

3025 |       (1) NORMAL BENEFITS.—Under the investment plan and the  
 3026 | investment plan component of the hybrid plan:

3027 |           (a) Benefits in the form of vested accumulations as  
 3028 | described in s. 121.4501(6) are payable under this subsection in  
 3029 | accordance with the following terms and conditions:

3030 |           1. Benefits are payable only to a member, an alternate  
 3031 | payee of a qualified domestic relations order, or a beneficiary,  
 3032 | except as provided in s. 121.091(8).

3033 |           2. Benefits shall be paid by the third-party administrator  
 3034 | or designated approved providers in accordance with the law, the  
 3035 | contracts, and any applicable board rule or policy.

3036 |           3. The member must be terminated from all employment with  
 3037 | all Florida Retirement System employers, as provided in s.  
 3038 | 121.021(39).

3039 |           4. Benefit payments may not be made until the member has  
 3040 | been terminated for 3 calendar months, except that the state  
 3041 | board may authorize by rule for the distribution of up to 10  
 3042 | percent of the member's account after being terminated for 1

PCB SAC 14-01

2014

3043 calendar month if the member has reached the normal retirement  
 3044 date as defined in s. 121.021.

3045 5. If a member or former member of the Florida Retirement  
 3046 System receives an invalid distribution, such person must either  
 3047 repay the full amount within 90 days after receipt of final  
 3048 notification by the state board or the third-party administrator  
 3049 that the distribution was invalid, or, in lieu of repayment, the  
 3050 member must terminate employment from all participating  
 3051 employers. If such person fails to repay the full invalid  
 3052 distribution within 90 days after receipt of final notification,  
 3053 the person may be deemed retired from the investment plan by the  
 3054 state board and is subject to s. 121.122. If such person is  
 3055 deemed retired, any joint and several liability set out in s.  
 3056 121.091(10)(d)2. ~~121.091(9)(d)2.~~ is void, and the state board,  
 3057 the department, or the employing agency is not liable for gains  
 3058 on payroll contributions that have not been deposited to the  
 3059 person's account in the investment plan, pending resolution of  
 3060 the invalid distribution. The member or former member who has  
 3061 been deemed retired or who has been determined by the state  
 3062 board to have taken an invalid distribution may appeal the  
 3063 agency decision through the complaint process as provided under  
 3064 s. 121.4501(9)(g)3. As used in this subparagraph, the term  
 3065 "invalid distribution" means any distribution from an account in  
 3066 the investment plan which is taken in violation of this section,  
 3067 s. 121.091(10) ~~121.091(9)~~, or s. 121.4501.

3068 (b) If a member elects to receive his or her benefits upon

3069 termination of employment as defined in s. 121.021, the member  
 3070 must submit a written application or an application by  
 3071 electronic means to the third-party administrator indicating his  
 3072 or her preferred distribution date and selecting an authorized  
 3073 method of distribution as provided in paragraph (c). The member  
 3074 may defer receipt of benefits until he or she chooses to make  
 3075 such application, subject to federal requirements.

3076 (c) Upon receipt by the third-party administrator of a  
 3077 properly executed application for distribution of benefits, the  
 3078 total accumulated benefit is payable to the member pro rata  
 3079 across all Florida Retirement System benefit sources as:

- 3080 1. A lump-sum or partial distribution to the member;
- 3081 2. A lump-sum direct rollover distribution whereby all  
 3082 accrued benefits, plus interest and investment earnings, are  
 3083 paid from the member's account directly to the custodian of an  
 3084 eligible retirement plan, as defined in s. 402(c)(8)(B) of the  
 3085 Internal Revenue Code, on behalf of the member; or
- 3086 3. Periodic distributions, as authorized by the state  
 3087 board.

3088 (d) The distribution payment method selected by the member  
 3089 or beneficiary, and the retirement of the member or beneficiary,  
 3090 is final and irrevocable at the time a benefit distribution  
 3091 payment is cashed, deposited, or transferred to another  
 3092 financial institution. Any additional service that remains  
 3093 unclaimed at retirement may not be claimed or purchased, and the  
 3094 type of retirement may not be changed, except that if a member

3095 recovers from a disability, the member may subsequently request  
 3096 benefits under subsection (2).

3097 (e) A member may not receive a distribution of employee  
 3098 contributions if a pending qualified domestic relations order is  
 3099 filed against the member's investment plan account.

3100 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided  
 3101 under this subsection are payable in lieu of the benefits that  
 3102 would otherwise be payable under the provisions of subsection  
 3103 (1). Such benefits must be funded from employer contributions  
 3104 made under s. 121.571, transferred employee contributions and  
 3105 funds accumulated pursuant to paragraph (a), and interest and  
 3106 earnings thereon.

3107 (a) Transfer of funds.—To qualify to receive monthly  
 3108 disability benefits under this subsection:

3109 1. All moneys accumulated in the member's account,  
 3110 including vested and nonvested accumulations as described in s.  
 3111 121.4501(6), must be transferred from such individual accounts  
 3112 to the division for deposit in the disability account of the  
 3113 Florida Retirement System Trust Fund. Such moneys must be  
 3114 accounted for separately. Earnings must be credited on an annual  
 3115 basis for amounts held in the disability accounts of the Florida  
 3116 Retirement System Trust Fund based on actual earnings of the  
 3117 trust fund.

3118 2. If the member has retained retirement credit earned  
 3119 under the pension plan as provided in s. 121.4501(3), a sum  
 3120 representing the actuarial present value of such credit within



3121 the Florida Retirement System Trust Fund shall be reassigned by  
 3122 the division from the pension plan to the disability program as  
 3123 implemented under this subsection and shall be deposited in the  
 3124 disability account of the trust fund. Such moneys must be  
 3125 accounted for separately.

3126 (b) Disability retirement; entitlement.—

3127 1. A member of the investment plan who becomes totally and  
 3128 permanently disabled, as defined in paragraph (d), after  
 3129 completing 8 years of creditable service, or a member who  
 3130 becomes totally and permanently disabled in the line of duty  
 3131 regardless of length of service, is entitled to a monthly  
 3132 disability benefit.

3133 2. In order for service to apply toward the 8 years of  
 3134 creditable service required for regular disability benefits, or  
 3135 toward the creditable service used in calculating a service-  
 3136 based benefit as provided under paragraph (g), the service must  
 3137 be creditable service as described below:

3138 a. The member's period of service under the investment  
 3139 plan shall be considered creditable service, except as provided  
 3140 in subparagraph d.

3141 b. If the member has elected to retain credit for service  
 3142 under the pension plan as provided under s. 121.4501(3), all  
 3143 such service shall be considered creditable service.

3144 c. If the member elects to transfer to his or her member  
 3145 accounts a sum representing the present value of his or her  
 3146 retirement credit under the pension plan as provided under s.

3147 121.4501(3), the period of service under the pension plan  
 3148 represented in the present value amounts transferred shall be  
 3149 considered creditable service, except as provided in  
 3150 subparagraph d.

3151 d. If a member has terminated employment and has taken  
 3152 distribution of his or her funds as provided in subsection (1),  
 3153 all creditable service represented by such distributed funds is  
 3154 forfeited for purposes of this subsection.

3155 (c) Disability retirement effective date.—The effective  
 3156 retirement date for a member who applies and is approved for  
 3157 disability retirement shall be established as provided under s.  
 3158 121.091(5)(a)2. ~~121.091(4)(a)2.~~ and 3.

3159 (d) Total and permanent disability.—A member shall be  
 3160 considered totally and permanently disabled if, in the opinion  
 3161 of the division, he or she is prevented, by reason of a  
 3162 medically determinable physical or mental impairment, from  
 3163 rendering useful and efficient service as an officer or  
 3164 employee.

3165 (e) Proof of disability.— Before approving payment of any  
 3166 disability retirement benefit, the division shall require proof  
 3167 that the member is totally and permanently disabled as provided  
 3168 under s. 121.091(5)(c) ~~121.091(4)(e)~~.

3169 (f) Disability retirement benefit.—Upon the disability  
 3170 retirement of a member under this subsection, the member shall  
 3171 receive a monthly benefit that begins accruing on the first day  
 3172 of the month of disability retirement, as approved by the

3173 division, and is payable on the last day of that month and each  
 3174 month thereafter during his or her lifetime and continued  
 3175 disability. All disability benefits must be paid out of the  
 3176 disability account of the Florida Retirement System Trust Fund  
 3177 established under this subsection.

3178 (g) Computation of disability retirement benefit.—The  
 3179 amount of each monthly payment must be calculated as provided  
 3180 under s. 121.091(5)(f) ~~121.091(4)(f)~~. Creditable service under  
 3181 both the pension plan and the investment plan shall be  
 3182 applicable as provided under paragraph (b).

3183 (h) Reapplication.—A member whose initial application for  
 3184 disability retirement is denied may reapply for disability  
 3185 benefits as provided in s. 121.091(5)(g) ~~121.091(4)(g)~~.

3186 (i) Membership.—Upon approval of a member's application  
 3187 for disability benefits, the member shall be transferred to the  
 3188 pension plan, effective upon his or her disability retirement  
 3189 effective date.

3190 (j) Option to cancel.—A member whose application for  
 3191 disability benefits is approved may cancel the application if  
 3192 the cancellation request is received by the division before a  
 3193 disability retirement warrant has been deposited, cashed, or  
 3194 received by direct deposit. Upon cancellation:

3195 1. The member's transfer to the pension plan under  
 3196 paragraph (i) shall be nullified;

3197 2. The member shall be retroactively reinstated in the  
 3198 investment plan without hiatus;

3199           3. All funds transferred to the Florida Retirement System  
 3200 Trust Fund under paragraph (a) must be returned to the member  
 3201 accounts from which the funds were drawn; and

3202           4. The member may elect to receive the benefit payable  
 3203 under subsection (1) in lieu of disability benefits.

3204           (k) Recovery from disability.—

3205           1. The division may require periodic reexaminations at the  
 3206 expense of the disability program account of the Florida  
 3207 Retirement System Trust Fund. Except as provided in subparagraph  
 3208 2., all other matters relating to recovery from disability shall  
 3209 be as provided under s. 121.091(5)(h) ~~121.091(4)(h)~~.

3210           2. Upon recovery from disability, the recipient of  
 3211 disability retirement benefits under this subsection shall be a  
 3212 compulsory member of the investment plan. The net difference  
 3213 between the recipient's original account balance transferred to  
 3214 the Florida Retirement System Trust Fund, including earnings and  
 3215 total disability benefits paid to such recipient, if any, shall  
 3216 be determined as provided in sub-subparagraph a.

3217           a. An amount equal to the total benefits paid shall be  
 3218 subtracted from that portion of the transferred account balance  
 3219 consisting of vested accumulations as described under s.  
 3220 121.4501(6), if any, and an amount equal to the remainder of  
 3221 benefit amounts paid, if any, shall be subtracted from any  
 3222 remaining nonvested accumulations.

3223           b. Amounts subtracted under sub-subparagraph a. must be  
 3224 retained within the disability account of the Florida Retirement

3225 System Trust Fund. Any remaining account balance shall be  
 3226 transferred to the third-party administrator for disposition as  
 3227 provided under sub-subparagraph c. or sub-subparagraph d., as  
 3228 appropriate.

3229 c. If the recipient returns to covered employment,  
 3230 transferred amounts must be deposited in individual accounts  
 3231 under the investment plan, as directed by the member. Vested and  
 3232 nonvested amounts shall be accounted for separately as provided  
 3233 in s. 121.4501(6).

3234 d. If the recipient fails to return to covered employment  
 3235 upon recovery from disability:

3236 (I) Any remaining vested amount must be deposited in  
 3237 individual accounts under the investment plan, as directed by  
 3238 the member, and is payable as provided in subsection (1).

3239 (II) Any remaining nonvested amount must be held in a  
 3240 suspense account and is forfeitable after 5 years as provided in  
 3241 s. 121.4501(6).

3242 3. If present value was reassigned from the pension plan  
 3243 to the disability program as provided under subparagraph (a)2.,  
 3244 the full present value amount must be returned to the defined  
 3245 benefit account within the Florida Retirement System Trust Fund  
 3246 and the member's associated retirement credit under the pension  
 3247 plan must be reinstated in full. Any benefit based upon such  
 3248 credit must be calculated as provided in s. 121.091(5)(h)1.

3249 ~~121.091(4)(h)1.~~

3250 (1) Nonadmissible causes of disability.—A member is not

3251 entitled to a disability retirement benefit if the disability  
 3252 results from any injury or disease as described in s.

3253 121.091(5)(i) ~~121.091(4)(i)~~.

3254 (m) Disability retirement of justice or judge by order of  
 3255 Supreme Court.—

3256 1. If a member is a justice of the Supreme Court, judge of  
 3257 a district court of appeal, circuit judge, or judge of a county  
 3258 court who has served for the years equal to, or greater than,  
 3259 the vesting requirement in s. 121.021(45) as an elected  
 3260 constitutional judicial officer, including service as a judicial  
 3261 officer in any court abolished pursuant to Art. V of the State  
 3262 Constitution, and who is retired for disability pursuant to s.  
 3263 12, Art. V of the State Constitution, the member's Option 1  
 3264 monthly disability benefit amount as provided in s.

3265 121.091(7)(a)1. ~~121.091(6)(a)1.~~ shall be two-thirds of his or  
 3266 her monthly compensation as of the member's disability  
 3267 retirement date. The member may alternatively elect to receive  
 3268 an actuarially adjusted disability retirement benefit under any  
 3269 other option as provided in s. 121.091(7)(a) ~~121.091(6)(a)~~ or to  
 3270 receive the normal benefit payable under subsection (1).

3271 2. If any justice or judge who is a member of the  
 3272 investment plan is retired for disability pursuant to s. 12,  
 3273 Art. V of the State Constitution and elects to receive a monthly  
 3274 disability benefit under the provisions of this paragraph:

3275 a. Any present value amount that was transferred to his or  
 3276 her investment plan account and all employer and employee

3277 contributions made to such account on his or her behalf, plus  
 3278 interest and earnings thereon, must be transferred to and  
 3279 deposited in the disability account of the Florida Retirement  
 3280 System Trust Fund; and

3281 b. The monthly disability benefits payable under this  
 3282 paragraph shall be paid from the disability account of the  
 3283 Florida Retirement System Trust Fund.

3284 (n) Death of retiree or beneficiary.—Upon the death of a  
 3285 disabled retiree or beneficiary of the retiree who is receiving  
 3286 monthly disability benefits under this subsection, the monthly  
 3287 benefits shall be paid through the last day of the month of  
 3288 death and shall terminate, or be adjusted, if applicable, as of  
 3289 that date in accordance with the optional form of benefit  
 3290 selected at the time of retirement. The department may adopt  
 3291 rules necessary to administer this paragraph.

3292 (3) DEATH BENEFITS.—Under the Florida Retirement System  
 3293 Investment Plan:

3294 (a) Survivor benefits are payable in accordance with the  
 3295 following terms and conditions:

3296 1. To the extent vested, benefits are payable only to a  
 3297 member's beneficiary or beneficiaries as designated by the  
 3298 member as provided in s. 121.4501(20).

3299 2. Benefits shall be paid by the third-party administrator  
 3300 or designated approved providers in accordance with the law, the  
 3301 contracts, and any applicable state board rule or policy.

3302 3. To receive benefits, the member must be deceased.

3303 (b) In the event of a member's death, all vested  
 3304 accumulations as described in s. 121.4501(6), less withholding  
 3305 taxes remitted to the Internal Revenue Service, shall be  
 3306 distributed, as provided in paragraph (c) or as described in s.  
 3307 121.4501(20), as if the member retired on the date of death. No  
 3308 other death benefits are available for survivors of members,  
 3309 except for benefits, or coverage for benefits, as are otherwise  
 3310 provided by law or separately provided by the employer, at the  
 3311 employer's discretion.

3312 (c) Upon receipt by the third-party administrator of a  
 3313 properly executed application for distribution of benefits, the  
 3314 total accumulated benefit is payable by the third-party  
 3315 administrator to the member's surviving beneficiary or  
 3316 beneficiaries, as:

3317 1. A lump-sum distribution payable to the beneficiary or  
 3318 beneficiaries, or to the deceased member's estate;

3319 2. An eligible rollover distribution, if permitted, on  
 3320 behalf of the surviving spouse of a deceased member, whereby all  
 3321 accrued benefits, plus interest and investment earnings, are  
 3322 paid from the deceased member's account directly to the  
 3323 custodian of an eligible retirement plan, as described in s.  
 3324 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
 3325 surviving spouse; or

3326 3. A partial lump-sum payment whereby a portion of the  
 3327 accrued benefit is paid to the deceased member's surviving  
 3328 spouse or other designated beneficiaries, less withholding taxes



PCB SAC 14-01

2014

3329 remitted to the Internal Revenue Service, and the remaining  
 3330 amount is transferred directly to the custodian of an eligible  
 3331 retirement plan, if permitted, as described in s. 402(c)(8)(B)  
 3332 of the Internal Revenue Code, on behalf of the surviving spouse.  
 3333 The proportions must be specified by the member or the surviving  
 3334 beneficiary.

3335  
 3336 This paragraph does not abrogate other applicable provisions of  
 3337 state or federal law providing for payment of death benefits.

3338 (4) LIMITATION ON LEGAL PROCESS.—The benefits payable to  
 3339 any person under the Florida Retirement System Investment Plan,  
 3340 and any contributions accumulated under the plan, are not  
 3341 subject to assignment, execution, attachment, or any legal  
 3342 process, except for qualified domestic relations orders by a  
 3343 court of competent jurisdiction, income deduction orders as  
 3344 provided in s. 61.1301, and federal income tax levies.

3345 Section 10. Section 121.5911, Florida Statutes, is amended  
 3346 to read:

3347 121.5911 Disability retirement program; qualified status+  
 3348 ~~rulemaking authority.~~—It is the intent of the Legislature that  
 3349 the disability retirement program for members of the Florida  
 3350 Retirement System Investment Plan and Florida Retirement System  
 3351 Hybrid Plan meet all applicable requirements of federal law for  
 3352 a qualified plan. The department shall seek a private letter  
 3353 ruling from the Internal Revenue Service on the disability  
 3354 retirement program.

3355 Section 11. Subsection (1) and paragraph (a) of subsection  
 3356 (2) of section 121.70, Florida Statutes, are amended to read:

3357 121.70 Legislative purpose and intent.—

3358 (1) This part provides for a uniform system for funding  
 3359 benefits provided under the Florida Retirement System Pension  
 3360 Plan established under part I of this chapter, ~~(referred to in~~  
 3361 ~~this part as the pension plan;)~~ and under the Florida Retirement  
 3362 System Investment Plan established under part II of this  
 3363 chapter, ~~(referred to in this part as the investment plan; and~~  
 3364 ~~under the Florida Retirement System Hybrid Plan established~~  
 3365 ~~under parts I and II of this chapter, referred to in this part~~  
 3366 ~~as the hybrid plan).~~ The Legislature recognizes and declares  
 3367 that the Florida Retirement System is a single retirement  
 3368 system, consisting of three ~~two~~ retirement plans and other  
 3369 nonintegrated programs. Employees and employers participating in  
 3370 the Florida Retirement System collectively shall make ~~be~~  
 3371 ~~responsible for making~~ contributions to support the benefits  
 3372 provided under the ~~both~~ plans. The employees and employers shall  
 3373 make contributions based upon a uniform or blended contribution  
 3374 rate system ~~rates~~ determined as a percentage of the employee's  
 3375 gross monthly compensation for the employee's class or subclass  
 3376 of Florida Retirement System membership, irrespective of the  
 3377 retirement plan in which the individual employee is enrolled.  
 3378 ~~This shall be known as a uniform or blended contribution rate~~  
 3379 ~~system.~~

3380 (2) In establishing a uniform contribution rate system, it

3381 is the intent of the Legislature to:

3382 (a) Provide greater stability and certainty in financial  
 3383 planning and budgeting for Florida Retirement System employers  
 3384 by eliminating the fiscal instability that would be caused by  
 3385 multiple dual rates coupled with employee-selected plan  
 3386 participation;

3387 Section 12. Subsections (3), (4), and (5) of section  
 3388 121.71, Florida Statutes, are amended to read:

3389 121.71 Uniform rates; process; calculations; levy.—

3390 (3) Required employee retirement contribution rates for  
 3391 each membership class and subclass of the Florida Retirement  
 3392 System for the both retirement plans are as follows:  
 3393

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
3394 Regular Class	3.00%
3395 Special Risk Class	3.00%

3397

PCB SAC 14-01

2014

3398  
3399  
3400  
3401  
3402  
3403  
3404  
3405  
3406  
3407

Special Risk	
Administrative	
Support Class	3.00%
Elected Officers' Class-	
Legislators, Governor,	
Lt. Governor,	
Cabinet Officers,	
State Attorneys,	
Public Defenders	3.00%
Elected Officers' Class-	
Justices, Judges	3.00%
Elected Officers' Class-	
County Elected Officers	3.00%
Senior Management Service Class	3.00%
DROP	0.00%

(4) Required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System for the ~~both~~ retirement plans are as follows:

PCB SAC 14-01

2014

	Percentage of Gross Compensation, Effective July 1, 2013
3408	Membership Class
3409	
3410	Regular Class 3.53%
3411	Special Risk Class 11.00%
	Special Risk Administrative Support Class 4.17%
3412	
	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders 6.52%
3413	
3414	Elected Officers' Class— Justices, Judges 10.05%

PCB SAC 14-01

2014

3415	Elected Officers' Class-	
	County Elected Officers	8.44%
3416	Senior Management Class	4.81%
3417	DROP	4.63%
3418	(5) In order to address unfunded actuarial liabilities of	
3419	the system, the required employer retirement contribution rates	
3420	for each membership class and subclass of the Florida Retirement	
3421	System for <u>the</u> <del>both</del> retirement plans are as follows:	
3422		
		Percentage of
		Gross
		Compensation,
		Effective
3423	Membership Class	July 1, 2013
3424		
3425	Regular Class	2.19%
3426	Special Risk Class	6.83%
	Special Risk	30.56%

PCB SAC 14-01

2014

3427	Administrative Support Class	
3428	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	24.85%
3429	Elected Officers' Class— Justices, Judges	17.00%
3430	Elected Officers' Class— County Elected Officers	23.36%
3431	Senior Management Service Class	12.27%
3432	DROP	7.01%
3433	Section 13. Subsections (1) and (2) of section 121.72,	
3434	Florida Statutes, are amended to read:	
3435	121.72 Allocations to investment plan member accounts;	
3436	percentage amounts.—	
3437	(1) <u>a.</u> The allocations established in subsection <u>(5)</u> <del>(4)</del>	
3438	shall fund retirement benefits under the investment plan and	

3439 shall be transferred monthly by the Division of Retirement from  
 3440 the Florida Retirement System Contributions Clearing Trust Fund  
 3441 to the third-party administrator for deposit in each  
 3442 participating employee's individual account based on the  
 3443 membership class of the participant.

3444 b. The allocations established in subsection (6) shall  
 3445 fund retirement benefits under the hybrid plan and shall be  
 3446 transferred monthly by the Division of Retirement from the  
 3447 Florida Retirement Contributions Clearing Trust Fund to the  
 3448 third-party administrator for deposit in each participating  
 3449 employee's individual account based on the membership class of  
 3450 the participant.

3451 (2) The allocations are stated as a percentage of each  
 3452 investment plan or hybrid plan member's gross compensation for  
 3453 the calendar month. A change in a contribution percentage is  
 3454 effective the first day of the month for which retirement  
 3455 contributions may be made on or after the beginning date of the  
 3456 change. Contribution percentages may be modified by general law.

3457 Section 14. Section 121.77, Florida Statutes, is amended  
 3458 to read:

3459 121.77 Deductions from member accounts.—The State Board of  
 3460 Administration may authorize the third-party administrator to  
 3461 deduct reasonable fees and apply appropriate charges to  
 3462 investment plan or hybrid plan member accounts. In no event may  
 3463 administrative and educational expenses exceed the portion of  
 3464 employer contributions earmarked for such expenses under this



3465 part, except for reasonable administrative charges assessed  
 3466 against member accounts of persons for whom no employer  
 3467 contributions are made during the calendar quarter. Investment  
 3468 management fees shall be deducted from member accounts, pursuant  
 3469 to the terms of the contract between the provider and the board.

3470 Section 15. Paragraphs (a), (b), (d), and (e) of  
 3471 subsection (3) of section 121.78, Florida Statutes, are amended  
 3472 to read:

3473 121.78 Payment and distribution of contributions.—

3474 (3) (a) Employee and employer contributions and  
 3475 accompanying payroll data received after the 5th working day of  
 3476 the month are considered late. The employer shall be assessed by  
 3477 the Division of Retirement a penalty of 1 percent of the  
 3478 contributions due for each calendar month or part thereof that  
 3479 the contributions or accompanying payroll data are late.

3480 Proceeds from the 1 percent assessment against contributions  
 3481 made on behalf of members of the pension plan must be deposited  
 3482 in the Florida Retirement System Trust Fund, and proceeds from  
 3483 the 1 percent assessment against contributions made on behalf of  
 3484 members of the investment plan shall be transferred to the  
 3485 third-party administrator for deposit into member accounts, as  
 3486 provided in paragraph (c). Proceeds from the 1 percent  
 3487 assessment against contributions made on behalf of members of  
 3488 the hybrid plan shall be transferred to the third-party  
 3489 administrator for deposit into member accounts.

3490 (b) Retirement contributions paid for a prior period shall

3491 be charged a delinquent fee of 1 percent for each calendar month  
 3492 or part thereof that the contributions should have been paid.  
 3493 This includes prior period contributions due to incorrect wages  
 3494 and contributions from an earlier report or wages and  
 3495 contributions that should have been reported but were not.  
 3496 Proceeds from the 1 percent delinquent fee made on behalf of  
 3497 members of the pension plan must be deposited in the Florida  
 3498 Retirement System Trust Fund, and proceeds from the 1 percent  
 3499 delinquent fee made on behalf of members of the investment plan  
 3500 or hybrid plan shall be transferred to the third-party  
 3501 administrator for deposit into member accounts. The delinquent  
 3502 assessments may not be waived.

3503 (d) If employee contributions reported by an employer on  
 3504 behalf of members are reduced as a result of employer errors or  
 3505 corrections, and the member has terminated employment and taken  
 3506 a refund, ~~or~~ distribution, or benefit payment, the employer  
 3507 shall be billed and is responsible for recovering from the  
 3508 member any excess contributions erroneously provided by the  
 3509 employer.

3510 (e) Delinquency fees specified in paragraph (a) may be  
 3511 waived by the division, with regard to pension plan  
 3512 contributions, and by the state board, with regard to investment  
 3513 plan or hybrid plan contributions, only if, in the opinion of  
 3514 the division or the board, as appropriate, exceptional  
 3515 circumstances beyond the employer's control prevented remittance  
 3516 by the prescribed due date notwithstanding the employer's good

PCB SAC 14-01

2014

3517 faith efforts to effect delivery. Such a waiver of delinquency  
 3518 may be granted an employer only once each plan year.

3519 Section 16. Subsection (10) of section 216.136, Florida  
 3520 Statutes, is amended to read:

3521 216.136 Consensus estimating conferences; duties and  
 3522 principals.—

3523 (10) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION  
 3524 CONFERENCE.—The Florida Retirement System Actuarial Assumption  
 3525 Conference shall develop official information with respect to  
 3526 the economic and noneconomic assumptions and funding methods of  
 3527 the Florida Retirement System Pension Plan and the Florida  
 3528 Retirement System Hybrid Plan necessary to perform the system  
 3529 actuarial study undertaken pursuant to s. 121.031(3). Such  
 3530 information shall include: an analysis of the actuarial  
 3531 assumptions and actuarial methods used in the study and a  
 3532 determination of whether changes to the assumptions or methods  
 3533 need to be made due to experience changes or revised future  
 3534 forecasts.

3535 Section 17. Paragraph (k) of subsection (3) of section  
 3536 121.0515, Florida Statutes, is amended to read:

3537 121.0515 Special Risk Class.—

3538 (3) CRITERIA.—A member, to be designated as a special risk  
 3539 member, must meet the following criteria:

3540 (k) The member must have already qualified for and be  
 3541 actively participating in special risk membership under  
 3542 paragraph (a), paragraph (b), or paragraph (c), must have

3543 suffered a qualifying injury as defined in this paragraph, must  
 3544 not be receiving disability retirement benefits as provided in  
 3545 s. 121.091(5) ~~121.091(4)~~, and must satisfy the requirements of  
 3546 this paragraph.

3547 1. The ability to qualify for the class of membership  
 3548 defined in paragraph (2)(i) occurs when two licensed medical  
 3549 physicians, one of whom is a primary treating physician of the  
 3550 member, certify the existence of the physical injury and medical  
 3551 condition that constitute a qualifying injury as defined in this  
 3552 paragraph and that the member has reached maximum medical  
 3553 improvement after August 1, 2008. The certifications from the  
 3554 licensed medical physicians must include, at a minimum, that the  
 3555 injury to the special risk member has resulted in a physical  
 3556 loss, or loss of use, of at least two of the following: left  
 3557 arm, right arm, left leg, or right leg; and:

3558 a. That this physical loss or loss of use is total and  
 3559 permanent, except if the loss of use is due to a physical injury  
 3560 to the member's brain, in which event the loss of use is  
 3561 permanent with at least 75 percent loss of motor function with  
 3562 respect to each arm or leg affected.

3563 b. That this physical loss or loss of use renders the  
 3564 member physically unable to perform the essential job functions  
 3565 of his or her special risk position.

3566 c. That, notwithstanding this physical loss or loss of  
 3567 use, the individual can perform the essential job functions  
 3568 required by the member's new position, as provided in

3569 subparagraph 3.

3570 d. That use of artificial limbs is not possible or does  
 3571 not alter the member's ability to perform the essential job  
 3572 functions of the member's position.

3573 e. That the physical loss or loss of use is a direct  
 3574 result of a physical injury and not a result of any mental,  
 3575 psychological, or emotional injury.

3576 2. For the purposes of this paragraph, "qualifying injury"  
 3577 means an injury sustained in the line of duty, as certified by  
 3578 the member's employing agency, by a special risk member that  
 3579 does not result in total and permanent disability as defined in  
 3580 s. 121.091(5)(b) ~~121.091(4)(b)~~. An injury is a qualifying injury  
 3581 if the injury is a physical injury to the member's physical body  
 3582 resulting in a physical loss, or loss of use, of at least two of  
 3583 the following: left arm, right arm, left leg, or right leg.  
 3584 Notwithstanding any other provision of this section, an injury  
 3585 that would otherwise qualify as a qualifying injury is not  
 3586 considered a qualifying injury if and when the member ceases  
 3587 employment with the employer for whom he or she was providing  
 3588 special risk services on the date the injury occurred.

3589 3. The new position, as described in sub-subparagraph  
 3590 1.c., that is required for qualification as a special risk  
 3591 member under this paragraph is not required to be a position  
 3592 with essential job functions that entitle an individual to  
 3593 special risk membership. Whether a new position as described in  
 3594 sub-subparagraph 1.c. exists and is available to the special

3595 risk member is a decision to be made solely by the employer in  
 3596 accordance with its hiring practices and applicable law.

3597 4. This paragraph does not grant or create additional  
 3598 rights for any individual to continued employment or to be hired  
 3599 or rehired by his or her employer that are not already provided  
 3600 within the Florida Statutes, the State Constitution, the  
 3601 Americans with Disabilities Act, if applicable, or any other  
 3602 applicable state or federal law.

3603 Section 18. Subsections (4) and (7) of section 121.053,  
 3604 Florida Statutes, are amended to read:

3605 121.053 Participation in the Elected Officers' Class for  
 3606 retired members.—

3607 (4) Upon attaining his or her normal retirement date, and  
 3608 upon application to the administrator of the intent to retire, a  
 3609 member qualifying under subsection (1) or subsection (2) shall  
 3610 receive a monthly benefit under this section, in addition to any  
 3611 benefits already being received, which shall commence on the  
 3612 last day of the month of retirement and be payable on the last  
 3613 day of the month thereafter during his or her lifetime. The  
 3614 amount of the monthly benefit is the total percentage of  
 3615 retirement credit purchased under this section multiplied by the  
 3616 member's average monthly compensation as an elected officer,  
 3617 adjusted according to the option selected at retirement under s.  
 3618 121.091(7) ~~121.091(6)~~.

3619 (7) A member who is elected or appointed to an elective  
 3620 office and who is participating in the Deferred Retirement

PCB SAC 14-01

2014

3621 Option Program is not subject to termination as defined in s.  
 3622 121.021, or reemployment limitations as provided in  
 3623 s.121.091(10) ~~121.091(9)~~, until the end of his or her current  
 3624 term of office or, if the officer is consecutively elected or  
 3625 reelected to an elective office eligible for coverage under the  
 3626 Florida Retirement System, until he or she no longer holds an  
 3627 elective office, as follows:

3628 (a) At the end of the 60-month DROP period:

3629 1. The officer's DROP account may not accrue additional  
 3630 monthly benefits, but does continue to earn interest as provided  
 3631 in s. 121.091(14) ~~121.091(13)~~. However, an officer whose DROP  
 3632 participation begins on or after July 1, 2010, may not continue  
 3633 to earn such interest.

3634 2. Retirement contributions, except for unfunded actuarial  
 3635 liability and health insurance subsidy contributions required in  
 3636 ss. 121.71(5) and 121.76, are not required of the employer of  
 3637 the elected officer, and additional retirement credit may not be  
 3638 earned under the Florida Retirement System.

3639 (b) An elected officer may voluntarily terminate his or  
 3640 her elective office at any time and receive his or her DROP  
 3641 proceeds. However, until termination occurs, an elected officer  
 3642 whose termination limitations are extended by this section is  
 3643 ineligible for renewed membership in the system and may not  
 3644 receive pension payments, DROP lump sum payments, or any other  
 3645 state payment other than the statutorily determined salary,  
 3646 travel, and per diem for the elective office.

3647 (c) Upon termination, the officer shall receive his or her  
 3648 accumulated DROP account, plus interest, and shall accrue and  
 3649 commence receiving monthly retirement benefits, which must be  
 3650 paid on a prospective basis only.

3651 Section 19. Paragraphs (b) and (c) of subsection (1) of  
 3652 section 121.122, Florida Statutes, are amended to read:

3653 121.122 Renewed membership in system.—

3654 (1) Except as provided in s. 121.053, effective July 1,  
 3655 1991, through June 30, 2010, any retiree of a state-administered  
 3656 retirement system who is initially reemployed in a regularly  
 3657 established position with a covered employer, including an  
 3658 elective public office that does not qualify for the Elected  
 3659 Officer's Class, shall be enrolled as a compulsory member of the  
 3660 Regular Class of the Florida Retirement System. Effective July  
 3661 1, 1997, through June 30, 2010, any retiree of a state-  
 3662 administered retirement system who is initially reemployed in a  
 3663 position included in the Senior Management Service Class shall  
 3664 be enrolled as a compulsory member of the Senior Management  
 3665 Service Class of the Florida Retirement System as provided in s.  
 3666 121.055. A retiree is entitled to receive an additional  
 3667 retirement benefit, subject to the following conditions:

3668 (b) Such member is not entitled to disability benefits as  
 3669 provided in s. 121.091(5) ~~121.091(4)~~.

3670 (c) Such member must meet the reemployment after  
 3671 retirement limitations as provided in s. 121.091(10) ~~121.091(9)~~,  
 3672 as applicable.



PCB SAC 14-01

2014

3673 Section 20. Section 121.125, Florida Statutes, is amended  
 3674 to read:  
 3675 121.125 Credit for workers' compensation payment periods.—  
 3676 A member of the retirement system created by this chapter who  
 3677 has been eligible or becomes eligible to receive workers'  
 3678 compensation payments for an injury or illness occurring during  
 3679 his or her employment while a member of any state retirement  
 3680 system shall, upon return to active employment with a covered  
 3681 employer for 1 calendar month or upon approval for disability  
 3682 retirement in accordance with s. 121.091(5) ~~121.091(4)~~, receive  
 3683 full retirement credit for the period prior to such return to  
 3684 active employment or disability retirement for which the  
 3685 workers' compensation payments were received. However, a member  
 3686 may not receive retirement credit for any such period occurring  
 3687 after the earlier of the date of maximum medical improvement as  
 3688 defined in s. 440.02 or the date termination has occurred as  
 3689 defined in s. 121.021(39). The employer of record at the time of  
 3690 the workers' compensation injury or illness shall make the  
 3691 required employer and employee retirement contributions based on  
 3692 the member's rate of monthly compensation immediately prior to  
 3693 his or her receiving workers' compensation payments for  
 3694 retirement credit received by the member. The employer of record  
 3695 at the time of the workers' compensation injury or illness shall  
 3696 be assessed by the division a penalty of 1 percent of the  
 3697 contributions on all contributions not paid on the first payroll  
 3698 report after the member becomes eligible to receive credit. This

PCB SAC 14-01

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

3699 delinquent assessment may not be waived.

3700 Section 21. Subsection (2) of section 121.141, Florida  
 3701 Statutes, is amended to read:

3702 121.141 Appropriation.—

3703 (2) The funds required to provide payments to  
 3704 beneficiaries of members who die subsequent to the completion of  
 3705 20 years of creditable service, as specified in s. 121.091(4)  
 3706 ~~121.091(3)~~, shall be annually appropriated from the System Trust  
 3707 Fund.

3708 Section 22. Paragraph (a) of subsection (2) of section  
 3709 121.23, Florida Statutes, is amended to read:

3710 121.23 Disability retirement and special risk membership  
 3711 applications; Retirement Commission; powers and duties; judicial  
 3712 review.—The provisions of this section apply to all proceedings  
 3713 in which the administrator has made a written final decision on  
 3714 the merits respecting applications for disability retirement,  
 3715 reexamination of retired members receiving disability benefits,  
 3716 applications for special risk membership, and reexamination of  
 3717 special risk members in the Florida Retirement System. The  
 3718 jurisdiction of the State Retirement Commission under this  
 3719 section shall be limited to written final decisions of the  
 3720 administrator on the merits.

3721 (2) A member shall be entitled to a hearing before the  
 3722 State Retirement Commission pursuant to ss. 120.569 and  
 3723 120.57(1) on the merits of any written adverse decision of the  
 3724 administrator, if he or she files with the commission a written

PCB SAC 14-01

2014

3725 request for such hearing within 21 days after receipt of such  
 3726 written decision from the administrator. For the purpose of such  
 3727 hearings, the commission shall be an "agency head" as defined by  
 3728 s. 120.52.

3729 (a) The commission may issue orders as a result of the  
 3730 hearing that are binding on all parties to the dispute and may  
 3731 order any action that it deems appropriate. Any disability  
 3732 retirement order of the commission that sustains the application  
 3733 of the member may include an amount, to be determined by the  
 3734 commission, for reasonable attorney's fees and taxable costs,  
 3735 which shall be calculated in accordance with the statewide  
 3736 uniform guidelines for taxation of costs in civil actions. The  
 3737 amount of the attorney's fees may not exceed 50 percent of the  
 3738 initial yearly benefit awarded under s. 121.091(5) ~~121.091(4)~~.  
 3739 In cases involving disability retirement, the commission shall  
 3740 require the member to present substantial competent medical  
 3741 evidence that meets the requirements of s. 121.091(5)(c)2.  
 3742 ~~121.091(4)(c)2.~~ and 3., and may require vocational evidence,  
 3743 before awarding disability retirement benefits.

3744 Section 23. Subsections (6), (7), and (9) of section  
 3745 121.40, Florida Statutes, are amended to read:

3746 121.40 Cooperative extension personnel at the Institute of  
 3747 Food and Agricultural Sciences; supplemental retirement  
 3748 benefits.—

3749 (6) PAYMENT OF SUPPLEMENT.—Any participant who retires on  
 3750 or after January 1, 1985, from the federal Civil Service

3751 Retirement System as a cooperative extension employee of the  
 3752 institute at the University of Florida and who satisfies all of  
 3753 the eligibility criteria specified in subsection (4) shall be  
 3754 entitled to receive a supplemental benefit under this program  
 3755 computed in accordance with subsection (5), to begin July 1,  
 3756 1985, or the month of retirement, or the month in which the  
 3757 participant becomes age 62, whichever is later. Upon application  
 3758 to the administrator, the participant shall receive a monthly  
 3759 supplemental benefit which shall commence on the last day of the  
 3760 month of retirement and shall be payable on the last day of the  
 3761 month thereafter during his or her lifetime. A participant may  
 3762 have federal income tax and health insurance premiums deducted  
 3763 from his or her monthly supplemental benefit in the same manner  
 3764 as provided in s. 121.091(15)(a) ~~121.091(14)(a)~~ and (b) for  
 3765 monthly retirement benefits under the Florida Retirement System.

3766 (7) OPTIONAL FORMS OF SUPPLEMENTAL RETIREMENT BENEFITS.—  
 3767 Prior to the receipt of the first monthly supplemental  
 3768 retirement payment under this program, a participant shall elect  
 3769 to receive the supplemental retirement benefits to which he or  
 3770 she is entitled under subsection (6) in accordance with s.  
 3771 121.091(7) ~~121.091(6)~~.

3772 (9) DESIGNATION OF BENEFICIARIES.—Each participant of this  
 3773 program may designate beneficiaries in accordance with s.  
 3774 121.091(9) ~~121.091(8)~~.

3775 Section 24. Section 238.072, Florida Statutes, is amended  
 3776 to read:

3777           238.072 Special service provisions for extension  
 3778 personnel.—All state and county cooperative extension personnel  
 3779 holding appointments by the United States Department of  
 3780 Agriculture for extension work in agriculture and home economics  
 3781 in this state who are joint representatives of the University of  
 3782 Florida and the United States Department of Agriculture, as  
 3783 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
 3784 Teachers' Retirement System, chapter 238, and who are prohibited  
 3785 from transferring to and participating in the Florida Retirement  
 3786 System, chapter 121, may retire with full benefits upon  
 3787 completion of 30 years of creditable service and shall be  
 3788 considered to have attained normal retirement age under this  
 3789 chapter, any law to the contrary notwithstanding. In order to  
 3790 comply with the provisions of s. 14, Art. X of the State  
 3791 Constitution, any liability accruing to the Florida Retirement  
 3792 System Trust Fund as a result of the provisions of this section  
 3793 shall be paid on an annual basis from the General Revenue Fund.

3794           Section 25. Section 238.138, Florida Statutes, is amended  
 3795 to read:

3796           238.183 Developmental research school and Florida School  
 3797 for the Deaf and the Blind instructional personnel; reemployment  
 3798 after retirement.—

3799           (1) Notwithstanding any other law, instructional  
 3800 personnel, as defined in s. 1012.01(2), employed by a  
 3801 developmental research school or the Florida School for the Deaf  
 3802 and the Blind are eligible for reemployment after retirement in

3803 the same manner as classroom teachers who are employed by the  
 3804 district school boards, as described in ss. 121.091(10)(b)  
 3805 ~~121.091(9)(b)~~ and 238.181(2)(c).

3806 (2) Instructional personnel, as defined in s. 1012.01(2),  
 3807 employed by a developmental research school and authorized by  
 3808 the school's director, or if the school has no director, by the  
 3809 school's principal, are eligible for the Deferred Retirement  
 3810 Option Program (DROP) beyond 60 months in the same manner as the  
 3811 instructional personnel who are employed by the district school  
 3812 boards and authorized by the district school superintendent, as  
 3813 described in s. 121.091(14) ~~121.091(13)~~.

3814 Section 26. Subsection (11) of section 413.051, Florida  
 3815 Statutes, is amended to read:

3816 413.051 Eligible blind persons; operation of vending  
 3817 stands.—

3818 (11) Effective July 1, 1996, blind licensees who remain  
 3819 members of the Florida Retirement System pursuant to s.  
 3820 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
 3821 retirement costs from their net profits or from program income.  
 3822 Within 30 days after the effective date of this act, each blind  
 3823 licensee who is eligible to maintain membership in the Florida  
 3824 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
 3825 who elects to withdraw from the system as provided in s.  
 3826 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
 3827 1996, notify the Division of Blind Services and the Department  
 3828 of Management Services in writing of his or her election to

3829 withdraw. Failure to timely notify the divisions shall be deemed  
 3830 a decision to remain a compulsory member of the Florida  
 3831 Retirement System. However, if, at any time after July 1, 1996,  
 3832 sufficient funds are not paid by a blind licensee to cover the  
 3833 required contribution to the Florida Retirement System, that  
 3834 blind licensee shall become ineligible to participate in the  
 3835 Florida Retirement System on the last day of the first month for  
 3836 which no contribution is made or the amount contributed is  
 3837 insufficient to cover the required contribution. For any blind  
 3838 licensee who becomes ineligible to participate in the Florida  
 3839 Retirement System as described in this subsection, no creditable  
 3840 service shall be earned under the Florida Retirement System for  
 3841 any period following the month that retirement contributions  
 3842 ceased to be reported. However, any such person may participate  
 3843 in the Florida Retirement System in the future if employed by a  
 3844 participating employer in a covered position.

3845 Section 27. (1) Effective July 1, 2015, in order to fund  
 3846 the benefit changes provided in this act, the required employer  
 3847 contribution rates for the unfunded actuarial liability of the  
 3848 Florida Retirement System established in section 121.71(5),  
 3849 Florida Statutes, shall be adjusted as follows:

3850 (a) Regular Class.-The Regular Class shall be increased by  
 3851 X.XX percentage points.

3852 (b) Special Risk Class.-The Special Risk Class shall be  
 3853 increased by X.XX percentage points.

3854 (c) Special Risk Administrative Support Class.-The Special

3855 Risk Administrative Support Class shall be increased by X.XX  
 3856 percentage points.

3857 (d) Elected Officers' Class.—Legislators, the Governor,  
 3858 the Lieutenant Governor, Cabinet Officers, State Attorneys, and  
 3859 Public Defenders shall be increased by X.XX percentage points.

3860 (e) Elected Officers' Class.—Justices and judges shall be  
 3861 increased by X.XX percentage points.

3862 (f) Elected Officers' Class.—County Elected Officers shall  
 3863 be increased by X.XX percentage points.

3864 (g) Senior Management Service Class.—The Senior Management  
 3865 Service Class shall be increased by X.XX percentage points.

3866 (2) The adjustments provided in subsection (1) shall be in  
 3867 addition to all other changes to such contribution rates which  
 3868 may be enacted into law to take effect on July 1, 2014, and July  
 3869 1, 2015. The Division of Law Revision and Information is  
 3870 requested to adjust accordingly the contribution rates provided  
 3871 in section 121.71, Florida Statutes.

3872 Section 28. The Legislature finds that a proper and  
 3873 legitimate state purpose is served when employees and retirees  
 3874 of the state and its political subdivisions, and the dependents,  
 3875 survivors, and beneficiaries of such employees and retirees, are  
 3876 extended the basic protections afforded by governmental  
 3877 retirement systems. These persons must be provided benefits that  
 3878 are fair and adequate and that are managed, administered, and  
 3879 funded in an actuarially sound manner, as required by s. 14,  
 3880 Article X of the State Constitution and part VII of chapter 112,



3881 Florida Statutes. Therefore, the Legislature determines and  
 3882 declares that this act fulfills an important state interest.

3883 Section 29. (1) The State Board of Administration and the  
 3884 Department of Management Services shall request a determination  
 3885 letter as soon as practicable from the Internal Revenue Service  
 3886 as to whether this act or any portion of this act will cause the  
 3887 Florida Retirement System to be disqualified for tax purposes  
 3888 under the Internal Revenue Code. If the Internal Revenue Service  
 3889 refuses to act upon such request, a legal opinion from a  
 3890 qualified tax attorney or firm may be substituted for the  
 3891 determination letter.

3892 (2) If the board or the department receives notification  
 3893 from the Internal Revenue Service that this act or any portion  
 3894 of this act will cause the Florida Retirement System to be  
 3895 disqualified, the portion that will cause the disqualification  
 3896 does not apply. Upon such notice, the board and the department  
 3897 shall notify the presiding officers of the Legislature.

3898 Section 30. Except as otherwise expressly provided in this  
 3899 act, this act shall take effect July 1, 2014.