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Proposed Committee Substitute by the Committee on Governmental  
Oversight and Accountability

A bill to be entitled

An act relating to retirement; amending s. 121.021,  
F.S.; revising the definition of "vested" or  
"vesting"; providing that a member initially enrolled  
in the Florida Retirement System after a certain date  
is vested in the pension plan after 10 years of  
creditable service; amending s. 121.051, F.S.;  
providing for compulsory membership in the Florida  
Retirement System Investment Plan for employees in the  
Elected Officers' Class or the Senior Management  
Service Class initially enrolled after a specified  
date; conforming cross-references to changes made by  
the act; amending s. 121.052, F.S.; prohibiting  
members of the Elected Officers' Class from joining  
the Senior Management Service Class after a specified  
date; amending s. 121.055, F.S.; prohibiting an  
elected official eligible for membership in the  
Elected Officers' Class from enrolling in the Senior  
Management Service Class or in the Senior Management  
Service Optional Annuity Program; closing the Senior  
Management Optional Annuity Program to new members  
after a specified date; amending s. 121.091, F.S.;  
providing that certain members are entitled to a  
monthly disability benefit; revising provisions to  
conform to changes made by the act; amending s.  
121.35, F.S.; providing that certain participants in  
the optional retirement program for the State



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28 University System have a choice between the optional  
29 retirement program and the Florida Retirement System  
30 Investment Plan; providing for compulsory membership  
31 in the investment plan for certain employees;  
32 conforming cross-references; amending s. 121.4501,  
33 F.S.; requiring certain employees initially enrolled  
34 in the Florida Retirement System on or after a  
35 specified date to be compulsory members of the  
36 investment plan; revising the definition of "member"  
37 or "employee"; revising a provision relating to  
38 acknowledgement of an employee's election to  
39 participate in the investment plan; placing certain  
40 employees in the pension plan from his or her date of  
41 hire until they are automatically enrolled in the  
42 investment plan or timely elect enrollment in the  
43 pension plan; authorizing certain employees to elect  
44 to participate in the pension plan, rather than the  
45 default investment plan, within a specified time;  
46 providing for the transfer of certain contributions;  
47 revising the education component; deleting the  
48 obligation of system employers to communicate the  
49 existence of both retirement plans; conforming  
50 provisions and cross-references to changes made by the  
51 act; amending s. 121.591, F.S.; revising provisions  
52 relating to disability retirement benefits; amending  
53 s. 121.71, F.S.; decreasing the employee retirement  
54 contribution rates for investment plan members;  
55 amending ss. 238.072, 413.051, and 1012.875, F.S.;  
56 conforming cross-references; providing that the act



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57 fulfills an important state interest; providing an  
58 effective date.

59

60 Be It Enacted by the Legislature of the State of Florida:

61

62 Section 1. Subsection (45) of section 121.021, Florida  
63 Statutes, is amended to read:

64 121.021 Definitions.—The following words and phrases as  
65 used in this chapter have the respective meanings set forth  
66 unless a different meaning is plainly required by the context:

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

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

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

81 2. Any member initially enrolled in the Florida Retirement  
82 System before July 1, 2001, but not employed in a regularly  
83 established position on July 1, 2001, shall be deemed vested  
84 upon completion of 6 years of creditable service if such member  
85 is employed in a covered position for at least 1 work year after



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86 July 1, 2001. However, a member is not required to complete more  
87 years of creditable service than would have been required for  
88 that member to vest under retirement laws in effect before July  
89 1, 2001.

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

93 (b) Any member initially enrolled in the Florida Retirement  
94 System on ~~or after~~ July 1, 2011, through June 30, 2015, shall be  
95 vested in the pension plan upon completion of 8 years of  
96 creditable service.

97 (c) Any member initially enrolled in the Florida Retirement  
98 System on or after July 1, 2015, shall be vested in the pension  
99 plan upon completion of 10 years of creditable service.

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

105 121.051 Participation in the system.—

106 (2) OPTIONAL PARTICIPATION.—

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



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115 the employing agency under s. 1012.875.

116 1.a. Through June 30, 2001, the cost to the employer for  
117 benefits under the optional retirement program is equal to  
118 ~~equals~~ the normal cost portion of the employer retirement  
119 contribution which would be required if the employee were a  
120 member of the pension plan's Regular Class, plus the portion of  
121 the contribution rate required by s. 112.363(8) which would  
122 otherwise be assigned to the Retiree Health Insurance Subsidy  
123 Trust Fund.

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

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

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

143 e. The employer shall contribute an additional amount to



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144 the Florida Retirement System Trust Fund equal to the unfunded  
145 actuarial accrued liability portion of the Regular Class  
146 contribution rate.

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

150 3. Any service creditable under the Florida Retirement System is  
151 retained after the member withdraws from the system; however,  
152 additional service credit in the system may not be earned while  
153 the employee is a member of the optional retirement program.

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

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

166 b. If the employee chooses to move to the pension plan of  
167 the Florida Retirement System, the employee shall receive  
168 service credit equal to his or her years of service under the  
169 optional retirement program.

170 (I) The cost for such credit is the amount representing the  
171 present value of the employee's accumulated benefit obligation  
172 for the affected period of service. The cost shall be calculated



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173 as if the benefit commencement occurs on the first date the  
174 employee becomes eligible for unreduced benefits, using the  
175 discount rate and other relevant actuarial assumptions that were  
176 used to value the Florida Retirement System Pension Plan  
177 liabilities in the most recent actuarial valuation. The  
178 calculation must include any service already maintained under  
179 the pension plan in addition to the years under the optional  
180 retirement program. The present value of any service already  
181 maintained must be applied as a credit to total cost resulting  
182 from the calculation. The division must ensure that the transfer  
183 sum is prepared using a formula and methodology certified by an  
184 enrolled actuary.

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

192 4. Participation in the optional retirement program is  
193 limited to employees who satisfy the following eligibility  
194 criteria:

195 a. The employee is otherwise eligible for membership or  
196 renewed membership in the Regular Class of the Florida  
197 Retirement System, as provided in s. 121.021(11) and (12) or s.  
198 121.122.

199 b. The employee is employed in a full-time position  
200 classified in the Accounting Manual for Florida's College System  
201 ~~Public Community Colleges~~ as:



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202 (I) Instructional; or  
203 (II) Executive Management, Instructional Management, or  
204 Institutional Management and the community college determines  
205 that recruiting to fill a vacancy in the position is to be  
206 conducted in the national or regional market, and the duties and  
207 responsibilities of the position include the formulation,  
208 interpretation, or implementation of policies, or the  
209 performance of functions that are unique or specialized within  
210 higher education and that frequently support the mission of the  
211 community college.

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

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

224 6. Eligible community college employees are compulsory  
225 members of the Florida Retirement System until, pursuant to s.  
226 1012.875, a written election to withdraw from the system and  
227 participate in the optional retirement program is filed with the  
228 program administrator and received by the division.

229 a. A community college employee whose program eligibility  
230 results from initial employment shall be enrolled in the





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231 optional retirement program retroactive to the first day of  
232 eligible employment. The employer and employee retirement  
233 contributions paid through the month of the employee plan change  
234 shall be transferred to the community college to the employee's  
235 optional program account, and, effective the first day of the  
236 next month, the employer shall pay the applicable contributions  
237 based upon subparagraph 1.

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

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



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260 transfer, all service credit previously earned under the pension  
261 plan during this period is nullified for purposes of entitlement  
262 to a future benefit under the pension plan.

263 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.-

264 (a) Employees initially enrolled on or after July 1, 2015,  
265 in positions covered by the Elected Officers' Class or the  
266 Senior Management Service Class are compulsory members of the  
267 investment plan, except those eligible to withdraw from the  
268 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
269 eligible for optional retirement programs under paragraph  
270 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan  
271 membership continues if there is subsequent employment in a  
272 position covered by another membership class. Membership in the  
273 pension plan is not permitted except as provided in s.  
274 121.591(2). Employees initially enrolled in the Florida  
275 Retirement System before July 1, 2015, may retain their  
276 membership in the pension plan or investment plan and are  
277 eligible to use the election opportunity specified in s.  
278 121.4501(4)(f); employees initially enrolled on or after July 1,  
279 2015, are not eligible to use the election opportunity.

280 (b) Employees eligible to withdraw from the system under s.  
281 121.052(3)(d) or s. 121.055(1)(b)2. may withdraw from the system  
282 or participate in the investment plan as provided under those  
283 provisions. Employees eligible for optional retirement programs  
284 under paragraph (2)(c) or s. 121.35 may participate in the  
285 optional retirement program or the investment plan as provided  
286 in those provisions. Eligible employees required to participate  
287 pursuant to paragraph (1)(a) in the optional retirement program  
288 as provided under s. 121.35 must participate in the investment



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289 plan if employed in a position not eligible for the optional  
290 retirement program.

291 Section 3. Paragraph (c) of subsection (3) of section  
292 121.052, Florida Statutes, is amended to read:

293 121.052 Membership class of elected officers.—

294 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
295 1, 1990, participation in the Elected Officers' Class shall be  
296 compulsory for elected officers listed in paragraphs (2) (a)-(d)  
297 and (f) assuming office on or after said date, unless the  
298 elected officer elects membership in another class or withdraws  
299 from the Florida Retirement System as provided in paragraphs  
300 (3) (a)-(d):

301 (c) Before July 1, 2015, an ~~any~~ elected officer may, within  
302 6 months after assuming office, or within 6 months after this  
303 act becomes a law for serving elected officers, elect membership  
304 in the Senior Management Service Class as provided in s. 121.055  
305 in lieu of membership in the Elected Officers' Class. ~~Any~~ Such  
306 election made by a county elected officer has ~~shall have~~ no  
307 effect upon the statutory limit on the number of nonelective  
308 full-time positions that may be designated by a local agency  
309 employer for inclusion in the Senior Management Service Class  
310 under s. 121.055(1) (b)1.

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

314 121.055 Senior Management Service Class.—There is hereby  
315 established a separate class of membership within the Florida  
316 Retirement System to be known as the "Senior Management Service  
317 Class," which shall become effective February 1, 1987.



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318 (1)  
319 (f) Effective July 1, 1997, through June 30, 2015:  
320 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
321 4., an elected state officer eligible for membership in the  
322 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
323 elects membership in the Senior Management Service Class under  
324 s. 121.052(3)(c) may, within 6 months after assuming office or  
325 within 6 months after this act becomes a law for serving elected  
326 state officers, elect to participate in the Senior Management  
327 Service Optional Annuity Program, as provided in subsection (6),  
328 in lieu of membership in the Senior Management Service Class.  
329 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
330 4., an elected officer of a local agency employer eligible for  
331 membership in the Elected Officers' Class under s. 121.052(2)(d)  
332 who elects membership in the Senior Management Service Class  
333 under s. 121.052(3)(c) may, within 6 months after assuming  
334 office, or within 6 months after this act becomes a law for  
335 serving elected officers of a local agency employer, elect to  
336 withdraw from the Florida Retirement System, as provided in  
337 subparagraph (b)2., in lieu of membership in the Senior  
338 Management Service Class.  
339 3. A retiree of a state-administered retirement system who  
340 is initially reemployed in a regularly established position on  
341 or after July 1, 2010, as an elected official eligible for the  
342 Elected Officers' Class may not be enrolled in renewed  
343 membership in the Senior Management Service Class or in the  
344 Senior Management Service Optional Annuity Program as provided  
345 in subsection (6), and may not withdraw from the Florida  
346 Retirement System as a renewed member as provided in



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

349 4. On or after July 1, 2015, an elected officer eligible  
350 for membership in the Elected Officers' Class may not be  
351 enrolled in the Senior Management Service Class or in the Senior  
352 Management Service Optional Annuity Program as provided in  
353 subsection (6).

354 (6)

355 (c) *Participation.*—

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

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



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

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

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

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



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

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

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

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

426       7. Effective July 1, 2015, the Senior Management Service  
427 Optional Annuity Program is closed to new members. Members  
428 enrolled in the Senior Management Service Optional Annuity  
429 Program before July 1, 2015, may retain their membership in the  
430 annuity program.

431       Section 5. Paragraph (a) of subsection (4) of section  
432 121.091, Florida Statutes, is amended to read:

433       121.091 Benefits payable under the system.—Benefits may not



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

446 (4) DISABILITY RETIREMENT BENEFIT.—

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

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





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

466 b. Effective July 1, 2001, a member of the pension plan  
467 initially enrolled before July 1, 2015, who becomes totally and  
468 permanently disabled, as defined in paragraph (b), after  
469 completing 8 years of creditable service, or a member who  
470 becomes totally and permanently disabled in the line of duty  
471 regardless of service, is entitled to a monthly disability  
472 benefit.

473 c. Effective July 1, 2015, a member of the pension plan  
474 initially enrolled on or after July 1, 2015, who becomes totally  
475 and permanently disabled, as defined in paragraph (b), after  
476 completing 10 years of creditable service, or a member who  
477 becomes totally and permanently disabled in the line of duty  
478 regardless of service, is entitled to a monthly disability  
479 benefit.

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

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

490 Section 6. Paragraph (c) of subsection (3) and paragraph  
491 (a) of subsection (4) of section 121.35, Florida Statutes, are



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492 amended to read:

493 121.35 Optional retirement program for the State University  
494 System.—

495 (3) ELECTION OF OPTIONAL PROGRAM.—

496 (c) Any employee who becomes eligible to participate in the  
497 optional retirement program on or after January 1, 1993, shall  
498 be a compulsory participant of the program unless such employee  
499 elects membership in the Florida Retirement System. Such  
500 election shall be made in writing and filed with the personnel  
501 officer of the employer. Any eligible employee who fails to make  
502 such election within the prescribed time period shall be deemed  
503 to have elected to participate in the optional retirement  
504 program.

505 1. Any employee whose optional retirement program  
506 eligibility results from initial employment shall be enrolled in  
507 the program at the commencement of employment. If, within 90  
508 days after commencement of employment, the employee elects  
509 membership in the Florida Retirement System, such membership  
510 shall be effective retroactive to the date of commencement of  
511 employment as provided in s. 121.4501(4).

512 2. Any employee whose optional retirement program  
513 eligibility results from a change in status due to the  
514 subsequent designation of the employee's position as one of  
515 those specified in paragraph (2) (a) or due to the employee's  
516 appointment, promotion, transfer, or reclassification to a  
517 position specified in paragraph (2) (a) shall be enrolled in the  
518 optional retirement program upon such change in status and shall  
519 be notified by the employer of such action. If, within 90 days  
520 after the date of such notification, the employee elects to



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521 retain membership in the Florida Retirement System, such  
522 continuation of membership shall be retroactive to the date of  
523 the change in status.

524 3. Notwithstanding subparagraphs 1. and 2. ~~the provisions~~  
525 ~~of this paragraph~~, effective July 1, 1997, any employee who is  
526 eligible to participate in the Optional Retirement Program and  
527 who fails to execute a contract with one of the approved  
528 companies and to notify the department in writing as provided in  
529 subsection (4) within 90 days after the date of eligibility  
530 shall be deemed to have elected membership in the Florida  
531 Retirement System, except as provided in s. 121.051(1)(a). This  
532 provision shall also apply to any employee who terminates  
533 employment in an eligible position before executing the required  
534 investment annuity contract and notifying the department. Such  
535 membership shall be retroactive to the date of eligibility, and  
536 all appropriate contributions shall be transferred to the  
537 Florida Retirement System Trust Fund and the Health Insurance  
538 Subsidy Trust Fund. If a member is initially enrolled on or  
539 after July 1, 2015, the member is deemed to have elected  
540 membership in the Florida Retirement System Investment Plan and  
541 such membership shall be retroactive to the date of eligibility.  
542 All contributions required under s. 121.72, shall be transferred  
543 to a default fund in the investment plan as provided in s.  
544 121.4501(4)(f), and the Health Insurance Subsidy Trust Fund.

545 (4) CONTRIBUTIONS.—

546 (a)1. Through June 30, 2001, each employer shall contribute  
547 on behalf of each member of the optional retirement program an  
548 amount equal to the normal cost portion of the employer  
549 retirement contribution which would be required if the employee



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550 were a regular member of the Florida Retirement System Pension  
551 Plan, plus the portion of the contribution rate required in s.  
552 112.363(8) which ~~that~~ would otherwise be assigned to the Retiree  
553 Health Insurance Subsidy Trust Fund.

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

558 3. Effective July 1, 2011, through June 30, 2012, each  
559 member of the optional retirement program shall contribute an  
560 amount equal to the employee contribution required in s.  
561 121.71(3) (a). The employer shall contribute on behalf of each  
562 such member an amount equal to the difference between 10.43  
563 percent of the employee's gross monthly compensation and the  
564 amount equal to the employee's required contribution based on  
565 the employee's gross monthly compensation.

566 4. Effective July 1, 2012, each member of the optional  
567 retirement program shall contribute an amount equal to the  
568 employee contribution required in s. 121.71(3) (a). The employer  
569 shall contribute on behalf of each such member an amount equal  
570 to the difference between 8.15 percent of the employee's gross  
571 monthly compensation and the amount equal to the employee's  
572 required contribution based on the employee's gross monthly  
573 compensation.

574 5. The payment of the contributions, including  
575 contributions by the employee, shall be made by the employer to  
576 the department, which shall forward the contributions to the  
577 designated company or companies contracting for payment of  
578 benefits for members of the program. However, such contributions



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579 paid on behalf of an employee described in paragraph (3)(c) may  
580 not be forwarded to a company and do not begin to accrue  
581 interest until the employee has executed a contract and notified  
582 the department. The department shall deduct an amount from the  
583 contributions to provide for the administration of this program.

584 Section 7. Subsection (1), paragraph (i) of subsection (2),  
585 paragraph (b) of subsection (3), subsection (4), paragraph (c)  
586 of subsection (5), subsection (8), and paragraphs (a), (b), (c),  
587 and (h) of subsection (10) of section 121.4501, Florida  
588 Statutes, are amended to read:

589 121.4501 Florida Retirement System Investment Plan.—

590 (1) The Trustees of the State Board of Administration shall  
591 establish a defined contribution program called the "Florida  
592 Retirement System Investment Plan" or "investment plan" for  
593 members of the Florida Retirement System under which retirement  
594 benefits will be provided for eligible employees who elect to  
595 participate in the program and for employees initially enrolled  
596 on or after July 1, 2015, in positions covered by the Elected  
597 Officers' Class or the Senior Management Service Class and who  
598 are compulsory members of the investment plan unless otherwise  
599 eligible to withdraw from the system under s. 121.052(3)(d) or  
600 s. 121.055(1)(b)2., or to participate in an optional retirement  
601 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.  
602 Investment plan membership continues if there is subsequent  
603 employment in a position covered by another membership class.

604 The retirement benefits shall be provided through member-  
605 directed investments, in accordance with s. 401(a) of the  
606 Internal Revenue Code and related regulations. The employer and  
607 employee shall make contributions, as provided in this section



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608 and ss. 121.571 and 121.71, to the Florida Retirement System  
609 Investment Plan Trust Fund toward the funding of benefits.

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

611 (i) "Member" or "employee" means an eligible employee who  
612 enrolls in or is defaulted into the investment plan as provided  
613 in subsection (4), a terminated Deferred Retirement Option  
614 Program member as described in subsection (21), or a beneficiary  
615 or alternate payee of a member or employee.

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

617 (b) Notwithstanding paragraph (a), an eligible employee who  
618 elects to participate in or is defaulted into the investment  
619 plan and establishes one or more individual member accounts may  
620 elect to transfer to the investment plan a sum representing the  
621 present value of the employee's accumulated benefit obligation  
622 under the pension plan, except as provided in paragraph (4)(b).  
623 Upon transfer, all service credit earned under the pension plan  
624 is nullified for purposes of entitlement to a future benefit  
625 under the pension plan. A member may not transfer the  
626 accumulated benefit obligation balance from the pension plan  
627 after the time period for enrolling in the investment plan has  
628 expired.

629 1. For purposes of this subsection, the present value of  
630 the member's accumulated benefit obligation is based upon the  
631 member's estimated creditable service and estimated average  
632 final compensation under the pension plan, subject to  
633 recomputation under subparagraph 2. For state employees, initial  
634 estimates shall be based upon creditable service and average  
635 final compensation as of midnight on June 30, 2002; for district  
636 school board employees, initial estimates shall be based upon



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637 creditable service and average final compensation as of midnight  
638 on September 30, 2002; and for local government employees,  
639 initial estimates shall be based upon creditable service and  
640 average final compensation as of midnight on December 31, 2002.  
641 The dates specified are the "estimate date" for these employees.  
642 The actuarial present value of the employee's accumulated  
643 benefit obligation shall be based on the following:

644 a. The discount rate and other relevant actuarial  
645 assumptions used to value the Florida Retirement System Trust  
646 Fund at the time the amount to be transferred is determined,  
647 consistent with the factors provided in sub-subparagraphs b. and  
648 c.

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

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

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

656 (A) Age 62; or

657 (B) The age the member would attain if the member completed  
658 30 years of service with an employer, assuming the member worked  
659 continuously from the estimate date, and disregarding any  
660 vesting requirement that would otherwise apply under the pension  
661 plan.

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

665 (A) Age 65; or



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666 (B) The age the member would attain if the member completed  
667 33 years of service with an employer, assuming the member worked  
668 continuously from the estimate date, and disregarding any  
669 vesting requirement that would otherwise apply under the pension  
670 plan.

671 d. For members of the Special Risk Class and for members of  
672 the Special Risk Administrative Support Class entitled to retain  
673 the special risk normal retirement date:

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

677 (A) Age 55; or

678 (B) The age the member would attain if the member completed  
679 25 years of service with an employer, assuming the member worked  
680 continuously from the estimate date, and disregarding any  
681 vesting requirement that would otherwise apply under the pension  
682 plan.

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

687 (A) Age 60; or

688 (B) The age the member would attain if the member completed  
689 30 years of service with an employer, assuming the member worked  
690 continuously from the estimate date, and disregarding any  
691 vesting requirement that would otherwise apply under the pension  
692 plan.

693 e. The calculation must disregard vesting requirements and  
694 early retirement reduction factors that would otherwise apply





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695 under the pension plan.

696           2. For each member who elects to transfer moneys from the  
697 pension plan to his or her account in the investment plan, the  
698 division shall recompute the amount transferred under  
699 subparagraph 1. within 60 days after the actual transfer of  
700 funds based upon the member's actual creditable service and  
701 actual final average compensation as of the initial date of  
702 participation in the investment plan. If the recomputed amount  
703 differs from the amount transferred by \$10 or more, the division  
704 shall:

705           a. Transfer, or cause to be transferred, from the Florida  
706 Retirement System Trust Fund to the member's account the excess,  
707 if any, of the recomputed amount over the previously transferred  
708 amount together with interest from the initial date of transfer  
709 to the date of transfer under this subparagraph, based upon the  
710 effective annual interest equal to the assumed return on the  
711 actuarial investment which was used in the most recent actuarial  
712 valuation of the system, compounded annually.

713           b. Transfer, or cause to be transferred, from the member's  
714 account to the Florida Retirement System Trust Fund the excess,  
715 if any, of the previously transferred amount over the recomputed  
716 amount, together with interest from the initial date of transfer  
717 to the date of transfer under this subparagraph, based upon 6  
718 percent effective annual interest, compounded annually, pro rata  
719 based on the member's allocation plan.

720           3. If contribution adjustments are made as a result of  
721 employer errors or corrections, including plan corrections,  
722 following recomputation of the amount transferred under  
723 subparagraph 1., the member is entitled to the additional



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724 contributions or is responsible for returning any excess  
725 contributions resulting from the correction. However, a ~~any~~  
726 return of such erroneous excess pretax contribution by the plan  
727 must be made within the period allowed by the Internal Revenue  
728 Service. The present value of the member's accumulated benefit  
729 obligation may ~~shall~~ not be recalculated.

730 4. As directed by the member, the state board shall  
731 transfer or cause to be transferred the appropriate amounts to  
732 the designated accounts within 30 days after the effective date  
733 of the member's participation in the investment plan unless the  
734 major financial markets for securities available for a transfer  
735 are seriously disrupted by an unforeseen event that causes the  
736 suspension of trading on a ~~any~~ national securities exchange in  
737 the country where the securities were issued. In that event, the  
738 30-day period may be extended by a resolution of the state  
739 board. Transfers are not commissionable or subject to other fees  
740 and may be in the form of securities or cash, as determined by  
741 the state board. Such securities are valued as of the date of  
742 receipt in the member's account.

743 5. If the state board or the division receives notification  
744 from the United States Internal Revenue Service that this  
745 paragraph or any portion of this paragraph will cause the  
746 retirement system, or a portion thereof, to be disqualified for  
747 tax purposes under the Internal Revenue Code, the portion that  
748 will cause the disqualification does not apply. Upon such  
749 notice, the state board and the division shall notify the  
750 presiding officers of the Legislature.

751 (4) PARTICIPATION; ENROLLMENT.—

752 (a)1. Effective June 1, 2002, through February 28, 2003, a



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753 90-day election period, preceded by a 90-day education period,  
754 was provided to each eligible employee participating in the  
755 Florida Retirement System which permitted each eligible employee  
756 to elect membership in the investment plan, and an employee who  
757 failed to elect the investment plan during the election period  
758 remained in the pension plan. An eligible employee who was  
759 employed in a regularly established position during the election  
760 period was granted the option to make one subsequent election,  
761 as provided in paragraph (f). With respect to an eligible  
762 employee who did not participate in the initial election period  
763 or who is initially ~~employee who is~~ employed in a regularly  
764 established position after the close of the initial election  
765 period but before July 1, 2015, on June 1, 2002, by a state  
766 employer:

767 ~~a. Any such employee may elect to participate in the~~  
768 ~~investment plan in lieu of retaining his or her membership in~~  
769 ~~the pension plan. The election must be made in writing or by~~  
770 ~~electronic means and must be filed with the third-party~~  
771 ~~administrator by August 31, 2002, or, in the case of an active~~  
772 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
773 ~~last business day of the 5th month following the month the leave~~  
774 ~~of absence concludes. This election is irrevocable, except as~~  
775 ~~provided in paragraph (g). Upon making such election, the~~  
776 ~~employee shall be enrolled as a member of the investment plan,~~  
777 ~~the employee's membership in the Florida Retirement System is~~  
778 ~~governed by the provisions of this part, and the employee's~~  
779 ~~membership in the pension plan terminates. The employee's~~  
780 ~~enrollment in the investment plan is effective the first day of~~  
781 ~~the month for which a full month's employer contribution is made~~



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782 ~~to the investment plan.~~

783 ~~b. Any such employee who fails to elect to participate in~~  
784 ~~the investment plan within the prescribed time period is deemed~~  
785 ~~to have elected to retain membership in the pension plan, and~~  
786 ~~the employee's option to elect to participate in the investment~~  
787 ~~plan is forfeited.~~

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

792 ~~a. Any such employee shall, by default, be enrolled in the~~  
793 ~~pension plan at the commencement of employment, and may, by the~~  
794 ~~last business day of the 5th month following the employee's~~  
795 ~~month of hire, elect to participate in the investment plan. The~~  
796 ~~employee's election must be made in writing or by electronic~~  
797 ~~means and must be filed with the third-party administrator. The~~  
798 ~~election to participate in the investment plan is irrevocable,~~  
799 ~~except as provided in paragraph (f) ~~(g)~~.~~

800 ~~a.b.~~ If the employee files such election within the  
801 prescribed time period, enrollment in the investment plan is  
802 effective on the first day of employment. The retirement  
803 contributions paid through the month of the employee plan change  
804 shall be transferred to the investment program, and, effective  
805 the first day of the next month, the employer and employee must  
806 pay the applicable contributions based on the employee  
807 membership class in the program.

808 ~~b.e.~~ An employee who fails to elect to participate in the  
809 investment plan within the prescribed time period is deemed to  
810 have elected to retain membership in the pension plan, and the



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811 employee's option to elect to participate in the investment plan  
812 is forfeited.

813 ~~2.3.~~ With respect to employees who become eligible to  
814 participate in the investment plan pursuant to s.  
815 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
816 participate in the investment plan in lieu of retaining his or  
817 her membership in the State Community College System Optional  
818 Retirement Program or the State University System Optional  
819 Retirement Program. The election must be ~~made~~ in writing or by  
820 electronic means and must be filed with the third-party  
821 administrator. This election is irrevocable, except as provided  
822 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
823 shall be enrolled as a member in the investment plan, the  
824 employee's membership in the Florida Retirement System is  
825 governed by the provisions of this part, and the employee's  
826 participation in the State Community College System Optional  
827 Retirement Program or the State University System Optional  
828 Retirement Program terminates. The employee's enrollment in the  
829 investment plan is effective on the first day of the month for  
830 which a full month's employer and employee contribution is made  
831 to the investment plan.

832 ~~4. For purposes of this paragraph, "state employer" means~~  
833 ~~any agency, board, branch, commission, community college,~~  
834 ~~department, institution, institution of higher education, or~~  
835 ~~water management district of the state, which participates in~~  
836 ~~the Florida Retirement System for the benefit of certain~~  
837 ~~employees.~~

838 (b) With respect to employees who become eligible to  
839 participate in the investment plan, except as provided in



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840 paragraph (g), by reason of employment in a regularly  
841 established position commencing on or after July 1, 2015, such  
842 employee shall be enrolled in the pension plan at the  
843 commencement of employment and may, by the last business day of  
844 the 8th month following the employee's month of hire, elect to  
845 participate in the pension plan or the investment plan. Eligible  
846 employees may make a plan election only if they are earning  
847 service credit in an employer-employee relationship consistent  
848 with s. 121.021(17)(b), excluding leaves of absence without pay.

849 1. The employee's election must be in writing or by  
850 electronic means and must be filed with the third-party  
851 administrator. The election to participate in the pension plan  
852 or investment plan is irrevocable, except as provided in  
853 paragraph (f).

854 2. If the employee fails to make an election of the pension  
855 plan or investment plan within 8 months following the month of  
856 hire, the employee is deemed to have elected the investment plan  
857 and will be defaulted into the investment plan retroactively to  
858 the employee's date of employment. The employee's option to  
859 participate in the pension plan is forfeited, except as provided  
860 in paragraph (f).

861 3. The amount of the employee and employer contributions  
862 paid before the default to the investment plan shall be  
863 transferred to the investment plan and placed in a default fund  
864 as designated by the State Board of Administration. The employee  
865 may move the contributions once an account is activated in the  
866 investment plan.

867 4. Effective the first day of the month after an eligible  
868 employee makes a plan election of the pension plan or investment



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869 plan, or after the month of default to the investment plan, the  
870 employee and employer shall pay the applicable contributions  
871 based on the employee membership class in the pension plan or  
872 investment plan.

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

876 ~~a. Any such employee may elect to participate in the~~  
877 ~~investment plan in lieu of retaining his or her membership in~~  
878 ~~the pension plan. The election must be made in writing or by~~  
879 ~~electronic means and must be filed with the third-party~~  
880 ~~administrator by November 30, or, in the case of an active~~  
881 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
882 ~~last business day of the 5th month following the month the leave~~  
883 ~~of absence concludes. This election is irrevocable, except as~~  
884 ~~provided in paragraph (g). Upon making such election, the~~  
885 ~~employee shall be enrolled as a member of the investment plan,~~  
886 ~~the employee's membership in the Florida Retirement System is~~  
887 ~~governed by the provisions of this part, and the employee's~~  
888 ~~membership in the pension plan terminates. The employee's~~  
889 ~~enrollment in the investment plan is effective the first day of~~  
890 ~~the month for which a full month's employer contribution is made~~  
891 ~~to the investment program.~~

892 ~~b. Any such employee who fails to elect to participate in~~  
893 ~~the investment plan within the prescribed time period is deemed~~  
894 ~~to have elected to retain membership in the pension plan, and~~  
895 ~~the employee's option to elect to participate in the investment~~  
896 ~~plan is forfeited.~~

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



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898 ~~participate in the investment plan by reason of employment in a~~  
899 ~~regularly established position with a district school board~~  
900 ~~employer commencing after July 1, 2002:~~

901 ~~a. Any such employee shall, by default, be enrolled in the~~  
902 ~~pension plan at the commencement of employment, and may, by the~~  
903 ~~last business day of the 5th month following the employee's~~  
904 ~~month of hire, elect to participate in the investment plan. The~~  
905 ~~employee's election must be made in writing or by electronic~~  
906 ~~means and must be filed with the third-party administrator. The~~  
907 ~~election to participate in the investment plan is irrevocable,~~  
908 ~~except as provided in paragraph (g).~~

909 ~~b. If the employee files such election within the~~  
910 ~~prescribed time period, enrollment in the investment plan is~~  
911 ~~effective on the first day of employment. The employer~~  
912 ~~retirement contributions paid through the month of the employee~~  
913 ~~plan change shall be transferred to the investment plan, and,~~  
914 ~~effective the first day of the next month, the employer shall~~  
915 ~~pay the applicable contributions based on the employee~~  
916 ~~membership class in the investment plan.~~

917 ~~c. Any such employee who fails to elect to participate in~~  
918 ~~the investment plan within the prescribed time period is deemed~~  
919 ~~to have elected to retain membership in the pension plan, and~~  
920 ~~the employee's option to elect to participate in the investment~~  
921 ~~plan is forfeited.~~

922 ~~3. For purposes of this paragraph, "district school board~~  
923 ~~employer" means any district school board that participates in~~  
924 ~~the Florida Retirement System for the benefit of certain~~  
925 ~~employees, or a charter school or charter technical career~~  
926 ~~center that participates in the Florida Retirement System as~~





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927 ~~provided in s. 121.051(2) (d).~~

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

931 ~~a. Any such employee may elect to participate in the~~  
932 ~~investment plan in lieu of retaining his or her membership in~~  
933 ~~the pension plan. The election must be made in writing or by~~  
934 ~~electronic means and must be filed with the third-party~~  
935 ~~administrator by February 28, 2003, or, in the case of an active~~  
936 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
937 ~~last business day of the 5th month following the month the leave~~  
938 ~~of absence concludes. This election is irrevocable, except as~~  
939 ~~provided in paragraph (g). Upon making such election, the~~  
940 ~~employee shall be enrolled as a participant of the investment~~  
941 ~~plan, the employee's membership in the Florida Retirement System~~  
942 ~~is governed by the provisions of this part, and the employee's~~  
943 ~~membership in the pension plan terminates. The employee's~~  
944 ~~enrollment in the investment plan is effective the first day of~~  
945 ~~the month for which a full month's employer contribution is made~~  
946 ~~to the investment plan.~~

947 ~~b. Any such employee who fails to elect to participate in~~  
948 ~~the investment plan within the prescribed time period is deemed~~  
949 ~~to have elected to retain membership in the pension plan, and~~  
950 ~~the employee's option to elect to participate in the investment~~  
951 ~~plan is forfeited.~~

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



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956           ~~a. Any such employee shall, by default, be enrolled in the~~  
957 ~~pension plan at the commencement of employment, and may, by the~~  
958 ~~last business day of the 5th month following the employee's~~  
959 ~~month of hire, elect to participate in the investment plan. The~~  
960 ~~employee's election must be made in writing or by electronic~~  
961 ~~means and must be filed with the third-party administrator. The~~  
962 ~~election to participate in the investment plan is irrevocable,~~  
963 ~~except as provided in paragraph (g).~~

964           ~~b. If the employee files such election within the~~  
965 ~~prescribed time period, enrollment in the investment plan is~~  
966 ~~effective on the first day of employment. The employer~~  
967 ~~retirement contributions paid through the month of the employee~~  
968 ~~plan change shall be transferred to the investment plan, and,~~  
969 ~~effective the first day of the next month, the employer shall~~  
970 ~~pay the applicable contributions based on the employee~~  
971 ~~membership class in the investment plan.~~

972           ~~e. Any such employee who fails to elect to participate in~~  
973 ~~the investment plan within the prescribed time period is deemed~~  
974 ~~to have elected to retain membership in the pension plan, and~~  
975 ~~the employee's option to elect to participate in the investment~~  
976 ~~plan is forfeited.~~

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

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



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

989            (e)~~(f)~~ A member of the investment plan who takes a  
990 distribution of any contributions from his or her investment  
991 plan account is considered a retiree. A retiree who is initially  
992 reemployed in a regularly established position on or after July  
993 1, 2010, is not eligible to be enrolled in renewed membership.

994            (f)~~(g)~~ After the period during which an eligible employee  
995 had the choice to elect the pension plan or the investment plan,  
996 or the month following the receipt of the eligible employee's  
997 plan election, if sooner, the employee shall have one  
998 opportunity, at the employee's discretion, to ~~choose to~~ move  
999 from the pension plan to the investment plan or from the  
1000 investment plan to the pension plan. Eligible employees may  
1001 elect to move between plans only if they are earning service  
1002 credit in an employer-employee relationship consistent with s.  
1003 121.021(17)(b), excluding leaves of absence without pay.

1004 Effective July 1, 2005, such elections are effective on the  
1005 first day of the month following the receipt of the election by  
1006 the third-party administrator and are not subject to the  
1007 requirements regarding an employer-employee relationship or  
1008 receipt of contributions for the eligible employee in the  
1009 effective month, except when the election is received by the  
1010 third-party administrator. This paragraph is contingent upon  
1011 approval by the Internal Revenue Service. This paragraph is not  
1012 applicable to compulsory investment plan members under paragraph

1013 (g).



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1014           1. If the employee chooses to move to the investment plan,  
1015 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.  
1016           2. If the employee chooses to move to the pension plan, the  
1017 employee must transfer from his or her investment plan account,  
1018 and from other employee moneys as necessary, a sum representing  
1019 the present value of that employee's accumulated benefit  
1020 obligation immediately following the time of such movement,  
1021 determined assuming that attained service equals the sum of  
1022 service in the pension plan and service in the investment plan.  
1023 Benefit commencement occurs on the first date the employee is  
1024 eligible for unreduced benefits, using the discount rate and  
1025 other relevant actuarial assumptions that were used to value the  
1026 pension plan liabilities in the most recent actuarial valuation.  
1027 For an ~~any~~ employee who, at the time of the second election,  
1028 already maintains an accrued benefit amount in the pension plan,  
1029 the then-present value of the accrued benefit is deemed part of  
1030 the required transfer amount. The division must ensure that the  
1031 transfer sum is prepared using a formula and methodology  
1032 certified by an enrolled actuary. A refund of any employee  
1033 contributions or additional member payments made which exceed  
1034 the employee contributions that would have accrued had the  
1035 member remained in the pension plan and not transferred to the  
1036 investment plan is not permitted.  
1037           3. Notwithstanding subparagraph 2., an employee who chooses  
1038 to move to the pension plan and who became eligible to  
1039 participate in the investment plan by reason of employment in a  
1040 regularly established position with a state employer after June  
1041 1, 2002; a district school board employer after September 1,  
1042 2002; or a local employer after December 1, 2002, must transfer



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1043 from his or her investment plan account, and from other employee  
1044 moneys as necessary, a sum representing the employee's actuarial  
1045 accrued liability. A refund of any employee contributions or  
1046 additional member ~~participant~~ payments made which exceed the  
1047 employee contributions that would have accrued had the member  
1048 remained in the pension plan and not transferred to the  
1049 investment plan is not permitted.

1050 4. An employee's ability to transfer from the pension plan  
1051 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)-~~  
1052 ~~(d)~~, and the ability of a current employee to have an option to  
1053 later transfer back into the pension plan under subparagraph 2.,  
1054 shall be deemed a significant system amendment. Pursuant to s.  
1055 121.031(4), any resulting unfunded liability arising from actual  
1056 original transfers from the pension plan to the investment plan  
1057 must be amortized within 30 plan years as a separate unfunded  
1058 actuarial base independent of the reserve stabilization  
1059 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first  
1060 25 years, a direct amortization payment may not be calculated  
1061 for this base. During this 25-year period, the separate base  
1062 shall be used to offset the impact of employees exercising their  
1063 second program election under this paragraph. The actuarial  
1064 funded status of the pension plan will not be affected by such  
1065 second program elections in any significant manner, after due  
1066 recognition of the separate unfunded actuarial base. Following  
1067 the initial 25-year period, any remaining balance of the  
1068 original separate base shall be amortized over the remaining 5  
1069 years of the required 30-year amortization period.

1070 5. If the employee chooses to transfer from the investment  
1071 plan to the pension plan and retains an excess account balance



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1072 in the investment plan after satisfying the buy-in requirements  
1073 under this paragraph, the excess may not be distributed until  
1074 the member retires from the pension plan. The excess account  
1075 balance may be rolled over to the pension plan and used to  
1076 purchase service credit or upgrade creditable service in the  
1077 pension plan.

1078 (g) All employees initially enrolled on or after July 1,  
1079 2015, in positions covered by the Elected Officers' Class or the  
1080 Senior Management Service Class are compulsory members of the  
1081 investment plan, except those eligible to withdraw from the  
1082 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those  
1083 eligible for optional retirement programs under s.  
1084 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees  
1085 eligible to withdraw from the system under s. 121.052(3)(d) or  
1086 s. 121.055(1)(b)2. may withdraw from the system or participate  
1087 in the investment plan as provided in those sections. Employees  
1088 eligible for optional retirement programs under s. 121.051(2)(c)  
1089 or s. 121.35, except as provided in s. 121.051(1)(a), may  
1090 participate in the optional retirement program or the investment  
1091 plan as provided in those sections. Investment plan membership  
1092 continues if there is subsequent employment in a position  
1093 covered by another membership class.

1094 1. Membership in the pension plan is not permitted except  
1095 as provided in s. 121.591(2). Employees initially enrolled in  
1096 the Florida Retirement System before July 1, 2015, may retain  
1097 their membership in the pension plan or investment plan and are  
1098 eligible to use the election opportunity specified in paragraph  
1099 (f).

1100 2. Employees initially enrolled on or after July 1, 2015,



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1101 may not use the election opportunity specified in paragraph (f).

1102 3. The amount of retirement contributions paid by the  
1103 employee and employer, as required under s. 121.72, shall be  
1104 placed in a default fund as designated by the state board, until  
1105 an account is activated in the investment plan, at which time  
1106 the member may move the contributions from the default fund to  
1107 other funds provided in the investment plan.

1108 (5) CONTRIBUTIONS.—

1109 (c) The state board, acting as plan fiduciary, shall ~~must~~  
1110 ensure that all plan assets are held in a trust, pursuant to s.  
1111 401 of the Internal Revenue Code. The fiduciary shall ~~must~~  
1112 ensure that such contributions are allocated as follows:

1113 1. The employer and employee contribution portion earmarked  
1114 for member accounts shall be used to purchase interests in the  
1115 appropriate investment vehicles as specified by the member, or  
1116 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1117 2. The employer contribution portion earmarked for  
1118 administrative and educational expenses shall be transferred to  
1119 the Florida Retirement System Investment Plan Trust Fund.

1120 3. The employer contribution portion earmarked for  
1121 disability benefits shall be transferred to the Florida  
1122 Retirement System Trust Fund.

1123 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
1124 shall be administered by the state board and affected employers.  
1125 The state board may require oaths, by affidavit or otherwise,  
1126 and acknowledgments from persons in connection with the  
1127 administration of its statutory duties and responsibilities for  
1128 the investment plan. An oath, by affidavit or otherwise, is ~~may~~  
1129 not ~~be~~ required of a member at the time of enrollment.



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1130 Acknowledgment of an employee's election to participate in the  
1131 program may ~~shall~~ be no greater than necessary to confirm the  
1132 employee's election except for members initially enrolled on or  
1133 after July 1, 2015, as provided in paragraph (4)(g). The state  
1134 board shall adopt rules to carry out its statutory duties with  
1135 respect to administering the investment plan, including  
1136 establishing the roles and responsibilities of affected state,  
1137 local government, and education-related employers, the state  
1138 board, the department, and third-party contractors. The  
1139 department shall adopt rules necessary to administer the  
1140 investment plan in coordination with the pension plan and the  
1141 disability benefits available under the investment plan.

1142 (a)1. The state board shall select and contract with a  
1143 third-party administrator to provide administrative services if  
1144 those services cannot be competitively and contractually  
1145 provided by the division. With the approval of the state board,  
1146 the third-party administrator may subcontract to provide  
1147 components of the administrative services. As a cost of  
1148 administration, the state board may compensate ~~any~~ such  
1149 contractor for its services, in accordance with the terms of the  
1150 contract, as is deemed necessary or proper by the board. The  
1151 third-party administrator may not be an approved provider or be  
1152 affiliated with an approved provider.

1153 2. These administrative services may include, but are not  
1154 limited to, enrollment of eligible employees, collection of  
1155 employer and employee contributions, disbursement of  
1156 contributions to approved providers in accordance with the  
1157 allocation directions of members; services relating to  
1158 consolidated billing; individual and collective recordkeeping





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1159 and accounting; asset purchase, control, and safekeeping; and  
1160 direct disbursement of funds to and from the third-party  
1161 administrator, the division, the state board, employers,  
1162 members, approved providers, and beneficiaries. This section  
1163 does not prevent or prohibit a bundled provider from providing  
1164 any administrative or customer service, including accounting and  
1165 administration of individual member benefits and contributions;  
1166 individual member recordkeeping; asset purchase, control, and  
1167 safekeeping; direct execution of the member's instructions as to  
1168 asset and contribution allocation; calculation of daily net  
1169 asset values; direct access to member account information; or  
1170 periodic reporting to members, at least quarterly, on account  
1171 balances and transactions, if these services are authorized by  
1172 the state board as part of the contract.

1173 (b)1. The state board shall select and contract with one or  
1174 more organizations to provide educational services. With  
1175 approval of the state board, the organizations may subcontract  
1176 to provide components of the educational services. As a cost of  
1177 administration, the state board may compensate any such  
1178 contractor for its services in accordance with the terms of the  
1179 contract, as is deemed necessary or proper by the board. The  
1180 education organization may not be an approved provider or be  
1181 affiliated with an approved provider.

1182 2. Educational services shall be designed by the state  
1183 board and department to assist employers, eligible employees,  
1184 members, and beneficiaries in order to maintain compliance with  
1185 United States Department of Labor regulations under s. 404(c) of  
1186 the Employee Retirement Income Security Act of 1974 and to  
1187 assist employees in their choice of pension plan or investment



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1188 plan retirement alternatives. Educational services include, but  
1189 are not limited to, disseminating educational materials;  
1190 providing retirement planning education; explaining the pension  
1191 plan and the investment plan; and offering financial planning  
1192 guidance on matters such as investment diversification,  
1193 investment risks, investment costs, and asset allocation. An  
1194 approved provider may also provide educational information,  
1195 including retirement planning and investment allocation  
1196 information concerning its products and services.

1197 (c)1. In evaluating and selecting a third-party  
1198 administrator, the state board shall establish criteria for  
1199 evaluating the relative capabilities and qualifications of each  
1200 proposed administrator. In developing such criteria, the state  
1201 board shall consider:

1202 a. The administrator's demonstrated experience in providing  
1203 administrative services to public or private sector retirement  
1204 systems.

1205 b. The administrator's demonstrated experience in providing  
1206 daily valued recordkeeping to defined contribution programs.

1207 c. The administrator's ability and willingness to  
1208 coordinate its activities with employers, the state board, and  
1209 the division, and to supply to such employers, the board, and  
1210 the division the information and data they require, including,  
1211 but not limited to, monthly management reports, quarterly member  
1212 reports, and ad hoc reports requested by the department or state  
1213 board.

1214 d. The cost-effectiveness and levels of the administrative  
1215 services provided.

1216 e. The administrator's ability to interact with the



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1217 members, the employers, the state board, the division, and the  
1218 providers; the means by which members may access account  
1219 information, direct investment of contributions, make changes to  
1220 their accounts, transfer moneys between available investment  
1221 vehicles, and transfer moneys between investment products; and  
1222 any fees that apply to such activities.

1223 f. Any other factor deemed necessary by the state board.

1224 2. In evaluating and selecting an educational provider, the  
1225 state board shall establish criteria under which it shall  
1226 consider the relative capabilities and qualifications of each  
1227 proposed educational provider. In developing such criteria, the  
1228 state board shall consider:

1229 a. Demonstrated experience in providing educational  
1230 services to public or private sector retirement systems.

1231 b. Ability and willingness to coordinate its activities  
1232 with the employers, the state board, and the division, and to  
1233 supply to such employers, the board, and the division the  
1234 information and data they require, including, but not limited  
1235 to, reports on educational contacts.

1236 c. The cost-effectiveness and levels of the educational  
1237 services provided.

1238 d. Ability to provide educational services via different  
1239 media, including, but not limited to, the Internet, personal  
1240 contact, seminars, brochures, and newsletters.

1241 e. Any other factor deemed necessary by the state board.

1242 3. The establishment of the criteria shall be solely within  
1243 the discretion of the state board.

1244 (d) The state board shall develop the form and content of  
1245 any contracts to be offered under the investment plan. In



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1246 developing the contracts, the board shall consider:

1247 1. The nature and extent of the rights and benefits to be  
1248 afforded in relation to the contributions required under the  
1249 plan.

1250 2. The suitability of the rights and benefits provided and  
1251 the interests of employers in the recruitment and retention of  
1252 eligible employees.

1253 (e)1. The state board may contract for professional  
1254 services, including legal, consulting, accounting, and actuarial  
1255 services, deemed necessary to implement and administer the  
1256 investment plan. The state board may enter into a contract with  
1257 one or more vendors to provide low-cost investment advice to  
1258 members, supplemental to education provided by the third-party  
1259 administrator. All fees under any such contract shall be paid by  
1260 those members who choose to use the services of the vendor.

1261 2. The department may contract for professional services,  
1262 including legal, consulting, accounting, and actuarial services,  
1263 deemed necessary to implement and administer the investment plan  
1264 in coordination with the pension plan. The department, in  
1265 coordination with the state board, may enter into a contract  
1266 with the third-party administrator in order to coordinate  
1267 services common to the various programs within the Florida  
1268 Retirement System.

1269 (f) The third-party administrator may not receive direct or  
1270 indirect compensation from an approved provider, except as  
1271 specifically provided ~~for~~ in the contract with the state board.

1272 (g) The state board shall receive and resolve member  
1273 complaints against the program, the third-party administrator,  
1274 or any program vendor or provider; shall resolve any conflict



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1275 between the third-party administrator and an approved provider  
1276 if such conflict threatens the implementation or administration  
1277 of the program or the quality of services to employees; and may  
1278 resolve any other conflicts. The third-party administrator shall  
1279 retain all member records for at least 5 years for use in  
1280 resolving ~~any~~ member conflicts. The state board, the third-party  
1281 administrator, or a provider is not required to produce  
1282 documentation or an audio recording to justify action taken with  
1283 regard to a member if the action occurred 5 or more years before  
1284 the complaint is submitted to the state board. It is presumed  
1285 that all action taken 5 or more years before the complaint is  
1286 submitted was taken at the request of the member and with the  
1287 member's full knowledge and consent. To overcome this  
1288 presumption, the member must present documentary evidence or an  
1289 audio recording demonstrating otherwise.

1290 (10) EDUCATION COMPONENT.—

1291 (a) The state board, in coordination with the department,  
1292 shall provide ~~for~~ an education component for eligible employees  
1293 ~~system members~~ in a manner consistent with ~~the provisions of~~  
1294 this subsection ~~section~~. ~~The education component must be~~  
1295 ~~available to eligible employees at least 90 days prior to the~~  
1296 ~~beginning date of the election period for the employees of the~~  
1297 ~~respective types of employers.~~

1298 (b) Except for members initially enrolled on or after July  
1299 1, 2015, as provided in paragraph (4) (g), the education  
1300 component must provide system members with impartial and  
1301 balanced information about plan choices. The education component  
1302 must involve multimedia formats. Program comparisons must, to  
1303 the greatest extent possible, be based upon the retirement



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1304 income that different retirement programs may provide to the  
1305 member. The state board shall monitor the performance of the  
1306 contract to ensure that the program is conducted in accordance  
1307 with the contract, applicable law, and the rules of the state  
1308 board.

1309 (c) Except for members initially enrolled on or after July  
1310 1, 2015, as provided in paragraph (4) (g), the state board, in  
1311 coordination with the department, shall provide for an initial  
1312 and ongoing transfer education component to provide system  
1313 members with information necessary to make informed plan choice  
1314 decisions. The transfer education component must include, but is  
1315 not limited to, information on:

1316 1. The amount of money available to a member to transfer to  
1317 the defined contribution program.

1318 2. The features of and differences between the pension plan  
1319 and the defined contribution program, both generally and  
1320 specifically, as those differences may affect the member.

1321 3. The expected benefit available if the member were to  
1322 retire under each of the retirement programs, based on  
1323 appropriate alternative sets of assumptions.

1324 4. The rate of return from investments in the defined  
1325 contribution program and the period of time over which such rate  
1326 of return must be achieved to equal or exceed the expected  
1327 monthly benefit payable to the member under the pension plan.

1328 5. The historical rates of return for the investment  
1329 alternatives available in the defined contribution programs.

1330 6. The benefits and historical rates of return on  
1331 investments available in a typical deferred compensation plan or  
1332 a typical plan under s. 403(b) of the Internal Revenue Code for



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1333 which the employee may be eligible.

1334           7. The program choices available to employees of the State  
1335 University System and the comparative benefits of each available  
1336 program, if applicable.

1337           8. Payout options available in each of the retirement  
1338 programs.

1339           ~~(h) Pursuant to subsection (8), all Florida Retirement  
1340 System employers have an obligation to regularly communicate the  
1341 existence of the two Florida Retirement System plans and the  
1342 plan choice in the natural course of administering their  
1343 personnel functions, using the educational materials supplied by  
1344 the state board and the Department of Management Services.~~

1345           Section 8. Paragraph (b) of subsection (2) of section  
1346 121.591, Florida Statutes, is amended to read:

1347           121.591 Payment of benefits.—Benefits may not be paid under  
1348 the Florida Retirement System Investment Plan unless the member  
1349 has terminated employment as provided in s. 121.021(39) (a) or is  
1350 deceased and a proper application has been filed as prescribed  
1351 by the state board or the department. Benefits, including  
1352 employee contributions, are not payable under the investment  
1353 plan for employee hardships, unforeseeable emergencies, loans,  
1354 medical expenses, educational expenses, purchase of a principal  
1355 residence, payments necessary to prevent eviction or foreclosure  
1356 on an employee's principal residence, or any other reason except  
1357 a requested distribution for retirement, a mandatory de minimis  
1358 distribution authorized by the administrator, or a required  
1359 minimum distribution provided pursuant to the Internal Revenue  
1360 Code. The state board or department, as appropriate, may cancel  
1361 an application for retirement benefits if the member or



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1362 beneficiary fails to timely provide the information and  
1363 documents required by this chapter and the rules of the state  
1364 board and department. In accordance with their respective  
1365 responsibilities, the state board and the department shall adopt  
1366 rules establishing procedures for application for retirement  
1367 benefits and for the cancellation of such application if the  
1368 required information or documents are not received. The state  
1369 board and the department, as appropriate, are authorized to cash  
1370 out a de minimis account of a member who has been terminated  
1371 from Florida Retirement System covered employment for a minimum  
1372 of 6 calendar months. A de minimis account is an account  
1373 containing employer and employee contributions and accumulated  
1374 earnings of not more than \$5,000 made under the provisions of  
1375 this chapter. Such cash-out must be a complete lump-sum  
1376 liquidation of the account balance, subject to the provisions of  
1377 the Internal Revenue Code, or a lump-sum direct rollover  
1378 distribution paid directly to the custodian of an eligible  
1379 retirement plan, as defined by the Internal Revenue Code, on  
1380 behalf of the member. Any nonvested accumulations and associated  
1381 service credit, including amounts transferred to the suspense  
1382 account of the Florida Retirement System Investment Plan Trust  
1383 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1384 payment of any vested benefit to a member or beneficiary, except  
1385 for de minimis distributions or minimum required distributions  
1386 as provided under this section. If any financial instrument  
1387 issued for the payment of retirement benefits under this section  
1388 is not presented for payment within 180 days after the last day  
1389 of the month in which it was originally issued, the third-party  
1390 administrator or other duly authorized agent of the state board





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1391 shall cancel the instrument and credit the amount of the  
1392 instrument to the suspense account of the Florida Retirement  
1393 System Investment Plan Trust Fund authorized under s.  
1394 121.4501(6). Any amounts transferred to the suspense account are  
1395 payable upon a proper application, not to include earnings  
1396 thereon, as provided in this section, within 10 years after the  
1397 last day of the month in which the instrument was originally  
1398 issued, after which time such amounts and any earnings  
1399 attributable to employer contributions shall be forfeited. Any  
1400 forfeited amounts are assets of the trust fund and are not  
1401 subject to chapter 717.

1402 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under  
1403 this subsection are payable in lieu of the benefits that would  
1404 otherwise be payable under the provisions of subsection (1).  
1405 Such benefits must be funded from employer contributions made  
1406 under s. 121.571, transferred employee contributions and funds  
1407 accumulated pursuant to paragraph (a), and interest and earnings  
1408 thereon.

1409 (b) *Disability retirement; entitlement.*—

1410 1.a. A member of the investment plan initially enrolled  
1411 before July 1, 2015, who becomes totally and permanently  
1412 disabled, as defined in paragraph (d), after completing 8 years  
1413 of creditable service, or a member who becomes totally and  
1414 permanently disabled in the line of duty regardless of length of  
1415 service, is entitled to a monthly disability benefit.

1416 b. A member of the investment plan initially enrolled on or  
1417 after July 1, 2015, who becomes totally and permanently  
1418 disabled, as defined in paragraph (d), after completing 10 years  
1419 of creditable service, or a member who becomes totally and



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1420 permanently disabled in the line of duty regardless of service,  
1421 is entitled to a monthly disability benefit.

1422         2. In order for service to apply toward the ~~8~~ years of  
1423 creditable service required for regular disability benefits, or  
1424 toward the creditable service used in calculating a service-  
1425 based benefit as provided under paragraph (g), the service must  
1426 be creditable service as described below:

1427             a. The member's period of service under the investment plan  
1428 shall be considered creditable service, except as provided in  
1429 subparagraph d.

1430             b. If the member has elected to retain credit for service  
1431 under the pension plan as provided under s. 121.4501(3), all  
1432 such service is ~~shall be~~ considered creditable service.

1433             c. If the member elects to transfer to his or her member  
1434 accounts a sum representing the present value of his or her  
1435 retirement credit under the pension plan as provided under s.  
1436 121.4501(3), the period of service under the pension plan  
1437 represented in the present value amounts transferred is ~~shall be~~  
1438 considered creditable service, except as provided in  
1439 subparagraph d.

1440             d. If a member has terminated employment and has taken  
1441 distribution of his or her funds as provided in subsection (1),  
1442 all creditable service represented by such distributed funds is  
1443 forfeited for purposes of this subsection.

1444         Section 9. Subsection (3) of section 121.71, Florida  
1445 Statutes, is amended to read:

1446             121.71 Uniform rates; process; calculations; levy.—

1447             (3) (a) Required employee retirement contribution rates for  
1448 each membership class and subclass of the Florida Retirement



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1449 System for the pension plan ~~both retirement plans~~ are as  
1450 follows:

1451		Percentage of Gross Compensation, Effective July 1, 2011
1452	Membership Class	
1453		
1454	Regular Class	3.00%
1455	Special Risk Class	3.00%
	Special Risk	
	Administrative	
1456	Support Class	3.00%
	Elected Officers' Class—	
	Legislators, Governor,	
	Lt. Governor,	
	Cabinet Officers,	
	State Attorneys,	
1457	Public Defenders	3.00%
	Elected Officers' Class—	
1458	Justices, Judges	3.00%



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Elected Officers' Class-

County Elected Officers 3.00%

1459

Senior Management Service Class 3.00%

1460

DROP 0.00%

1461

1462 (b) Required employee retirement contribution rates for  
 1463 each membership class and subclass of the Florida Retirement  
 1464 System for the investment plan are as follows:

1465

1466

<u>Membership Class</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation,</u> <u>Effective</u> <u>July 1, 2011</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation,</u> <u>Effective</u> <u>July 1, 2015</u>
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1467

1468

1469

1470

1471

1472

Regular Class 3.00% 2.00%

1473

Special Risk 3.00% 2.00%

Class

1474



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<u>Special Risk</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Administrative</u>		
<u>Support Class</u>		

1475

<u>Elected Officers'</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Class-</u>		
<u>Legislators,</u>		
<u>Governor,</u>		
<u>Lt. Governor,</u>		
<u>Cabinet</u>		
<u>Officers,</u>		
<u>State Attorneys,</u>		
<u>Public Defenders</u>		

1476

<u>Elected Officers'</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Class-</u>		
<u>Justices, Judges</u>		

1477

<u>Elected Officers'</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Class-</u>		
<u>County Elected</u>		
<u>Officers</u>		

1478

<u>Senior Management</u>	<u>3.00%</u>	<u>2.00%</u>
<u>Service Class</u>		

1479

1480

1481

Section 10. Section 238.072, Florida Statutes, is amended

1482

to read:



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1483           238.072 Special service provisions for extension  
1484 personnel.—All state and county cooperative extension personnel  
1485 holding appointments by the United States Department of  
1486 Agriculture for extension work in agriculture and home economics  
1487 in this state who are joint representatives of the University of  
1488 Florida and the United States Department of Agriculture, as  
1489 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
1490 Teachers' Retirement System, chapter 238, and who are prohibited  
1491 from transferring to and participating in the Florida Retirement  
1492 System, chapter 121, may retire with full benefits upon  
1493 completion of 30 years of creditable service and shall be  
1494 considered to have attained normal retirement age under this  
1495 chapter, any law to the contrary notwithstanding. In order to  
1496 comply with ~~the provisions of~~ s. 14, Art. X of the State  
1497 Constitution, any liability accruing to the Florida Retirement  
1498 System Trust Fund as a result of ~~the provisions of~~ this section  
1499 shall be paid on an annual basis from the General Revenue Fund.

1500           Section 11. Subsection (11) of section 413.051, Florida  
1501 Statutes, is amended to read:

1502           413.051 Eligible blind persons; operation of vending  
1503 stands.—

1504           (11) Effective July 1, 1996, blind licensees who remain  
1505 members of the Florida Retirement System pursuant to s.  
1506 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1507 retirement costs from their net profits or from program income.  
1508 Within 30 days after the effective date of this act, each blind  
1509 licensee who is eligible to maintain membership in the Florida  
1510 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1511 who elects to withdraw from the system as provided in s.



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1512 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
1513 1996, notify the Division of Blind Services and the Department  
1514 of Management Services in writing of his or her election to  
1515 withdraw. Failure to timely notify the divisions shall be deemed  
1516 a decision to remain a compulsory member of the Florida  
1517 Retirement System. However, if, at any time after July 1, 1996,  
1518 sufficient funds are not paid by a blind licensee to cover the  
1519 required contribution to the Florida Retirement System, that  
1520 blind licensee shall become ineligible to participate in the  
1521 Florida Retirement System on the last day of the first month for  
1522 which no contribution is made or the amount contributed is  
1523 insufficient to cover the required contribution. For any blind  
1524 licensee who becomes ineligible to participate in the Florida  
1525 Retirement System as described in this subsection, ~~no~~ creditable  
1526 service may not ~~shall~~ be earned under the Florida Retirement  
1527 System for any period following the month that retirement  
1528 contributions ceased to be reported. However, ~~any~~ such person  
1529 may participate in the Florida Retirement System in the future  
1530 if employed by a participating employer in a covered position.

1531 Section 12. Paragraph (a) of subsection (4) of section  
1532 1012.875, Florida Statutes, is amended to read:

1533 1012.875 State Community College System Optional Retirement  
1534 Program.—Each Florida College System institution may implement  
1535 an optional retirement program, if such program is established  
1536 therefor pursuant to s. 1001.64(20), under which annuity or  
1537 other contracts providing retirement and death benefits may be  
1538 purchased by, and on behalf of, eligible employees who  
1539 participate in the program, in accordance with s. 403(b) of the  
1540 Internal Revenue Code. Except as otherwise provided herein, this



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1541 retirement program, which shall be known as the State Community  
1542 College System Optional Retirement Program, may be implemented  
1543 and administered only by an individual Florida College System  
1544 institution or by a consortium of Florida College System  
1545 institutions.

1546 (4) (a) 1. Through June 30, 2011, each college must  
1547 contribute on behalf of each program member an amount equal to  
1548 10.43 percent of the employee's gross monthly compensation.

1549 2. Effective July 1, 2011, through June 30, 2012, each  
1550 member shall contribute an amount equal to the employee  
1551 contribution required under s. 121.71(3) (a). The employer shall  
1552 contribute on behalf of each program member an amount equal to  
1553 the difference between 10.43 percent of the employee's gross  
1554 monthly compensation and the employee's required contribution  
1555 based on the employee's gross monthly compensation.

1556 3. Effective July 1, 2012, each member shall contribute an  
1557 amount equal to the employee contribution required under s.  
1558 121.71(3) (a). The employer shall contribute on behalf of each  
1559 program member an amount equal to the difference between 8.15  
1560 percent of the employee's gross monthly compensation and the  
1561 employee's required contribution based on the employee's gross  
1562 monthly compensation.

1563 4. The college shall deduct an amount approved by the  
1564 district board of trustees of the college to provide for the  
1565 administration of the optional retirement program. Payment of  
1566 this contribution must be made directly by the college or  
1567 through the program administrator to the designated company  
1568 contracting for payment of benefits to the program member.

1569 Section 13. The Legislature finds that a proper and





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1570 legitimate state purpose is served when employees and retirees  
1571 of the state and its political subdivisions, and the dependents,  
1572 survivors, and beneficiaries of such employees and retirees, are  
1573 extended the basic protections afforded by governmental  
1574 retirement systems. These persons must be provided benefits that  
1575 are fair and adequate and that are managed, administered, and  
1576 funded in an actuarially sound manner, as required by s. 14,  
1577 Article X of the State Constitution and part VII of chapter 112,  
1578 Florida Statutes. Therefore, the Legislature determines and  
1579 declares that this act fulfills an important state interest.

1580 Section 14. This act shall take effect July 1, 2014.