

By the Committees on Appropriations; and Governmental Oversight and Accountability; and Senator Simpson

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

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

52
53 Be It Enacted by the Legislature of the State of Florida:

54
55 Section 1. Subsection (45) of section 121.021, Florida
56 Statutes, is amended to read:

57 121.021 Definitions.—The following words and phrases as
58 used in this chapter have the respective meanings set forth

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59 unless a different meaning is plainly required by the context:

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

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

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

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

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

86 (b) Any member initially enrolled in the Florida Retirement
87 System on ~~or after~~ July 1, 2011, through June 30, 2014, shall be

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88 vested in the pension plan upon completion of 8 years of
89 creditable service.

90 (c) Any member initially enrolled in the Florida Retirement
91 System on or after July 1, 2014, shall be vested in the pension
92 plan upon completion of 10 years of creditable service.

93 Section 2. Paragraph (c) of subsection (2) of section
94 121.051, Florida Statutes, is amended, present subsections (3)
95 through (9) of that section are renumbered as subsections (4)
96 through (10), respectively, and a new subsection (3) is added to
97 that section, to read:

98 121.051 Participation in the system.—

99 (2) OPTIONAL PARTICIPATION.—

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

109 1.a. Through June 30, 2001, the cost to the employer for
110 benefits under the optional retirement program equals the normal
111 cost portion of the employer retirement contribution which would
112 be required if the employee were a member of the pension plan's
113 Regular Class, plus the portion of the contribution rate
114 required by s. 112.363(8) which would otherwise be assigned to
115 the Retiree Health Insurance Subsidy Trust Fund.

116 b. Effective July 1, 2001, through June 30, 2011, each

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117 employer shall contribute on behalf of each member of the
118 optional program an amount equal to 10.43 percent of the
119 employee's gross monthly compensation. The employer shall deduct
120 an amount for the administration of the program.

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

128 d. Effective July 1, 2012, each member shall contribute an
129 amount equal to the employee contribution required under s.
130 121.71(3) (a). The employer shall contribute on behalf of each
131 program member an amount equal to the difference between 8.15
132 percent of the employee's gross monthly compensation and the
133 employee's required contribution based on the employee's gross
134 monthly compensation.

135 e. The employer shall contribute an additional amount to
136 the Florida Retirement System Trust Fund equal to the unfunded
137 actuarial accrued liability portion of the Regular Class
138 contribution rate.

139 2. The decision to participate in the optional retirement
140 program is irrevocable as long as the employee holds a position
141 eligible for participation, except as provided in subparagraph
142 3. Any service creditable under the Florida Retirement System is
143 retained after the member withdraws from the system; however,
144 additional service credit in the system may not be earned while
145 a member of the optional retirement program.

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

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

158 b. If the employee chooses to move to the pension plan of
159 the Florida Retirement System, the employee shall receive
160 service credit equal to his or her years of service under the
161 optional retirement program.

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

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175 sum is prepared using a formula and methodology certified by an
176 enrolled actuary.

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

184 4. Participation in the optional retirement program is
185 limited to employees who satisfy the following eligibility
186 criteria:

187 a. The employee is otherwise eligible for membership or
188 renewed membership in the Regular Class of the Florida
189 Retirement System, as provided in s. 121.021(11) and (12) or s.
190 121.122.

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

194 (I) Instructional; or

195 (II) Executive Management, Instructional Management, or
196 Institutional Management and the community college determines
197 that recruiting to fill a vacancy in the position is to be
198 conducted in the national or regional market, and the duties and
199 responsibilities of the position include the formulation,
200 interpretation, or implementation of policies, or the
201 performance of functions that are unique or specialized within
202 higher education and that frequently support the mission of the
203 community college.

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

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

216 6. Eligible community college employees are compulsory
217 members of the Florida Retirement System until, pursuant to s.
218 1012.875, a written election to withdraw from the system and
219 participate in the optional retirement program is filed with the
220 program administrator and received by the division.

221 a. A community college employee whose program eligibility
222 results from initial employment shall be enrolled in the
223 optional retirement program retroactive to the first day of
224 eligible employment. The employer and employee retirement
225 contributions paid through the month of the employee plan change
226 shall be transferred to the community college to the employee's
227 optional program account, and, effective the first day of the
228 next month, the employer shall pay the applicable contributions
229 based upon subparagraph 1.

230 b. A community college employee whose program eligibility
231 is due to the subsequent designation of the employee's position
232 as one of those specified in subparagraph 4., or due to the

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

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

255 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—

256 (a) Employees initially enrolled on or after July 1, 2014,
257 in positions covered by the Elected Officers' Class or the
258 Senior Management Service Class are compulsory members of the
259 investment plan, except those eligible to withdraw from the
260 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
261 eligible for optional retirement programs under paragraph

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262 (1) (a), paragraph (2) (c), or s. 121.35. Investment plan
263 membership continues if there is subsequent employment in a
264 position covered by another membership class. Membership in the
265 pension plan is not permitted except as provided in s.
266 121.591(2). Employees initially enrolled in the Florida
267 Retirement System prior to July 1, 2014, may retain their
268 membership in the pension plan or investment plan and are
269 eligible to use the election opportunity specified in s.
270 121.4501(4) (f). Employees initially enrolled on or after July 1,
271 2014, are not eligible to use the election opportunity specified
272 in s. 121.4501(4) (f).

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

284 Section 3. Paragraph (c) of subsection (3) of section
285 121.052, Florida Statutes, is amended to read:

286 121.052 Membership class of elected officers.—

287 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
288 1, 1990, participation in the Elected Officers' Class shall be
289 compulsory for elected officers listed in paragraphs (2) (a)-(d)
290 and (f) assuming office on or after said date, unless the

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291 elected officer elects membership in another class or withdraws
292 from the Florida Retirement System as provided in paragraphs
293 (3) (a) - (d) :

294 (c) Before July 1, 2014, any elected officer may, within 6
295 months after assuming office, or within 6 months after this act
296 becomes a law for serving elected officers, elect membership in
297 the Senior Management Service Class as provided in s. 121.055 in
298 lieu of membership in the Elected Officers' Class. Any such
299 election made by a county elected officer shall have no effect
300 upon the statutory limit on the number of nonelective full-time
301 positions that may be designated by a local agency employer for
302 inclusion in the Senior Management Service Class under s.
303 121.055(1) (b)1.

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

307 121.055 Senior Management Service Class.—There is hereby
308 established a separate class of membership within the Florida
309 Retirement System to be known as the "Senior Management Service
310 Class," which shall become effective February 1, 1987.

311 (1)

312 (f) Effective July 1, 1997, through June 30, 2014:

313 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
314 4., an elected state officer eligible for membership in the
315 Elected Officers' Class under s. 121.052(2) (a), (b), or (c) who
316 elects membership in the Senior Management Service Class under
317 s. 121.052(3) (c) may, within 6 months after assuming office or
318 within 6 months after this act becomes a law for serving elected
319 state officers, elect to participate in the Senior Management

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320 Service Optional Annuity Program, as provided in subsection (6),
321 in lieu of membership in the Senior Management Service Class.

322 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
323 4., an elected officer of a local agency employer eligible for
324 membership in the Elected Officers' Class under s. 121.052(2)(d)
325 who elects membership in the Senior Management Service Class
326 under s. 121.052(3)(c) may, within 6 months after assuming
327 office, or within 6 months after this act becomes a law for
328 serving elected officers of a local agency employer, elect to
329 withdraw from the Florida Retirement System, as provided in
330 subparagraph (b)2., in lieu of membership in the Senior
331 Management Service Class.

332 3. A retiree of a state-administered retirement system who
333 is initially reemployed in a regularly established position on
334 or after July 1, 2010, as an elected official eligible for the
335 Elected Officers' Class may not be enrolled in renewed
336 membership in the Senior Management Service Class or in the
337 Senior Management Service Optional Annuity Program as provided
338 in subsection (6), and may not withdraw from the Florida
339 Retirement System as a renewed member as provided in
340 subparagraph (b)2., as applicable, in lieu of membership in the
341 Senior Management Service Class.

342 4. On or after July 1, 2014, an elected officer eligible
343 for membership in the Elected Officers' Class may not be
344 enrolled in the Senior Management Service Class or in the Senior
345 Management Service Optional Annuity Program as provided in
346 subsection (6).

347 (6)

348 (c) *Participation.*—

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349 1. An eligible employee who is employed on or before
350 February 1, 1987, may elect to participate in the optional
351 annuity program in lieu of participating in the Senior
352 Management Service Class. Such election must be made in writing
353 and filed with the department and the personnel officer of the
354 employer on or before May 1, 1987. An eligible employee who is
355 employed on or before February 1, 1987, and who fails to make an
356 election to participate in the optional annuity program by May
357 1, 1987, shall be deemed to have elected membership in the
358 Senior Management Service Class.

359 2. Except as provided in subparagraph 6., an employee who
360 becomes eligible to participate in the optional annuity program
361 by reason of initial employment commencing after February 1,
362 1987, may, within 90 days after the date of commencing
363 employment, elect to participate in the optional annuity
364 program. Such election must be made in writing and filed with
365 the personnel officer of the employer. An eligible employee who
366 does not within 90 days after commencing employment elect to
367 participate in the optional annuity program shall be deemed to
368 have elected membership in the Senior Management Service Class.

369 3. A person who is appointed to a position in the Senior
370 Management Service Class and who is a member of an existing
371 retirement system or the Special Risk or Special Risk
372 Administrative Support Classes of the Florida Retirement System
373 may elect to remain in such system or class in lieu of
374 participating in the Senior Management Service Class or optional
375 annuity program. Such election must be made in writing and filed
376 with the department and the personnel officer of the employer
377 within 90 days after such appointment. An eligible employee who

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378 fails to make an election to participate in the existing system,
379 the Special Risk Class of the Florida Retirement System, the
380 Special Risk Administrative Support Class of the Florida
381 Retirement System, or the optional annuity program shall be
382 deemed to have elected membership in the Senior Management
383 Service Class.

384 4. Except as provided in subparagraph 5., an employee's
385 election to participate in the optional annuity program is
386 irrevocable if the employee continues to be employed in an
387 eligible position and continues to meet the eligibility
388 requirements set forth in this paragraph.

389 5. Effective from July 1, 2002, through September 30, 2002,
390 an active employee in a regularly established position who has
391 elected to participate in the Senior Management Service Optional
392 Annuity Program has one opportunity to choose to move from the
393 Senior Management Service Optional Annuity Program to the
394 Florida Retirement System Pension Plan.

395 a. The election must be made in writing and must be filed
396 with the department and the personnel officer of the employer
397 before October 1, 2002, or, in the case of an active employee
398 who is on a leave of absence on July 1, 2002, within 90 days
399 after the conclusion of the leave of absence. This election is
400 irrevocable.

401 b. The employee shall receive service credit under the
402 pension plan equal to his or her years of service under the
403 Senior Management Service Optional Annuity Program. The cost for
404 such credit is the amount representing the present value of that
405 employee's accumulated benefit obligation for the affected
406 period of service.

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407 c. The employee must transfer the total accumulated
408 employer contributions and earnings on deposit in his or her
409 Senior Management Service Optional Annuity Program account. If
410 the transferred amount is not sufficient to pay the amount due,
411 the employee must pay a sum representing the remainder of the
412 amount due. The employee may not retain any employer
413 contributions or earnings from the Senior Management Service
414 Optional Annuity Program account.

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

419 7. Effective July 1, 2014, the Senior Management Service
420 Optional Annuity Program is closed to new members. Members
421 enrolled in the Senior Management Service Optional Annuity
422 Program before July 1, 2014, may retain their membership in the
423 annuity program.

424 Section 5. Paragraph (a) of subsection (4) of section
425 121.091, Florida Statutes, is amended to read:

426 121.091 Benefits payable under the system.—Benefits may not
427 be paid under this section unless the member has terminated
428 employment as provided in s. 121.021(39) (a) or begun
429 participation in the Deferred Retirement Option Program as
430 provided in subsection (13), and a proper application has been
431 filed in the manner prescribed by the department. The department
432 may cancel an application for retirement benefits when the
433 member or beneficiary fails to timely provide the information
434 and documents required by this chapter and the department's
435 rules. The department shall adopt rules establishing procedures

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436 for application for retirement benefits and for the cancellation
437 of such application when the required information or documents
438 are not received.

439 (4) DISABILITY RETIREMENT BENEFIT.—

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

441 1.a. A member who becomes totally and permanently disabled,
442 as defined in paragraph (b), after completing 5 years of
443 creditable service, or a member who becomes totally and
444 permanently disabled in the line of duty regardless of service,
445 is entitled to a monthly disability benefit; except that any
446 member with less than 5 years of creditable service on July 1,
447 1980, or any person who becomes a member of the Florida
448 Retirement System on or after such date must have completed 10
449 years of creditable service before becoming totally and
450 permanently disabled in order to receive disability retirement
451 benefits for any disability which occurs other than in the line
452 of duty. However, if a member employed on July 1, 1980, who has
453 less than 5 years of creditable service as of that date becomes
454 totally and permanently disabled after completing 5 years of
455 creditable service and is found not to have attained fully
456 insured status for benefits under the federal Social Security
457 Act, such member is entitled to a monthly disability benefit.

458 b. Effective July 1, 2001, a member of the pension plan
459 initially enrolled before July 1, 2014, who becomes totally and
460 permanently disabled, as defined in paragraph (b), after
461 completing 8 years of creditable service, or a member who
462 becomes totally and permanently disabled in the line of duty
463 regardless of service, is entitled to a monthly disability
464 benefit.

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465 c. Effective July 1, 2014, a member of the pension plan
466 initially enrolled on or after July 1, 2014, who becomes totally
467 and permanently disabled, as defined in paragraph (b), after
468 completing 10 years of creditable service, or a member who
469 becomes totally and permanently disabled in the line of duty
470 regardless of service, is entitled to a monthly disability
471 benefit.

472 2. If the division has received from the employer the
473 required documentation of the member's termination of
474 employment, the effective retirement date for a member who
475 applies and is approved for disability retirement shall be
476 established by rule of the division.

477 3. For a member who is receiving Workers' Compensation
478 payments, the effective disability retirement date may not
479 precede the date the member reaches Maximum Medical Improvement
480 (MMI), unless the member terminates employment before reaching
481 MMI.

482 Section 6. Subsection (1), paragraph (i) of subsection (2),
483 paragraph (b) of subsection (3), subsection (4), paragraph (c)
484 of subsection (5), subsection (8), and paragraphs (a), (b), (c),
485 and (h) of subsection (10) of section 121.4501, Florida
486 Statutes, are amended to read:

487 121.4501 Florida Retirement System Investment Plan.—

488 (1) The Trustees of the State Board of Administration shall
489 establish a defined contribution program called the "Florida
490 Retirement System Investment Plan" or "investment plan" for
491 members of the Florida Retirement System under which retirement
492 benefits will be provided for eligible employees who elect to
493 participate in the program and for employees initially enrolled

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494 on or after July 1, 2014, in positions covered by the Elected
495 Officers' Class or the Senior Management Service Class and are
496 compulsory members of the investment plan unless otherwise
497 eligible to withdraw from the system under s. 121.052(3)(d) or
498 s. 121.055(1)(b)2., or to participate in an optional retirement
499 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
500 Investment plan membership continues if there is subsequent
501 employment in a position covered by another membership class.

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

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

509 (i) "Member" or "employee" means an eligible employee who
510 enrolls in or is defaulted into the investment plan as provided
511 in subsection (4), a terminated Deferred Retirement Option
512 Program member as described in subsection (21), or a beneficiary
513 or alternate payee of a member or employee.

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

515 (b) Notwithstanding paragraph (a), an eligible employee who
516 elects to participate in or is defaulted into the investment
517 plan and establishes one or more individual member accounts may
518 elect to transfer to the investment plan a sum representing the
519 present value of the employee's accumulated benefit obligation
520 under the pension plan, except as provided in paragraph (4)(b).
521 Upon transfer, all service credit earned under the pension plan
522 is nullified for purposes of entitlement to a future benefit

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523 under the pension plan. A member may not transfer the
524 accumulated benefit obligation balance from the pension plan
525 after the time period for enrolling in the investment plan has
526 expired.

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

542 a. The discount rate and other relevant actuarial
543 assumptions used to value the Florida Retirement System Trust
544 Fund at the time the amount to be transferred is determined,
545 consistent with the factors provided in sub-subparagraphs b. and
546 c.

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

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

551 (I) Before July 1, 2011, the benefit commencement age is

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552 the younger of the following, but may not be younger than the
553 member's age as of the estimate date:

554 (A) Age 62; or

555 (B) The age the member would attain if the member completed
556 30 years of service with an employer, assuming the member worked
557 continuously from the estimate date, and disregarding any
558 vesting requirement that would otherwise apply under the pension
559 plan.

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

563 (A) Age 65; or

564 (B) The age the member would attain if the member completed
565 33 years of service with an employer, assuming the member worked
566 continuously from the estimate date, and disregarding any
567 vesting requirement that would otherwise apply under the pension
568 plan.

569 d. For members of the Special Risk Class and for members of
570 the Special Risk Administrative Support Class entitled to retain
571 the special risk normal retirement date:

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

575 (A) Age 55; or

576 (B) The age the member would attain if the member completed
577 25 years of service with an employer, assuming the member worked
578 continuously from the estimate date, and disregarding any
579 vesting requirement that would otherwise apply under the pension
580 plan.

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

585 (A) Age 60; or

586 (B) The age the member would attain if the member completed
587 30 years of service with an employer, assuming the member worked
588 continuously from the estimate date, and disregarding any
589 vesting requirement that would otherwise apply under the pension
590 plan.

591 e. The calculation must disregard vesting requirements and
592 early retirement reduction factors that would otherwise apply
593 under the pension plan.

594 2. For each member who elects to transfer moneys from the
595 pension plan to his or her account in the investment plan, the
596 division shall recompute the amount transferred under
597 subparagraph 1. within 60 days after the actual transfer of
598 funds based upon the member's actual creditable service and
599 actual final average compensation as of the initial date of
600 participation in the investment plan. If the recomputed amount
601 differs from the amount transferred by \$10 or more, the division
602 shall:

603 a. Transfer, or cause to be transferred, from the Florida
604 Retirement System Trust Fund to the member's account the excess,
605 if any, of the recomputed amount over the previously transferred
606 amount together with interest from the initial date of transfer
607 to the date of transfer under this subparagraph, based upon the
608 effective annual interest equal to the assumed return on the
609 actuarial investment which was used in the most recent actuarial

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610 valuation of the system, compounded annually.

611 b. Transfer, or cause to be transferred, from the member's
612 account to the Florida Retirement System Trust Fund the excess,
613 if any, of the previously transferred amount over the recomputed
614 amount, together with interest from the initial date of transfer
615 to the date of transfer under this subparagraph, based upon 6
616 percent effective annual interest, compounded annually, pro rata
617 based on the member's allocation plan.

618 3. If contribution adjustments are made as a result of
619 employer errors or corrections, including plan corrections,
620 following recomputation of the amount transferred under
621 subparagraph 1., the member is entitled to the additional
622 contributions or is responsible for returning any excess
623 contributions resulting from the correction. However, any return
624 of such erroneous excess pretax contribution by the plan must be
625 made within the period allowed by the Internal Revenue Service.
626 The present value of the member's accumulated benefit obligation
627 shall not be recalculated.

628 4. As directed by the member, the state board shall
629 transfer or cause to be transferred the appropriate amounts to
630 the designated accounts within 30 days after the effective date
631 of the member's participation in the investment plan unless the
632 major financial markets for securities available for a transfer
633 are seriously disrupted by an unforeseen event that causes the
634 suspension of trading on any national securities exchange in the
635 country where the securities were issued. In that event, the 30-
636 day period may be extended by a resolution of the state board.
637 Transfers are not commissionable or subject to other fees and
638 may be in the form of securities or cash, as determined by the

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639 state board. Such securities are valued as of the date of
640 receipt in the member's account.

641 5. If the state board or the division receives notification
642 from the United States Internal Revenue Service that this
643 paragraph or any portion of this paragraph will cause the
644 retirement system, or a portion thereof, to be disqualified for
645 tax purposes under the Internal Revenue Code, the portion that
646 will cause the disqualification does not apply. Upon such
647 notice, the state board and the division shall notify the
648 presiding officers of the Legislature.

649 (4) PARTICIPATION; ENROLLMENT.—

650 (a)1. Effective June 1, 2002, through February 28, 2003, a
651 90-day election period was provided to each eligible employee
652 participating in the Florida Retirement System, preceded by a
653 90-day education period, permitting each eligible employee to
654 elect membership in the investment plan, and an employee who
655 failed to elect the investment plan during the election period
656 remained in the pension plan. An eligible employee who was
657 employed in a regularly established position during the election
658 period was granted the option to make one subsequent election,
659 as provided in paragraph (f). With respect to an eligible
660 employee who did not participate in the initial election period
661 or who are initially ~~employee who is~~ employed in a regularly
662 established position after the close of the initial election
663 period but before July 1, 2014, ~~on June 1, 2002, by a state~~
664 ~~employer:~~

665 ~~a. Any such employee may elect to participate in the~~
666 ~~investment plan in lieu of retaining his or her membership in~~
667 ~~the pension plan. The election must be made in writing or by~~

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668 ~~electronic means and must be filed with the third party~~
669 ~~administrator by August 31, 2002, or, in the case of an active~~
670 ~~employee who is on a leave of absence on April 1, 2002, by the~~
671 ~~last business day of the 5th month following the month the leave~~
672 ~~of absence concludes. This election is irrevocable, except as~~
673 ~~provided in paragraph (g). Upon making such election, the~~
674 ~~employee shall be enrolled as a member of the investment plan,~~
675 ~~the employee's membership in the Florida Retirement System is~~
676 ~~governed by the provisions of this part, and the employee's~~
677 ~~membership in the pension plan terminates. The employee's~~
678 ~~enrollment in the investment plan is effective the first day of~~
679 ~~the month for which a full month's employer contribution is made~~
680 ~~to the investment plan.~~

681 ~~b. Any such employee who fails to elect to participate in~~
682 ~~the investment plan within the prescribed time period is deemed~~
683 ~~to have elected to retain membership in the pension plan, and~~
684 ~~the employee's option to elect to participate in the investment~~
685 ~~plan is forfeited.~~

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

690 ~~a. Any such employee shall, by default, be enrolled in the~~
691 ~~pension plan at the commencement of employment, and may, by the~~
692 ~~last business day of the 5th month following the employee's~~
693 ~~month of hire, elect to participate in the investment plan. The~~
694 ~~employee's election must be made in writing or by electronic~~
695 ~~means and must be filed with the third-party administrator. The~~
696 ~~election to participate in the investment plan is irrevocable,~~

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697 except as provided in paragraph (f) ~~(g)~~.

698 ~~a.b.~~ If the employee files such election within the
699 prescribed time period, enrollment in the investment plan is
700 effective on the first day of employment. The retirement
701 contributions paid through the month of the employee plan change
702 shall be transferred to the investment program, and, effective
703 the first day of the next month, the employer and employee must
704 pay the applicable contributions based on the employee
705 membership class in the program.

706 ~~b.e.~~ An employee who fails to elect to participate in the
707 investment plan within the prescribed time period is deemed to
708 have elected to retain membership in the pension plan, and the
709 employee's option to elect to participate in the investment plan
710 is forfeited.

711 ~~2.3.~~ With respect to employees who become eligible to
712 participate in the investment plan pursuant to s.
713 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
714 participate in the investment plan in lieu of retaining his or
715 her membership in the State Community College System Optional
716 Retirement Program or the State University System Optional
717 Retirement Program. The election must be made in writing or by
718 electronic means and must be filed with the third-party
719 administrator. This election is irrevocable, except as provided
720 in paragraph (f) ~~(g)~~. Upon making such election, the employee
721 shall be enrolled as a member in the investment plan, the
722 employee's membership in the Florida Retirement System is
723 governed by the provisions of this part, and the employee's
724 participation in the State Community College System Optional
725 Retirement Program or the State University System Optional

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726 Retirement Program terminates. The employee's enrollment in the
727 investment plan is effective on the first day of the month for
728 which a full month's employer and employee contribution is made
729 to the investment plan.

730 (b)1. With respect to employees who become eligible to
731 participate in the investment plan, except as provided in
732 paragraph (g), by reason of employment in a regularly
733 established position commencing on or after July 1, 2014, any
734 such employee shall be enrolled in the pension plan at the
735 commencement of employment and may, by the last business day of
736 the 5th month following the employee's month of hire, elect to
737 participate in the pension plan or the investment plan. Eligible
738 employees may make a plan election only if they are earning
739 service credit in an employer-employee relationship consistent
740 with s. 121.021(17)(b), excluding leaves of absence without pay.

741 2. The employee's election must be made in writing or by
742 electronic means and must be filed with the third-party
743 administrator. The election to participate in the pension plan
744 or investment plan is irrevocable, except as provided in
745 paragraph (f).

746 3. If the employee fails to make an election of the pension
747 plan or investment plan within 5 months following the month of
748 hire, the employee is deemed to have elected the investment plan
749 and will be defaulted into the investment plan retroactively to
750 the employee's date of employment. The employee's option to
751 participate in the pension plan is forfeited, except as provided
752 in paragraph (f).

753 4. The amount of the employee and employer contributions
754 paid before the default to the investment plan shall be

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755 transferred to the investment plan and shall be placed in a
756 default fund as designated by the State Board of Administration.
757 The employee may move the contributions once an account is
758 activated in the investment plan.

759 5. Effective the first day of the month after an eligible
760 employee makes a plan election of the pension plan or investment
761 plan, or after the month of default to the investment plan, the
762 employee and employer shall pay the applicable contributions
763 based on the employee membership class in the pension plan or
764 investment plan.

765 ~~4. For purposes of this paragraph, "state employer" means~~
766 ~~any agency, board, branch, commission, community college,~~
767 ~~department, institution, institution of higher education, or~~
768 ~~water management district of the state, which participates in~~
769 ~~the Florida Retirement System for the benefit of certain~~
770 ~~employees.~~

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

774 ~~a. Any such employee may elect to participate in the~~
775 ~~investment plan in lieu of retaining his or her membership in~~
776 ~~the pension plan. The election must be made in writing or by~~
777 ~~electronic means and must be filed with the third party~~
778 ~~administrator by November 30, or, in the case of an active~~
779 ~~employee who is on a leave of absence on July 1, 2002, by the~~
780 ~~last business day of the 5th month following the month the leave~~
781 ~~of absence concludes. This election is irrevocable, except as~~
782 ~~provided in paragraph (g). Upon making such election, the~~
783 ~~employee shall be enrolled as a member of the investment plan,~~

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784 ~~the employee's membership in the Florida Retirement System is~~
785 ~~governed by the provisions of this part, and the employee's~~
786 ~~membership in the pension plan terminates. The employee's~~
787 ~~enrollment in the investment plan is effective the first day of~~
788 ~~the month for which a full month's employer contribution is made~~
789 ~~to the investment program.~~

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

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

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

807 ~~b. If the employee files such election within the~~
808 ~~prescribed time period, enrollment in the investment plan is~~
809 ~~effective on the first day of employment. The employer~~
810 ~~retirement contributions paid through the month of the employee~~
811 ~~plan change shall be transferred to the investment plan, and,~~
812 ~~effective the first day of the next month, the employer shall~~

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813 ~~pay the applicable contributions based on the employee~~
814 ~~membership class in the investment plan.~~

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

820 ~~3. For purposes of this paragraph, "district school board~~
821 ~~employer" means any district school board that participates in~~
822 ~~the Florida Retirement System for the benefit of certain~~
823 ~~employees, or a charter school or charter technical career~~
824 ~~center that participates in the Florida Retirement System as~~
825 ~~provided in s. 121.051(2) (d).~~

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

829 ~~a. Any such employee may elect to participate in the~~
830 ~~investment plan in lieu of retaining his or her membership in~~
831 ~~the pension plan. The election must be made in writing or by~~
832 ~~electronic means and must be filed with the third party~~
833 ~~administrator by February 28, 2003, or, in the case of an active~~
834 ~~employee who is on a leave of absence on October 1, 2002, by the~~
835 ~~last business day of the 5th month following the month the leave~~
836 ~~of absence concludes. This election is irrevocable, except as~~
837 ~~provided in paragraph (g). Upon making such election, the~~
838 ~~employee shall be enrolled as a participant of the investment~~
839 ~~plan, the employee's membership in the Florida Retirement System~~
840 ~~is governed by the provisions of this part, and the employee's~~
841 ~~membership in the pension plan terminates. The employee's~~

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842 ~~enrollment in the investment plan is effective the first day of~~
843 ~~the month for which a full month's employer contribution is made~~
844 ~~to the investment plan.~~

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

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

854 ~~a. Any such employee shall, by default, be enrolled in the~~
855 ~~pension plan at the commencement of employment, and may, by the~~
856 ~~last business day of the 5th month following the employee's~~
857 ~~month of hire, elect to participate in the investment plan. The~~
858 ~~employee's election must be made in writing or by electronic~~
859 ~~means and must be filed with the third-party administrator. The~~
860 ~~election to participate in the investment plan is irrevocable,~~
861 ~~except as provided in paragraph (g).~~

862 ~~b. If the employee files such election within the~~
863 ~~prescribed time period, enrollment in the investment plan is~~
864 ~~effective on the first day of employment. The employer~~
865 ~~retirement contributions paid through the month of the employee~~
866 ~~plan change shall be transferred to the investment plan, and,~~
867 ~~effective the first day of the next month, the employer shall~~
868 ~~pay the applicable contributions based on the employee~~
869 ~~membership class in the investment plan.~~

870 ~~c. Any such employee who fails to elect to participate in~~

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871 ~~the investment plan within the prescribed time period is deemed~~
872 ~~to have elected to retain membership in the pension plan, and~~
873 ~~the employee's option to elect to participate in the investment~~
874 ~~plan is forfeited.~~

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

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

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

887 ~~(e)~~ (f) A member of the investment plan who takes a
888 distribution of any contributions from his or her investment
889 plan account is considered a retiree. A retiree who is initially
890 reemployed in a regularly established position on or after July
891 1, 2010, is not eligible to be enrolled in renewed membership.

892 ~~(f)~~ (g) After the period during which an eligible employee
893 had the choice to elect the pension plan or the investment plan,
894 or the month following the receipt of the eligible employee's
895 plan election, if sooner, the employee shall have one
896 opportunity, at the employee's discretion, to choose to move
897 from the pension plan to the investment plan or from the
898 investment plan to the pension plan. Eligible employees may
899 elect to move between plans only if they are earning service

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900 credit in an employer-employee relationship consistent with s.
901 121.021(17)(b), excluding leaves of absence without pay.
902 Effective July 1, 2005, such elections are effective on the
903 first day of the month following the receipt of the election by
904 the third-party administrator and are not subject to the
905 requirements regarding an employer-employee relationship or
906 receipt of contributions for the eligible employee in the
907 effective month, except when the election is received by the
908 third-party administrator. This paragraph is contingent upon
909 approval by the Internal Revenue Service. This paragraph is not
910 applicable to compulsory investment plan members under paragraph
911 (g).

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

914 2. If the employee chooses to move to the pension plan, the
915 employee must transfer from his or her investment plan account,
916 and from other employee moneys as necessary, a sum representing
917 the present value of that employee's accumulated benefit
918 obligation immediately following the time of such movement,
919 determined assuming that attained service equals the sum of
920 service in the pension plan and service in the investment plan.
921 Benefit commencement occurs on the first date the employee is
922 eligible for unreduced benefits, using the discount rate and
923 other relevant actuarial assumptions that were used to value the
924 pension plan liabilities in the most recent actuarial valuation.
925 For any employee who, at the time of the second election,
926 already maintains an accrued benefit amount in the pension plan,
927 the then-present value of the accrued benefit is deemed part of
928 the required transfer amount. The division must ensure that the

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929 transfer sum is prepared using a formula and methodology
930 certified by an enrolled actuary. A refund of any employee
931 contributions or additional member payments made which exceed
932 the employee contributions that would have accrued had the
933 member remained in the pension plan and not transferred to the
934 investment plan is not permitted.

935 3. Notwithstanding subparagraph 2., an employee who chooses
936 to move to the pension plan and who became eligible to
937 participate in the investment plan by reason of employment in a
938 regularly established position with a state employer after June
939 1, 2002; a district school board employer after September 1,
940 2002; or a local employer after December 1, 2002, must transfer
941 from his or her investment plan account, and from other employee
942 moneys as necessary, a sum representing the employee's actuarial
943 accrued liability. A refund of any employee contributions or
944 additional member ~~participant~~ payments made which exceed the
945 employee contributions that would have accrued had the member
946 remained in the pension plan and not transferred to the
947 investment plan is not permitted.

948 4. An employee's ability to transfer from the pension plan
949 to the investment plan pursuant to paragraphs (a) and (b)
950 ~~paragraphs (a) - (d)~~, and the ability of a current employee to
951 have an option to later transfer back into the pension plan
952 under subparagraph 2., shall be deemed a significant system
953 amendment. Pursuant to s. 121.031(4), any resulting unfunded
954 liability arising from actual original transfers from the
955 pension plan to the investment plan must be amortized within 30
956 plan years as a separate unfunded actuarial base independent of
957 the reserve stabilization mechanism defined in s. 121.031(3)(f).

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958 For the first 25 years, a direct amortization payment may not be
959 calculated for this base. During this 25-year period, the
960 separate base shall be used to offset the impact of employees
961 exercising their second program election under this paragraph.
962 The actuarial funded status of the pension plan will not be
963 affected by such second program elections in any significant
964 manner, after due recognition of the separate unfunded actuarial
965 base. Following the initial 25-year period, any remaining
966 balance of the original separate base shall be amortized over
967 the remaining 5 years of the required 30-year amortization
968 period.

969 5. If the employee chooses to transfer from the investment
970 plan to the pension plan and retains an excess account balance
971 in the investment plan after satisfying the buy-in requirements
972 under this paragraph, the excess may not be distributed until
973 the member retires from the pension plan. The excess account
974 balance may be rolled over to the pension plan and used to
975 purchase service credit or upgrade creditable service in the
976 pension plan.

977 (g)1. All employees initially enrolled on or after July 1,
978 2014, in positions covered by the Elected Officers' Class or the
979 Senior Management Service Class are compulsory members of the
980 investment plan, except those eligible to withdraw from the
981 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
982 eligible for optional retirement programs under s.
983 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
984 eligible to withdraw from the system under s. 121.052(3)(d) or
985 s. 121.055(1)(b)2. may choose to withdraw from the system or to
986 participate in the investment plan as provided in those

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987 sections. Employees eligible for optional retirement programs
988 under s. 121.051(2)(c) or s. 121.35, except as provided in s.
989 121.051(1)(a), may choose to participate in the optional
990 retirement program or the investment plan as provided in those
991 sections. Investment plan membership continues if there is
992 subsequent employment in a position covered by another
993 membership class. Membership in the pension plan is not
994 permitted except as provided in s. 121.591(2). Employees
995 initially enrolled in the Florida Retirement System prior to
996 July 1, 2014, may retain their membership in the pension plan or
997 investment plan and are eligible to use the election opportunity
998 specified in s. 121.4501(4)(f).

999 2. Employees initially enrolled on or after July 1, 2014,
1000 are not permitted to use the election opportunity specified in
1001 paragraph (f).

1002 3. The amount of retirement contributions paid by the
1003 employee and employer, as required under s. 121.72, shall be
1004 placed in a default fund as designated by the state board, until
1005 an account is activated in the investment plan, at which time
1006 the member may move the contributions from the default fund to
1007 other funds provided in the investment plan.

1008 (5) CONTRIBUTIONS.—

1009 (c) The state board, acting as plan fiduciary, must ensure
1010 that all plan assets are held in a trust, pursuant to s. 401 of
1011 the Internal Revenue Code. The fiduciary must ensure that such
1012 contributions are allocated as follows:

1013 1. The employer and employee contribution portion earmarked
1014 for member accounts shall be used to purchase interests in the
1015 appropriate investment vehicles as specified by the member, or

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1016 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1017 2. The employer contribution portion earmarked for
1018 administrative and educational expenses shall be transferred to
1019 the Florida Retirement System Investment Plan Trust Fund.

1020 3. The employer contribution portion earmarked for
1021 disability benefits shall be transferred to the Florida
1022 Retirement System Trust Fund.

1023 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1024 shall be administered by the state board and affected employers.
1025 The state board may require oaths, by affidavit or otherwise,
1026 and acknowledgments from persons in connection with the
1027 administration of its statutory duties and responsibilities for
1028 the investment plan. An oath, by affidavit or otherwise, may not
1029 be required of a member at the time of enrollment.

1030 Acknowledgment of an employee's election to participate in the
1031 program shall be no greater than necessary to confirm the
1032 employee's election except for members initially enrolled on or
1033 after July 1, 2014, as provided in paragraph (4) (g). The state
1034 board shall adopt rules to carry out its statutory duties with
1035 respect to administering the investment plan, including
1036 establishing the roles and responsibilities of affected state,
1037 local government, and education-related employers, the state
1038 board, the department, and third-party contractors. The
1039 department shall adopt rules necessary to administer the
1040 investment plan in coordination with the pension plan and the
1041 disability benefits available under the investment plan.

1042 (a)1. The state board shall select and contract with a
1043 third-party administrator to provide administrative services if
1044 those services cannot be competitively and contractually

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1045 provided by the division. With the approval of the state board,
1046 the third-party administrator may subcontract to provide
1047 components of the administrative services. As a cost of
1048 administration, the state board may compensate any such
1049 contractor for its services, in accordance with the terms of the
1050 contract, as is deemed necessary or proper by the board. The
1051 third-party administrator may not be an approved provider or be
1052 affiliated with an approved provider.

1053 2. These administrative services may include, but are not
1054 limited to, enrollment of eligible employees, collection of
1055 employer and employee contributions, disbursement of
1056 contributions to approved providers in accordance with the
1057 allocation directions of members; services relating to
1058 consolidated billing; individual and collective recordkeeping
1059 and accounting; asset purchase, control, and safekeeping; and
1060 direct disbursement of funds to and from the third-party
1061 administrator, the division, the state board, employers,
1062 members, approved providers, and beneficiaries. This section
1063 does not prevent or prohibit a bundled provider from providing
1064 any administrative or customer service, including accounting and
1065 administration of individual member benefits and contributions;
1066 individual member recordkeeping; asset purchase, control, and
1067 safekeeping; direct execution of the member's instructions as to
1068 asset and contribution allocation; calculation of daily net
1069 asset values; direct access to member account information; or
1070 periodic reporting to members, at least quarterly, on account
1071 balances and transactions, if these services are authorized by
1072 the state board as part of the contract.

1073 (b)1. The state board shall select and contract with one or

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1074 more organizations to provide educational services. With
1075 approval of the state board, the organizations may subcontract
1076 to provide components of the educational services. As a cost of
1077 administration, the state board may compensate any such
1078 contractor for its services in accordance with the terms of the
1079 contract, as is deemed necessary or proper by the board. The
1080 education organization may not be an approved provider or be
1081 affiliated with an approved provider.

1082 2. Educational services shall be designed by the state
1083 board and department to assist employers, eligible employees,
1084 members, and beneficiaries in order to maintain compliance with
1085 United States Department of Labor regulations under s. 404(c) of
1086 the Employee Retirement Income Security Act of 1974 and to
1087 assist employees in their choice of pension plan or investment
1088 plan retirement alternatives. Educational services include, but
1089 are not limited to, disseminating educational materials;
1090 providing retirement planning education; explaining the pension
1091 plan and the investment plan; and offering financial planning
1092 guidance on matters such as investment diversification,
1093 investment risks, investment costs, and asset allocation. An
1094 approved provider may also provide educational information,
1095 including retirement planning and investment allocation
1096 information concerning its products and services.

1097 (c)1. In evaluating and selecting a third-party
1098 administrator, the state board shall establish criteria for
1099 evaluating the relative capabilities and qualifications of each
1100 proposed administrator. In developing such criteria, the state
1101 board shall consider:

1102 a. The administrator's demonstrated experience in providing

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1103 administrative services to public or private sector retirement
1104 systems.

1105 b. The administrator's demonstrated experience in providing
1106 daily valued recordkeeping to defined contribution programs.

1107 c. The administrator's ability and willingness to
1108 coordinate its activities with employers, the state board, and
1109 the division, and to supply to such employers, the board, and
1110 the division the information and data they require, including,
1111 but not limited to, monthly management reports, quarterly member
1112 reports, and ad hoc reports requested by the department or state
1113 board.

1114 d. The cost-effectiveness and levels of the administrative
1115 services provided.

1116 e. The administrator's ability to interact with the
1117 members, the employers, the state board, the division, and the
1118 providers; the means by which members may access account
1119 information, direct investment of contributions, make changes to
1120 their accounts, transfer moneys between available investment
1121 vehicles, and transfer moneys between investment products; and
1122 any fees that apply to such activities.

1123 f. Any other factor deemed necessary by the state board.

1124 2. In evaluating and selecting an educational provider, the
1125 state board shall establish criteria under which it shall
1126 consider the relative capabilities and qualifications of each
1127 proposed educational provider. In developing such criteria, the
1128 state board shall consider:

1129 a. Demonstrated experience in providing educational
1130 services to public or private sector retirement systems.

1131 b. Ability and willingness to coordinate its activities

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1132 with the employers, the state board, and the division, and to
1133 supply to such employers, the board, and the division the
1134 information and data they require, including, but not limited
1135 to, reports on educational contacts.

1136 c. The cost-effectiveness and levels of the educational
1137 services provided.

1138 d. Ability to provide educational services via different
1139 media, including, but not limited to, the Internet, personal
1140 contact, seminars, brochures, and newsletters.

1141 e. Any other factor deemed necessary by the state board.

1142 3. The establishment of the criteria shall be solely within
1143 the discretion of the state board.

1144 (d) The state board shall develop the form and content of
1145 any contracts to be offered under the investment plan. In
1146 developing the contracts, the board shall consider:

1147 1. The nature and extent of the rights and benefits to be
1148 afforded in relation to the contributions required under the
1149 plan.

1150 2. The suitability of the rights and benefits provided and
1151 the interests of employers in the recruitment and retention of
1152 eligible employees.

1153 (e)1. The state board may contract for professional
1154 services, including legal, consulting, accounting, and actuarial
1155 services, deemed necessary to implement and administer the
1156 investment plan. The state board may enter into a contract with
1157 one or more vendors to provide low-cost investment advice to
1158 members, supplemental to education provided by the third-party
1159 administrator. All fees under any such contract shall be paid by
1160 those members who choose to use the services of the vendor.

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1161 2. The department may contract for professional services,
1162 including legal, consulting, accounting, and actuarial services,
1163 deemed necessary to implement and administer the investment plan
1164 in coordination with the pension plan. The department, in
1165 coordination with the state board, may enter into a contract
1166 with the third-party administrator in order to coordinate
1167 services common to the various programs within the Florida
1168 Retirement System.

1169 (f) The third-party administrator may not receive direct or
1170 indirect compensation from an approved provider, except as
1171 specifically provided for in the contract with the state board.

1172 (g) The state board shall receive and resolve member
1173 complaints against the program, the third-party administrator,
1174 or any program vendor or provider; shall resolve any conflict
1175 between the third-party administrator and an approved provider
1176 if such conflict threatens the implementation or administration
1177 of the program or the quality of services to employees; and may
1178 resolve any other conflicts. The third-party administrator shall
1179 retain all member records for at least 5 years for use in
1180 resolving any member conflicts. The state board, the third-party
1181 administrator, or a provider is not required to produce
1182 documentation or an audio recording to justify action taken with
1183 regard to a member if the action occurred 5 or more years before
1184 the complaint is submitted to the state board. It is presumed
1185 that all action taken 5 or more years before the complaint is
1186 submitted was taken at the request of the member and with the
1187 member's full knowledge and consent. To overcome this
1188 presumption, the member must present documentary evidence or an
1189 audio recording demonstrating otherwise.

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1190 (10) EDUCATION COMPONENT.—

1191 (a) The state board, in coordination with the department,
1192 shall provide for an education component for eligible employees
1193 ~~system members~~ in a manner consistent with the provisions of
1194 this subsection ~~section~~. ~~The education component must be~~
1195 ~~available to eligible employees at least 90 days prior to the~~
1196 ~~beginning date of the election period for the employees of the~~
1197 ~~respective types of employers.~~

1198 (b) The education component must provide system members
1199 with impartial and balanced information about plan choices
1200 except for members initially enrolled on or after July 1, 2014,
1201 as provided in paragraph (4) (g). The education component must
1202 involve multimedia formats. Program comparisons must, to the
1203 greatest extent possible, be based upon the retirement income
1204 that different retirement programs may provide to the member.
1205 The state board shall monitor the performance of the contract to
1206 ensure that the program is conducted in accordance with the
1207 contract, applicable law, and the rules of the state board.

1208 (c) The state board, in coordination with the department,
1209 shall provide for an initial and ongoing transfer education
1210 component to provide system members except for those members
1211 initially enrolled on or after July 1, 2014, as provided in
1212 paragraph (4) (g), with information necessary to make informed
1213 plan choice decisions. The transfer education component must
1214 include, but is not limited to, information on:

1215 1. The amount of money available to a member to transfer to
1216 the defined contribution program.

1217 2. The features of and differences between the pension plan
1218 and the defined contribution program, both generally and

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1219 specifically, as those differences may affect the member.

1220 3. The expected benefit available if the member were to
1221 retire under each of the retirement programs, based on
1222 appropriate alternative sets of assumptions.

1223 4. The rate of return from investments in the defined
1224 contribution program and the period of time over which such rate
1225 of return must be achieved to equal or exceed the expected
1226 monthly benefit payable to the member under the pension plan.

1227 5. The historical rates of return for the investment
1228 alternatives available in the defined contribution programs.

1229 6. The benefits and historical rates of return on
1230 investments available in a typical deferred compensation plan or
1231 a typical plan under s. 403(b) of the Internal Revenue Code for
1232 which the employee may be eligible.

1233 7. The program choices available to employees of the State
1234 University System and the comparative benefits of each available
1235 program, if applicable.

1236 8. Payout options available in each of the retirement
1237 programs.

1238 ~~(h) Pursuant to subsection (8), all Florida Retirement
1239 System employers have an obligation to regularly communicate the
1240 existence of the two Florida Retirement System plans and the
1241 plan choice in the natural course of administering their
1242 personnel functions, using the educational materials supplied by
1243 the state board and the Department of Management Services.~~

1244 Section 7. Paragraph (b) of subsection (2) of section
1245 121.591, Florida Statutes, is amended to read:

1246 121.591 Payment of benefits.—Benefits may not be paid under
1247 the Florida Retirement System Investment Plan unless the member

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1248 has terminated employment as provided in s. 121.021(39) (a) or is
1249 deceased and a proper application has been filed as prescribed
1250 by the state board or the department. Benefits, including
1251 employee contributions, are not payable under the investment
1252 plan for employee hardships, unforeseeable emergencies, loans,
1253 medical expenses, educational expenses, purchase of a principal
1254 residence, payments necessary to prevent eviction or foreclosure
1255 on an employee's principal residence, or any other reason except
1256 a requested distribution for retirement, a mandatory de minimis
1257 distribution authorized by the administrator, or a required
1258 minimum distribution provided pursuant to the Internal Revenue
1259 Code. The state board or department, as appropriate, may cancel
1260 an application for retirement benefits if the member or
1261 beneficiary fails to timely provide the information and
1262 documents required by this chapter and the rules of the state
1263 board and department. In accordance with their respective
1264 responsibilities, the state board and the department shall adopt
1265 rules establishing procedures for application for retirement
1266 benefits and for the cancellation of such application if the
1267 required information or documents are not received. The state
1268 board and the department, as appropriate, are authorized to cash
1269 out a de minimis account of a member who has been terminated
1270 from Florida Retirement System covered employment for a minimum
1271 of 6 calendar months. A de minimis account is an account
1272 containing employer and employee contributions and accumulated
1273 earnings of not more than \$5,000 made under the provisions of
1274 this chapter. Such cash-out must be a complete lump-sum
1275 liquidation of the account balance, subject to the provisions of
1276 the Internal Revenue Code, or a lump-sum direct rollover

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1277 distribution paid directly to the custodian of an eligible
1278 retirement plan, as defined by the Internal Revenue Code, on
1279 behalf of the member. Any nonvested accumulations and associated
1280 service credit, including amounts transferred to the suspense
1281 account of the Florida Retirement System Investment Plan Trust
1282 Fund authorized under s. 121.4501(6), shall be forfeited upon
1283 payment of any vested benefit to a member or beneficiary, except
1284 for de minimis distributions or minimum required distributions
1285 as provided under this section. If any financial instrument
1286 issued for the payment of retirement benefits under this section
1287 is not presented for payment within 180 days after the last day
1288 of the month in which it was originally issued, the third-party
1289 administrator or other duly authorized agent of the state board
1290 shall cancel the instrument and credit the amount of the
1291 instrument to the suspense account of the Florida Retirement
1292 System Investment Plan Trust Fund authorized under s.
1293 121.4501(6). Any amounts transferred to the suspense account are
1294 payable upon a proper application, not to include earnings
1295 thereon, as provided in this section, within 10 years after the
1296 last day of the month in which the instrument was originally
1297 issued, after which time such amounts and any earnings
1298 attributable to employer contributions shall be forfeited. Any
1299 forfeited amounts are assets of the trust fund and are not
1300 subject to chapter 717.

1301 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1302 this subsection are payable in lieu of the benefits that would
1303 otherwise be payable under the provisions of subsection (1).
1304 Such benefits must be funded from employer contributions made
1305 under s. 121.571, transferred employee contributions and funds

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1306 accumulated pursuant to paragraph (a), and interest and earnings
1307 thereon.

1308 (b) *Disability retirement; entitlement.*—

1309 1.a. A member of the investment plan initially enrolled
1310 before July 1, 2014, who becomes totally and permanently
1311 disabled, as defined in paragraph (d), after completing 8 years
1312 of creditable service, or a member who becomes totally and
1313 permanently disabled in the line of duty regardless of length of
1314 service, is entitled to a monthly disability benefit.

1315 b. A member of the investment plan initially enrolled on or
1316 after July 1, 2014, who becomes totally and permanently
1317 disabled, as defined in paragraph (d), after completing 10 years
1318 of creditable service, or a member who becomes totally and
1319 permanently disabled in the line of duty regardless of service,
1320 is entitled to a monthly disability benefit.

1321 2. In order for service to apply toward the 8 years of
1322 creditable service required for regular disability benefits, or
1323 toward the creditable service used in calculating a service-
1324 based benefit as provided under paragraph (g), the service must
1325 be creditable service as described below:

1326 a. The member's period of service under the investment plan
1327 shall be considered creditable service, except as provided in
1328 subparagraph d.

1329 b. If the member has elected to retain credit for service
1330 under the pension plan as provided under s. 121.4501(3), all
1331 such service shall be considered creditable service.

1332 c. If the member elects to transfer to his or her member
1333 accounts a sum representing the present value of his or her
1334 retirement credit under the pension plan as provided under s.

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1335 121.4501(3), the period of service under the pension plan
 1336 represented in the present value amounts transferred shall be
 1337 considered creditable service, except as provided in
 1338 subparagraph d.

1339 d. If a member has terminated employment and has taken
 1340 distribution of his or her funds as provided in subsection (1),
 1341 all creditable service represented by such distributed funds is
 1342 forfeited for purposes of this subsection.

1343 Section 8. Subsection (3) of section 121.71, Florida
 1344 Statutes, is amended to read:

1345 121.71 Uniform rates; process; calculations; levy.—

1346 (3) (a) Required employee retirement contribution rates for
 1347 each membership class and subclass of the Florida Retirement
 1348 System for the pension plan ~~both retirement plans~~ are as
 1349 follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
1351	
1352	
1353	
1354	
Regular Class	3.00%
1355	
Special Risk Class	3.00%

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1356	Special Risk Administrative Support Class	3.00%
1357	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
1358	Elected Officers' Class— Justices, Judges	3.00%
1359	Elected Officers' Class— County Elected Officers	3.00%
1360	Senior Management Service Class	3.00%
1361	DROP	0.00%
1362		
1363		
1364		
1365		
1366		
1367		
1368		
1369		

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1370 (b) Required employee retirement contribution rates for
 1371 each membership class and subclass of the Florida Retirement
 1372 System for the investment plan are as follows:
 1373
 1374

<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, 2014</u>
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1375

1376

<u>Regular Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1377

<u>Special Risk</u> <u>Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1378

<u>Special Risk</u> <u>Administrative</u> <u>Support Class</u>	<u>3.00%</u>	<u>2.00%</u>
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1379

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

1380

Elected Officers' 3.00% 2.00%
Class—
Justices, Judges

1381

Elected Officers' 3.00% 2.00%
Class—
County Elected
Officers

1382

Senior Management 3.00% 2.00%
Service Class

1383

1384

1385 Section 9. Paragraph (a) of subsection (4) of section
1386 121.35, Florida Statutes, is amended to read:

1387 121.35 Optional retirement program for the State University
1388 System.—

1389 (4) CONTRIBUTIONS.—

1390 (a)1. Through June 30, 2001, each employer shall contribute
1391 on behalf of each member of the optional retirement program an
1392 amount equal to the normal cost portion of the employer
1393 retirement contribution which would be required if the employee
1394 were a regular member of the Florida Retirement System Pension
1395 Plan, plus the portion of the contribution rate required in s.
1396 112.363(8) that would otherwise be assigned to the Retiree
1397 Health Insurance Subsidy Trust Fund.

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1398 2. Effective July 1, 2001, through June 30, 2011, each
1399 employer shall contribute on behalf of each member of the
1400 optional retirement program an amount equal to 10.43 percent of
1401 the employee's gross monthly compensation.

1402 3. Effective July 1, 2011, through June 30, 2012, each
1403 member of the optional retirement program shall contribute an
1404 amount equal to the employee contribution required in s.
1405 121.71(3)(a). The employer shall contribute on behalf of each
1406 such member an amount equal to the difference between 10.43
1407 percent of the employee's gross monthly compensation and the
1408 amount equal to the employee's required contribution based on
1409 the employee's gross monthly compensation.

1410 4. Effective July 1, 2012, each member of the optional
1411 retirement program shall contribute an amount equal to the
1412 employee contribution required in s. 121.71(3)(a). The employer
1413 shall contribute on behalf of each such member an amount equal
1414 to the difference between 8.15 percent of the employee's gross
1415 monthly compensation and the amount equal to the employee's
1416 required contribution based on the employee's gross monthly
1417 compensation.

1418 5. The payment of the contributions, including
1419 contributions by the employee, shall be made by the employer to
1420 the department, which shall forward the contributions to the
1421 designated company or companies contracting for payment of
1422 benefits for members of the program. However, such contributions
1423 paid on behalf of an employee described in paragraph (3)(c) may
1424 not be forwarded to a company and do not begin to accrue
1425 interest until the employee has executed a contract and notified
1426 the department. The department shall deduct an amount from the

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1427 contributions to provide for the administration of this program.

1428 Section 10. Section 238.072, Florida Statutes, is amended
1429 to read:

1430 238.072 Special service provisions for extension
1431 personnel.—All state and county cooperative extension personnel
1432 holding appointments by the United States Department of
1433 Agriculture for extension work in agriculture and home economics
1434 in this state who are joint representatives of the University of
1435 Florida and the United States Department of Agriculture, as
1436 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
1437 Teachers' Retirement System, chapter 238, and who are prohibited
1438 from transferring to and participating in the Florida Retirement
1439 System, chapter 121, may retire with full benefits upon
1440 completion of 30 years of creditable service and shall be
1441 considered to have attained normal retirement age under this
1442 chapter, any law to the contrary notwithstanding. In order to
1443 comply with the provisions of s. 14, Art. X of the State
1444 Constitution, any liability accruing to the Florida Retirement
1445 System Trust Fund as a result of the provisions of this section
1446 shall be paid on an annual basis from the General Revenue Fund.

1447 Section 11. Subsection (11) of section 413.051, Florida
1448 Statutes, is amended to read:

1449 413.051 Eligible blind persons; operation of vending
1450 stands.—

1451 (11) Effective July 1, 1996, blind licensees who remain
1452 members of the Florida Retirement System pursuant to s.
1453 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1454 retirement costs from their net profits or from program income.
1455 Within 30 days after the effective date of this act, each blind

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1456 licensee who is eligible to maintain membership in the Florida
1457 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1458 who elects to withdraw from the system as provided in s.
1459 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1460 1996, notify the Division of Blind Services and the Department
1461 of Management Services in writing of his or her election to
1462 withdraw. Failure to timely notify the divisions shall be deemed
1463 a decision to remain a compulsory member of the Florida
1464 Retirement System. However, if, at any time after July 1, 1996,
1465 sufficient funds are not paid by a blind licensee to cover the
1466 required contribution to the Florida Retirement System, that
1467 blind licensee shall become ineligible to participate in the
1468 Florida Retirement System on the last day of the first month for
1469 which no contribution is made or the amount contributed is
1470 insufficient to cover the required contribution. For any blind
1471 licensee who becomes ineligible to participate in the Florida
1472 Retirement System as described in this subsection, no creditable
1473 service shall be earned under the Florida Retirement System for
1474 any period following the month that retirement contributions
1475 ceased to be reported. However, any such person may participate
1476 in the Florida Retirement System in the future if employed by a
1477 participating employer in a covered position.

1478 Section 12. Paragraph (a) of subsection (4) of section
1479 1012.875, Florida Statutes, is amended to read:

1480 1012.875 State Community College System Optional Retirement
1481 Program.—Each Florida College System institution may implement
1482 an optional retirement program, if such program is established
1483 therefor pursuant to s. 1001.64(20), under which annuity or
1484 other contracts providing retirement and death benefits may be

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1485 purchased by, and on behalf of, eligible employees who
1486 participate in the program, in accordance with s. 403(b) of the
1487 Internal Revenue Code. Except as otherwise provided herein, this
1488 retirement program, which shall be known as the State Community
1489 College System Optional Retirement Program, may be implemented
1490 and administered only by an individual Florida College System
1491 institution or by a consortium of Florida College System
1492 institutions.

1493 (4) (a) 1. Through June 30, 2011, each college must
1494 contribute on behalf of each program member an amount equal to
1495 10.43 percent of the employee's gross monthly compensation.

1496 2. Effective July 1, 2011, through June 30, 2012, each
1497 member shall contribute an amount equal to the employee
1498 contribution required under s. 121.71(3) (a). The employer shall
1499 contribute on behalf of each program member an amount equal to
1500 the difference between 10.43 percent of the employee's gross
1501 monthly compensation and the employee's required contribution
1502 based on the employee's gross monthly compensation.

1503 3. Effective July 1, 2012, each member shall contribute an
1504 amount equal to the employee contribution required under s.
1505 121.71(3) (a). The employer shall contribute on behalf of each
1506 program member an amount equal to the difference between 8.15
1507 percent of the employee's gross monthly compensation and the
1508 employee's required contribution based on the employee's gross
1509 monthly compensation.

1510 4. The college shall deduct an amount approved by the
1511 district board of trustees of the college to provide for the
1512 administration of the optional retirement program. Payment of
1513 this contribution must be made directly by the college or

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1514 through the program administrator to the designated company
1515 contracting for payment of benefits to the program member.

1516 Section 13. The Legislature finds that a proper and
1517 legitimate state purpose is served when employees and retirees
1518 of the state and its political subdivisions, and the dependents,
1519 survivors, and beneficiaries of such employees and retirees, are
1520 extended the basic protections afforded by governmental
1521 retirement systems. These persons must be provided benefits that
1522 are fair and adequate and that are managed, administered, and
1523 funded in an actuarially sound manner, as required by s. 14,
1524 Article X of the State Constitution and part VII of chapter 112,
1525 Florida Statutes. Therefore, the Legislature determines and
1526 declares that this act fulfills an important state interest.

1527 Section 14. This act shall take effect July 1, 2014.