

By the Committees on Appropriations; Governmental Oversight and Accountability; and Community Affairs

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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 "vesting"
4 to provide that a member initially enrolled in the
5 Florida Retirement System after a certain date is
6 vested in the pension plan after completing 10 years
7 of creditable service; amending s. 121.051, F.S.;
8 providing for compulsory membership in the Florida
9 Retirement System Investment Plan for certain members
10 of the Elected Officers' Class initially enrolled
11 after a certain date; amending s. 121.052, F.S.;
12 differentiating between cabinet members and judicial
13 members of the Elected Officers Class; prohibiting
14 members of the Elected Officers' Class from joining
15 the Senior Management Service Class after a specified
16 date; amending s. 121.053, F.S.; authorizing renewed
17 membership in the retirement system for retirees who
18 are reemployed in a position eligible for the Elected
19 Officers' Class under certain circumstances; amending
20 s. 121.055, F.S.; limiting the options of elected
21 officers employed after a certain date to enroll in
22 the Senior Management Service Class or in the Senior
23 Management Service Optional Annuity Program; closing
24 the Senior Management Optional Annuity Program to new
25 members after a specified date; amending s. 121.091,
26 F.S.; providing that certain members are entitled to a
27 monthly disability benefit; revising provisions to
28 conform to changes made by the act; amending s.
29 121.122, F.S.; requiring that certain retirees who are

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30 employed on or after a specified date be renewed
31 members in the investment plan; providing exceptions;
32 providing that creditable service does not accrue for
33 a reemployed retiree during a specified period;
34 prohibiting certain funds from being paid into a
35 renewed member's investment plan account for a
36 specified period of employment; requiring the renewed
37 member to satisfy vesting requirements; prohibiting a
38 renewed member from receiving disability benefits;
39 specifying requirements and limitations; requiring the
40 employer and the retiree to make applicable
41 contributions to the member's investment plan account;
42 providing for the administration of the employer and
43 employee contributions; prohibiting the purchase of
44 past service in the investment plan during certain
45 dates; authorizing a renewed member to receive
46 additional credit toward the health insurance subsidy
47 under certain circumstances; providing that a retiree
48 employed on or after a specified date in a regularly
49 established position eligible for the State University
50 System Optional Retirement Program is a renewed member
51 of that program; specifying requirements and
52 limitations; requiring the employer and the retiree to
53 make applicable contributions; prohibiting the
54 purchase of past service in the program during certain
55 dates; providing that a retiree employed on or after a
56 specified date in a regularly established position
57 eligible for the State Community College System
58 Optional Retirement Program is a renewed member of

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59 that program; specifying requirements and limitations;
60 requiring the employer and the retiree to make
61 applicable contributions; prohibiting the purchase of
62 past service in the program for certain dates;
63 amending s. 121.35, F.S.; providing that certain
64 participants in the optional retirement program for
65 the State University System have a choice between the
66 optional retirement program and the Florida Retirement
67 System Investment Plan; amending s. 121.4501, F.S.;
68 requiring certain employees initially enrolled in the
69 Florida Retirement System on or after a specified date
70 to be compulsory members of the investment plan;
71 revising the definition of the terms "eligible
72 employee" and "member" or "employee"; revising a
73 provision relating to acknowledgment of an employee's
74 election to participate in the investment plan;
75 placing certain employees in the pension plan from
76 their respective dates of hire until they are
77 automatically enrolled in the investment plan or
78 timely elect enrollment in the pension plan;
79 authorizing certain employees to elect to participate
80 in the pension plan, rather than the default
81 investment plan, within a specified time; specifying
82 that a retiree who has returned to covered employment
83 before a specified date may continue membership in his
84 or her selected retirement plan; conforming a
85 provision to changes made by the act; providing for
86 the transfer of certain contributions; revising the
87 education component; deleting the obligation of system

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88 employers to communicate the existence of both
89 retirement plans; conforming provisions and cross-
90 references to changes made by the act; amending s.
91 121.591, F.S.; revising provisions relating to
92 disability retirement benefits; amending ss. 238.072
93 and 413.051, F.S.; conforming cross-references;
94 requiring the State Board of Administration and
95 Department of Management Services to request a
96 determination letter from the Internal Revenue Service
97 as to whether any provision under the act will cause
98 the Florida Retirement System to be disqualified for
99 tax purposes and, if so, to notify the Legislature;
100 requiring the board and department to also seek
101 guidance regarding the consequences of differing tax
102 contributions; providing that the act fulfills an
103 important state interest; providing an effective date.
104

105 Be It Enacted by the Legislature of the State of Florida:
106

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

109 121.021 Definitions.—The following words and phrases as
110 used in this chapter have the respective meanings set forth
111 unless a different meaning is plainly required by the context:

112 (45) "Vested" or "vesting" means the guarantee that a
113 member is eligible to receive a future retirement benefit upon
114 completion of the required years of creditable service for the
115 employee's class of membership, even though the member may have
116 terminated covered employment before reaching normal or early

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117 retirement date. Being vested does not entitle a member to a
118 disability benefit. Provisions governing entitlement to
119 disability benefits are set forth under s. 121.091(4).

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

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

126 2. Any member initially enrolled in the Florida Retirement
127 System before July 1, 2001, but not employed in a regularly
128 established position on July 1, 2001, shall be deemed vested
129 upon completion of 6 years of creditable service if such member
130 is employed in a covered position for at least 1 work year after
131 July 1, 2001. However, a member is not required to complete more
132 years of creditable service than would have been required for
133 that member to vest under retirement laws in effect before July
134 1, 2001.

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

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

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

145 Section 2. Present subsections (3) through (9) of section

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146 121.051, Florida Statutes, are renumbered as subsections (4)
147 through (10), respectively, and a new subsection (3) is added to
148 that section, to read:

149 121.051 Participation in the system.—

150 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.—Except for
151 members of the Elected Officers' Class eligible to withdraw from
152 the Florida Retirement System under s. 121.052(3)(d) or eligible
153 for optional retirement programs under s. 121.051(1)(a), s.
154 121.051(2)(c), or s. 121.35, or described in s. 121.052(2)(a)2.
155 or s. 121.052(2)(b), an employee initially enrolled in the
156 Florida Retirement System on or after July 1, 2015, and whose
157 first employment in a regularly established position is covered
158 by the Elected Officers' Class are compulsory members of the
159 investment plan. Investment plan membership continues for a
160 compulsory member even if the employee is subsequently employed
161 in a position covered by another membership class. Membership in
162 the pension plan is not permitted except as provided in s.
163 121.591(2).

164 (a) Employees initially enrolled in the Florida Retirement
165 System before July 1, 2015, may retain their membership in the
166 pension plan or investment plan and are eligible to use the
167 election opportunity specified in s. 121.4501(4)(f). Compulsory
168 members are not eligible to use the election opportunity.

169 (b) Employees eligible to withdraw from the system under s.
170 121.052(3)(d) may withdraw from the system or participate in the
171 investment plan as provided under those provisions. Employees
172 eligible for optional retirement programs under paragraph (2)(c)
173 or s. 121.35 may participate in the optional retirement program
174 or the investment plan as provided in those provisions. Eligible

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175 employees required to participate pursuant to paragraph (1) (a)
176 in the optional retirement program as provided under s. 121.35
177 must participate in the investment plan if employed in a
178 position not eligible for the optional retirement program.

179 Section 3. Paragraph (a) of subsection (2) and paragraph
180 (c) of subsection (3) of section 121.052, Florida Statutes, are
181 amended to read:

182 121.052 Membership class of elected officers.—

183 (2) MEMBERSHIP.—The following holders of elective office,
184 hereinafter referred to as “elected officers,” whether assuming
185 elective office by election, reelection, or appointment, are
186 members of the Elected Officers’ Class, except as provided in
187 subsection (3):

188 (a) 1. A ~~Any~~ Governor, Lieutenant Governor, Cabinet officer,
189 legislator, ~~Supreme Court justice, district court of appeal~~
190 ~~judge, circuit judge,~~ or state attorney assuming office on or
191 after July 1, 1972.

192 2. A Supreme Court justice, district court of appeal judge,
193 or circuit judge assuming office on or after July 1, 1972.

194 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
195 1, 1990, participation in the Elected Officers’ Class shall be
196 compulsory for elected officers listed in paragraphs (2) (a)-(d)
197 and (f) assuming office on or after said date, unless the
198 elected officer elects membership in another class or withdraws
199 from the Florida Retirement System as provided in paragraphs
200 (3) (a)-(d):

201 (c) Before July 1, 2015, an ~~any~~ elected officer may, within
202 6 months after assuming office, or within 6 months after May 30,
203 1997 ~~this act becomes a law~~ for serving elected officers, elect

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204 membership in the Senior Management Service Class as provided in
205 s. 121.055 in lieu of membership in the Elected Officers' Class.
206 ~~Any~~ Such election made by a county elected officer has ~~shall~~
207 ~~have~~ no effect upon the statutory limit on the number of
208 nonelective full-time positions that may be designated by a
209 local agency employer for inclusion in the Senior Management
210 Service Class under s. 121.055(1)(b)1.

211 Section 4. Subsections (3) and (5) of section 121.053,
212 Florida Statutes, are amended to read:

213 121.053 Participation in the Elected Officers' Class for
214 retired members.—

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

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

221 (b) An elected officer who is elected or appointed to an
222 elective office and is participating in the Deferred Retirement
223 Option Program is subject to termination as defined in s.
224 121.021 upon completion of his or her DROP participation period.
225 An elected official may defer termination as provided in
226 subsection (7).

227 (5) ~~A~~ Any renewed member, as described in s. 121.122(1),
228 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
229 receiving the maximum health insurance subsidy provided in s.
230 112.363 is entitled to earn additional credit toward the maximum
231 health insurance subsidy. Any additional subsidy due because of
232 such additional credit may be received only at the time of

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233 payment of the second career retirement benefit. The total
234 health insurance subsidy received from initial and renewed
235 membership may not exceed the maximum allowed in s. 112.363.

236 Section 5. Paragraph (f) of subsection (1) and paragraph
237 (c) of subsection (6) of section 121.055, Florida Statutes, are
238 amended to read:

239 121.055 Senior Management Service Class.—There is hereby
240 established a separate class of membership within the Florida
241 Retirement System to be known as the "Senior Management Service
242 Class," which shall become effective February 1, 1987.

243 (1)

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

245 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
246 4., an elected state officer eligible for membership in the
247 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
248 elects membership in the Senior Management Service Class under
249 s. 121.052(3)(c) may, within 6 months after assuming office or
250 within 6 months after this act becomes a law for serving elected
251 state officers, elect to participate in the Senior Management
252 Service Optional Annuity Program, as provided in subsection (6),
253 in lieu of membership in the Senior Management Service Class.

254 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
255 4., an elected officer of a local agency employer eligible for
256 membership in the Elected Officers' Class under s. 121.052(2)(d)
257 who elects membership in the Senior Management Service Class
258 under s. 121.052(3)(c) may, within 6 months after assuming
259 office, or within 6 months after this act becomes a law for
260 serving elected officers of a local agency employer, elect to
261 withdraw from the Florida Retirement System, as provided in

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262 subparagraph (b)2., in lieu of membership in the Senior
263 Management Service Class.

264 3. A retiree of a state-administered retirement system who
265 is initially reemployed in a regularly established position on
266 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected
267 official eligible for the Elected Officers' Class may not be
268 enrolled in renewed membership in the Senior Management Service
269 Class or in the Senior Management Service Optional Annuity
270 Program as provided in subsection (6), and may not withdraw from
271 the Florida Retirement System as a renewed member as provided in
272 subparagraph (b)2., as applicable, in lieu of membership in the
273 Senior Management Service Class.

274 4. Effective January 1, 2015, an eligible retiree of a
275 state-administered retirement system who retired before July 1,
276 2010, and is reemployed in a regularly established position with
277 a covered employer shall be enrolled as a renewed member as
278 provided in s. 121.122.

279 5. On or after July 1, 2015, an elected officer eligible
280 for membership in the Elected Officers' Class may not be
281 enrolled in the Senior Management Service Class or in the Senior
282 Management Service Optional Annuity Program except as provided
283 in subsection (6).

284 (6)

285 (c) *Participation.*—

286 1. An eligible employee who is employed on or before
287 February 1, 1987, may elect to participate in the optional
288 annuity program in lieu of participating in the Senior
289 Management Service Class. Such election must be ~~made~~ in writing
290 and filed with the department and the personnel officer of the

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291 employer on or before May 1, 1987. An eligible employee who is
292 employed on or before February 1, 1987, and who fails to make an
293 election to participate in the optional annuity program by May
294 1, 1987, shall be deemed to have elected membership in the
295 Senior Management Service Class.

296 2. Except as provided in subparagraph 6., an employee who
297 becomes eligible to participate in the optional annuity program
298 by reason of initial employment commencing after February 1,
299 1987, may, within 90 days after the date of commencing
300 employment, elect to participate in the optional annuity
301 program. Such election must be ~~made~~ in writing and filed with
302 the personnel officer of the employer. An eligible employee who
303 does not within 90 days after commencing employment elect to
304 participate in the optional annuity program shall be deemed to
305 have elected membership in the Senior Management Service Class.

306 3. A person who is appointed to a position in the Senior
307 Management Service Class and who is a member of an existing
308 retirement system or the Special Risk or Special Risk
309 Administrative Support Classes of the Florida Retirement System
310 may elect to remain in such system or class in lieu of
311 participating in the Senior Management Service Class or optional
312 annuity program. Such election must be ~~made~~ in writing and filed
313 with the department and the personnel officer of the employer
314 within 90 days after such appointment. An eligible employee who
315 fails to make an election to participate in the existing system,
316 the Special Risk Class of the Florida Retirement System, the
317 Special Risk Administrative Support Class of the Florida
318 Retirement System, or the optional annuity program shall be
319 deemed to have elected membership in the Senior Management

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320 Service Class.

321 4. Except as provided in subparagraph 5., an employee's
322 election to participate in the optional annuity program is
323 irrevocable if the employee continues to be employed in an
324 eligible position and continues to meet the eligibility
325 requirements set forth in this paragraph.

326 5. Effective from July 1, 2002, through September 30, 2002,
327 an active employee in a regularly established position who has
328 elected to participate in the Senior Management Service Optional
329 Annuity Program has one opportunity to choose to move from the
330 Senior Management Service Optional Annuity Program to the
331 Florida Retirement System Pension Plan.

332 a. The election must be ~~made~~ in writing and must be filed
333 with the department and the personnel officer of the employer
334 before October 1, 2002, or, in the case of an active employee
335 who is on a leave of absence on July 1, 2002, within 90 days
336 after the conclusion of the leave of absence. This election is
337 irrevocable.

338 b. The employee shall receive service credit under the
339 pension plan equal to his or her years of service under the
340 Senior Management Service Optional Annuity Program. The cost for
341 such credit is the amount representing the present value of that
342 employee's accumulated benefit obligation for the affected
343 period of service.

344 c. The employee must transfer the total accumulated
345 employer contributions and earnings on deposit in his or her
346 Senior Management Service Optional Annuity Program account. If
347 the transferred amount is not sufficient to pay the amount due,
348 the employee must pay a sum representing the remainder of the

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349 amount due. The employee may not retain any employer
350 contributions or earnings from the Senior Management Service
351 Optional Annuity Program account.

352 6. A retiree of a state-administered retirement system who
353 is initially reemployed on ~~or after~~ July 1, 2010, through
354 December 31, 2014, may not renew membership in the Senior
355 Management Service Optional Annuity Program. Effective January
356 1, 2015, an eligible retiree of a state-administered retirement
357 system who retired before July 1, 2010, and is reemployed in a
358 regularly established position with a covered employer shall be
359 enrolled as a renewed member as provided in s. 121.122.

360 7. Effective July 1, 2015, the Senior Management Service
361 Optional Annuity Program is closed to new members. Members
362 enrolled in the Senior Management Service Optional Annuity
363 Program before July 1, 2015, may retain their membership in the
364 annuity program.

365 Section 6. Paragraph (a) of subsection (4) of section
366 121.091, Florida Statutes, is amended to read:

367 121.091 Benefits payable under the system.—Benefits may not
368 be paid under this section unless the member has terminated
369 employment as provided in s. 121.021(39) (a) or begun
370 participation in the Deferred Retirement Option Program as
371 provided in subsection (13), and a proper application has been
372 filed in the manner prescribed by the department. The department
373 may cancel an application for retirement benefits when the
374 member or beneficiary fails to timely provide the information
375 and documents required by this chapter and the department's
376 rules. The department shall adopt rules establishing procedures
377 for application for retirement benefits and for the cancellation

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378 of such application when the required information or documents
379 are not received.

380 (4) DISABILITY RETIREMENT BENEFIT.—

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

382 1.a. A member who becomes totally and permanently disabled,
383 as defined in paragraph (b), after completing 5 years of
384 creditable service, or a member who becomes totally and
385 permanently disabled in the line of duty regardless of service,
386 is entitled to a monthly disability benefit, ~~+~~ except that a ~~any~~
387 member with less than 5 years of creditable service on July 1,
388 1980, or a ~~any~~ person who becomes a member of the Florida
389 Retirement System on or after such date must have completed 10
390 years of creditable service before becoming totally and
391 permanently disabled in order to receive disability retirement
392 benefits for a ~~any~~ disability that ~~which~~ occurs other than in
393 the line of duty. However, if a member employed on July 1, 1980,
394 who has less than 5 years of creditable service as of that date
395 becomes totally and permanently disabled after completing 5
396 years of creditable service and is found not to have attained
397 fully insured status for benefits under the federal Social
398 Security Act, such member is entitled to a monthly disability
399 benefit.

400 b. Effective July 1, 2001, a member of the pension plan
401 initially enrolled before July 1, 2015, who becomes totally and
402 permanently disabled, as defined in paragraph (b), after
403 completing 8 years of creditable service, or a member who
404 becomes totally and permanently disabled in the line of duty
405 regardless of service, is entitled to a monthly disability
406 benefit.

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407 c. Effective July 1, 2015, a member of the pension plan
408 initially enrolled on or after July 1, 2015, who becomes totally
409 and permanently disabled, as defined in paragraph (b), after
410 completing 10 years of creditable service, or a member who
411 becomes totally and permanently disabled in the line of duty
412 regardless of service, is entitled to a monthly disability
413 benefit.

414 2. If the division ~~has received from the employer~~ the
415 required documentation of the member's termination of employment
416 from the employer, the effective retirement date for a member
417 who applies and is approved for disability retirement shall be
418 as established by rule of the division.

419 3. For a member who is receiving Workers' Compensation
420 payments, the effective disability retirement date may not
421 precede the date the member reaches Maximum Medical Improvement
422 (MMI), unless the member terminates employment before reaching
423 MMI.

424 Section 7. Subsection (2) of section 121.122, Florida
425 Statutes, is amended, and subsections (3), (4), and (5) are
426 added to that section, to read:

427 121.122 Renewed membership in system.—

428 (2) Except as provided in subsections (3)-(5), a retiree of
429 a state-administered retirement system who is initially
430 reemployed in a regularly established position on or after July
431 1, 2010, may not be enrolled as a renewed member.

432 (3) A retiree of the investment plan, the State University
433 System Optional Retirement Program, the Senior Management
434 Service Optional Annuity Program, or the State Community College
435 System Optional Retirement Program who retired before July 1,

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436 2010, had less than 10 years of creditable service upon
437 retirement, and is employed in a regularly established position
438 with a covered employer on or after January 1, 2015, shall be a
439 renewed member of the Regular Class of the investment plan
440 regardless of the position held, unless employed in a position
441 eligible for participation in the State University System
442 Optional Retirement Program or the State Community College
443 System Optional Retirement Program as provided in subsections
444 (4) and (5), respectively. The renewed member must satisfy the
445 vesting requirements and other provisions of this chapter.

446 (a) Creditable service, including credit toward the retiree
447 health insurance subsidy provided in s. 112.363, does not accrue
448 for a retiree's employment in a regularly established position
449 with a covered employer from July 1, 2010, through December 31,
450 2014.

451 (b) Employer and employee contributions, interest,
452 earnings, or any other funds may not be paid into a renewed
453 member's investment plan account for any employment in a
454 regularly established position with a covered employer from July
455 1, 2010, through December 31, 2014, by the renewed member or the
456 employer on behalf of the member.

457 (c) To be eligible to receive a retirement benefit, the
458 renewed member must satisfy the vesting requirements in s.
459 121.4501(6).

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

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

464 (f) The member must satisfy the requirements for

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

466 (g) Upon the renewed membership or reemployment of a
467 retiree, the employer and the retiree shall pay the applicable
468 employer and employee contributions required under ss. 112.363,
469 121.71, 121.74, and 121.76. The contributions are payable only
470 for employment and salary earned in a regularly established
471 position with a covered employer on or after January 1, 2015.
472 The employer and employee contributions shall be transferred to
473 the investment plan and placed in a default fund as designated
474 by the state board. The retiree may move the contributions once
475 an account is activated in the investment plan.

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

480 (i) A renewed member who is a retiree of the investment
481 plan and who is not receiving the maximum health insurance
482 subsidy provided in s. 112.363 is entitled to earn additional
483 credit toward the subsidy. Such credit may be earned only for
484 employment in a regularly established position with a covered
485 employer on or after January 1, 2015. Any additional subsidy due
486 because of additional credit may be received only at the time of
487 paying the second career retirement benefit. The total health
488 insurance subsidy received by a retiree receiving benefits from
489 initial and renewed membership may not exceed the maximum
490 allowed under s. 112.363.

491 (4) A retiree of the investment plan, the State University
492 System Optional Retirement Program, the Senior Management
493 Service Optional Annuity Program, or the State Community College

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494 System Optional Retirement Program who retired before July 1,
495 2010, and who is employed in a regularly established position
496 eligible for participation in the State University System
497 Optional Retirement Program on or after January 1, 2015, shall
498 become a renewed member of the optional retirement program. The
499 renewed member must satisfy the vesting requirements and other
500 provisions of this chapter. Once enrolled, a renewed member
501 remains enrolled in the optional retirement program while
502 employed in an eligible position for the optional retirement
503 program. If employment in a different covered position results
504 in the retiree's enrollment in the investment plan, the retiree
505 is no longer eligible to participate in the optional retirement
506 program unless employed in a mandatory position under s. 121.35.

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

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

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

514 (d) The member, or the employer on behalf of the member,
515 may not purchase any prior service in the optional retirement
516 program or employment from July 1, 2010, to December 31, 2014.

517 (5) A retiree of the investment plan, the State University
518 System Optional Retirement Program, the Senior Management
519 Service System Optional Annuity Program, or the State Community
520 College System Optional Retirement Program who retired before
521 July 1, 2010, and who is employed in a regularly established
522 position eligible for participation in the State Community

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523 College System Optional Retirement Program as provided in s.
524 121.051(2)(c)4. on or after January 1, 2015, shall become a
525 renewed member of the optional retirement program. The renewed
526 member must satisfy the eligibility requirements of this chapter
527 and s. 1012.875 for the optional retirement program. Once
528 enrolled, a renewed member remains enrolled in the optional
529 retirement program while employed in an eligible position for
530 the optional retirement program. If employment in a different
531 covered position results in the retiree's enrollment in the
532 investment plan, the retiree is no longer eligible to
533 participate in the optional retirement program.

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

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

538 (c) Upon renewed membership or reemployment of a retiree,
539 the employer and the retiree must pay the applicable employer
540 and employee contributions required under ss. 121.051(2)(c) and
541 1012.875.

542 (d) The member, or the employer on behalf of the member,
543 may not purchase any past service in the optional retirement
544 program or employment accrued from July 1, 2010, to December 31,
545 2014.

546 Section 8. Paragraph (c) of subsection (3) of section
547 121.35, Florida Statutes, is amended to read:

548 121.35 Optional retirement program for the State University
549 System.—

550 (3) ELECTION OF OPTIONAL PROGRAM.—

551 (c) An ~~Any~~ employee who becomes eligible to participate in

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552 the optional retirement program on or after January 1, 1993,
553 shall be a compulsory participant of the program unless such
554 employee elects membership in the Florida Retirement System.
555 Such election shall be ~~made~~ in writing and filed with the
556 personnel officer of the employer. An ~~Any~~ eligible employee who
557 fails to make such election within the prescribed time period
558 shall be deemed to have elected to participate in the optional
559 retirement program.

560 1. An ~~Any~~ employee whose optional retirement program
561 eligibility results from initial employment shall be enrolled in
562 the program at the commencement of employment. If, within 90
563 days after commencement of employment, the employee elects
564 membership in the Florida Retirement System, such membership is
565 ~~shall be~~ effective retroactive to the date of commencing
566 ~~commencement of~~ employment as provided in s. 121.4501(4).

567 2. An ~~Any~~ employee whose optional retirement program
568 eligibility results from a change in status due to the
569 subsequent designation of the employee's position as one of
570 those specified in paragraph (2)(a) or due to the employee's
571 appointment, promotion, transfer, or reclassification to a
572 position specified in paragraph (2)(a) shall be enrolled in the
573 optional retirement program upon such change in status and shall
574 be notified by the employer of such action. If, within 90 days
575 after the date of such notification, the employee elects to
576 retain membership in the Florida Retirement System, such
577 continuation of membership is ~~shall be~~ retroactive to the date
578 of the change in status.

579 3. Notwithstanding ~~the provisions of~~ this paragraph,
580 effective July 1, 1997, an ~~any~~ employee who is eligible to

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581 participate in the Optional Retirement Program and who fails to
582 execute a contract with one of the approved companies and to
583 notify the department in writing as provided in subsection (4)
584 within 90 days after the date of eligibility shall be deemed to
585 have elected membership in the Florida Retirement System, except
586 as provided in s. 121.051(1)(a). This provision ~~shall~~ also
587 applies apply to an any employee who terminates employment in an
588 eligible position before executing the required investment
589 ~~annuity~~ contract and notifying the department. Such membership
590 is shall be retroactive to the date of eligibility, and all
591 appropriate contributions shall be transferred to the Florida
592 Retirement System Trust Fund and the Health Insurance Subsidy
593 Trust Fund.

594 Section 9. Subsection (1), paragraphs (e) and (i) of
595 subsection (2), paragraph (b) of subsection (3), subsection (4),
596 paragraph (c) of subsection (5), subsection (8), and paragraphs
597 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
598 Florida Statutes, are amended to read:

599 121.4501 Florida Retirement System Investment Plan.—

600 (1) The Trustees of the State Board of Administration shall
601 establish a defined contribution program called the "Florida
602 Retirement System Investment Plan" or "investment plan" for
603 members of the Florida Retirement System under which retirement
604 benefits are will be provided for eligible employees who elect
605 to participate in the program, for employees who default into
606 the program, and for compulsory members described in paragraph
607 (4)(g). The retirement benefits shall be provided through
608 member-directed investments, in accordance with s. 401(a) of the
609 Internal Revenue Code and related regulations. The employer and

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610 employee shall make contributions, as provided in this section
 611 and ss. 121.571 and 121.71, to the Florida Retirement System
 612 Investment Plan Trust Fund toward the funding of benefits.

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

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

616 1. Is a member of, or is eligible for membership in, the
 617 Florida Retirement System, including any renewed member of the
 618 Florida Retirement System initially enrolled before July 1,
 619 2010; ~~or~~

620 2. Participates in, or is eligible to participate in, the
 621 Senior Management Service Optional Annuity Program as
 622 established under s. 121.055(6), the State Community College
 623 System Optional Retirement Program as established under s.
 624 121.051(2)(c), or the State University System Optional
 625 Retirement Program established under s. 121.35; or

626 3. Is a retired member of the investment plan, the State
 627 University System Optional Retirement Program, the Senior
 628 Management Service Optional Annuity Program, or the State
 629 Community College System Optional Retirement Program who retired
 630 before July 1, 2010 and is employed in a regularly established
 631 position on or after January 1, 2015, as provided in s. 121.122.

632
 633 The term does not include any member participating in the
 634 Deferred Retirement Option Program established under s.
 635 121.091(13), a retiree of a state-administered retirement system
 636 who retired ~~initially reemployed in a regularly established~~
 637 ~~position~~ on or after July 1, 2010, or a mandatory participant of
 638 the State University System Optional Retirement Program

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639 established under s. 121.35.

640 (i) "Member" or "employee" means an eligible employee who
641 enrolls, is defaulted into, or is a compulsory member of ~~in~~ the
642 investment plan as provided in subsection (4), a terminated
643 Deferred Retirement Option Program member as described in
644 subsection (21), or a beneficiary or alternate payee of a member
645 or employee.

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

647 (b) Notwithstanding paragraph (a), an eligible employee who
648 elects to participate in or is defaulted into the investment
649 plan and establishes one or more individual member accounts may
650 elect to transfer to the investment plan a sum representing the
651 present value of the employee's accumulated benefit obligation
652 under the pension plan, except as provided in paragraph (4)(b).
653 Upon transfer, all service credit earned under the pension plan
654 is nullified for purposes of entitlement to a future benefit
655 under the pension plan. A member may not transfer the
656 accumulated benefit obligation balance from the pension plan
657 after the time period for enrolling in the investment plan has
658 expired.

659 1. For purposes of this subsection, the present value of
660 the member's accumulated benefit obligation is based upon the
661 member's estimated creditable service and estimated average
662 final compensation under the pension plan, subject to
663 recomputation under subparagraph 2. For state employees, initial
664 estimates shall be based upon creditable service and average
665 final compensation as of midnight on June 30, 2002; for district
666 school board employees, initial estimates shall be based upon
667 creditable service and average final compensation as of midnight

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668 on September 30, 2002; and for local government employees,
669 initial estimates shall be based upon creditable service and
670 average final compensation as of midnight on December 31, 2002.
671 The dates specified are the "estimate date" for these employees.
672 The actuarial present value of the employee's accumulated
673 benefit obligation shall be based on the following:

674 a. The discount rate and other relevant actuarial
675 assumptions used to value the Florida Retirement System Trust
676 Fund at the time the amount to be transferred is determined,
677 consistent with the factors provided in sub-subparagraphs b. and
678 c.

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

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

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

686 (A) Age 62; or

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

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

695 (A) Age 65; or

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

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697 33 years of service with an employer, assuming the member worked
698 continuously from the estimate date, and disregarding any
699 vesting requirement that would otherwise apply under the pension
700 plan.

701 d. For members of the Special Risk Class and for members of
702 the Special Risk Administrative Support Class entitled to retain
703 the special risk normal retirement date:

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

707 (A) Age 55; or

708 (B) The age the member would attain if the member completed
709 25 years of service with an employer, assuming the member worked
710 continuously from the estimate date, and disregarding any
711 vesting requirement that would otherwise apply under the pension
712 plan.

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

717 (A) Age 60; or

718 (B) The age the member would attain if the member completed
719 30 years of service with an employer, assuming the member worked
720 continuously from the estimate date, and disregarding any
721 vesting requirement that would otherwise apply under the pension
722 plan.

723 e. The calculation must disregard vesting requirements and
724 early retirement reduction factors that would otherwise apply
725 under the pension plan.

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726 2. For each member who elects to transfer moneys from the
727 pension plan to his or her account in the investment plan, the
728 division shall recompute the amount transferred under
729 subparagraph 1. within 60 days after the actual transfer of
730 funds based upon the member's actual creditable service and
731 actual final average compensation as of the initial date of
732 participation in the investment plan. If the recomputed amount
733 differs from the amount transferred by \$10 or more, the division
734 shall:

735 a. Transfer, or cause to be transferred, from the Florida
736 Retirement System Trust Fund to the member's account the excess,
737 if any, of the recomputed amount over the previously transferred
738 amount together with interest from the initial date of transfer
739 to the date of transfer under this subparagraph, based upon the
740 effective annual interest equal to the assumed return on the
741 actuarial investment which was used in the most recent actuarial
742 valuation of the system, compounded annually.

743 b. Transfer, or cause to be transferred, from the member's
744 account to the Florida Retirement System Trust Fund the excess,
745 if any, of the previously transferred amount over the recomputed
746 amount, together with interest from the initial date of transfer
747 to the date of transfer under this subparagraph, based upon 6
748 percent effective annual interest, compounded annually, pro rata
749 based on the member's allocation plan.

750 3. If contribution adjustments are made as a result of
751 employer errors or corrections, including plan corrections,
752 following recomputation of the amount transferred under
753 subparagraph 1., the member is entitled to the additional
754 contributions or is responsible for returning any excess

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755 contributions resulting from the correction. However, a ~~any~~
756 return of such erroneous excess pretax contribution by the plan
757 must be made within the period allowed by the Internal Revenue
758 Service. The present value of the member's accumulated benefit
759 obligation may ~~shall~~ not be recalculated.

760 4. As directed by the member, the state board shall
761 transfer or cause to be transferred the appropriate amounts to
762 the designated accounts within 30 days after the effective date
763 of the member's participation in the investment plan unless the
764 major financial markets for securities available for a transfer
765 are seriously disrupted by an unforeseen event that causes the
766 suspension of trading on a ~~any~~ national securities exchange in
767 the country where the securities were issued. In that event, the
768 30-day period may be extended by a resolution of the state
769 board. Transfers are not commissionable or subject to other fees
770 and may be in the form of securities or cash, as determined by
771 the state board. Such securities are valued as of the date of
772 receipt in the member's account.

773 5. If the state board or the division receives notification
774 from the United States Internal Revenue Service that this
775 paragraph or any portion of this paragraph will cause the
776 retirement system, or a portion thereof, to be disqualified for
777 tax purposes under the Internal Revenue Code, the portion that
778 will cause the disqualification does not apply. Upon such
779 notice, the state board and the division shall notify the
780 presiding officers of the Legislature.

781 (4) PARTICIPATION; ENROLLMENT.—

782 (a)1. Effective June 1, 2002, through February 28, 2003, a
783 90-day election period, preceded by a 90-day education period,

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784 was provided to each eligible employee participating in the
785 Florida Retirement System which permitted each eligible employee
786 to elect membership in the investment plan, and an employee who
787 failed to elect the investment plan during the election period
788 remained in the pension plan. An eligible employee who was
789 employed in a regularly established position during the election
790 period was granted the option to make one subsequent election,
791 as provided in paragraph (f). With respect to an eligible
792 employee who did not participate in the initial election period
793 or who is initially ~~employee who is~~ employed in a regularly
794 established position after the close of the initial election
795 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
796 employer:

797 ~~a. Any such employee may elect to participate in the~~
798 ~~investment plan in lieu of retaining his or her membership in~~
799 ~~the pension plan. The election must be made in writing or by~~
800 ~~electronic means and must be filed with the third party~~
801 ~~administrator by August 31, 2002, or, in the case of an active~~
802 ~~employee who is on a leave of absence on April 1, 2002, by the~~
803 ~~last business day of the 5th month following the month the leave~~
804 ~~of absence concludes. This election is irrevocable, except as~~
805 ~~provided in paragraph (g). Upon making such election, the~~
806 ~~employee shall be enrolled as a member of the investment plan,~~
807 ~~the employee's membership in the Florida Retirement System is~~
808 ~~governed by the provisions of this part, and the employee's~~
809 ~~membership in the pension plan terminates. The employee's~~
810 ~~enrollment in the investment plan is effective the first day of~~
811 ~~the month for which a full month's employer contribution is made~~
812 ~~to the investment plan.~~

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

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

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

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

838 ~~b.e.~~ An employee who fails to elect to participate in the
839 investment plan within the prescribed time period is deemed to
840 have elected to retain membership in the pension plan, and the
841 employee's option to elect to participate in the investment plan

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842 is forfeited.

843 ~~2.3.~~ With respect to employees who become eligible to
844 participate in the investment plan pursuant to s.
845 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
846 participate in the investment plan in lieu of retaining his or
847 her membership in the State Community College System Optional
848 Retirement Program or the State University System Optional
849 Retirement Program. The election must be ~~made~~ in writing or by
850 electronic means and must be filed with the third-party
851 administrator. This election is irrevocable, except as provided
852 in paragraph (f) ~~(g)~~. Upon making such election, the employee
853 shall be enrolled as a member in the investment plan, the
854 employee's membership in the Florida Retirement System is
855 governed by the provisions of this part, and the employee's
856 participation in the State Community College System Optional
857 Retirement Program or the State University System Optional
858 Retirement Program terminates. The employee's enrollment in the
859 investment plan is effective on the first day of the month for
860 which a full month's employer and employee contribution is made
861 to the investment plan.

862 ~~4. For purposes of this paragraph, "state employer" means~~
863 ~~any agency, board, branch, commission, community college,~~
864 ~~department, institution, institution of higher education, or~~
865 ~~water management district of the state, which participates in~~
866 ~~the Florida Retirement System for the benefit of certain~~
867 ~~employees.~~

868 (b) With respect to employees who become eligible to
869 participate in the investment plan, except as provided in
870 paragraph (g), by reason of employment in a regularly

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871 established position commencing on or after July 1, 2015, such
872 employee shall be enrolled in the pension plan at the
873 commencement of employment and may, by the last business day of
874 the 8th month following the employee's month of hire, elect to
875 participate in the pension plan or the investment plan. Eligible
876 employees may make a plan election only if they are earning
877 service credit in an employer-employee relationship consistent
878 with s. 121.021(17)(b), excluding leaves of absence without pay.

879 1. The employee's election must be in writing or by
880 electronic means and must be filed with the third-party
881 administrator. The election to participate in the pension plan
882 or investment plan is irrevocable, except as provided in
883 paragraph (f).

884 2. If the employee fails to make an election of the pension
885 plan or investment plan within 8 months following the month of
886 hire, the employee is deemed to have elected the investment plan
887 and will be defaulted into the investment plan retroactively to
888 the employee's date of employment. The employee's option to
889 participate in the pension plan is forfeited, except as provided
890 in paragraph (f).

891 3. The amount of the employee and employer contributions
892 paid before the default to the investment plan shall be
893 transferred to the investment plan and placed in a default fund
894 as designated by the State Board of Administration. The employee
895 may move the contributions once an account is activated in the
896 investment plan.

897 4. Effective the first day of the month after an eligible
898 employee makes a plan election of the pension plan or investment
899 plan, or after the month of default to the investment plan, the

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900 employee and employer shall pay the applicable contributions
901 based on the employee membership class in the pension plan or
902 investment plan.

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

906 a. Any such employee may elect to participate in the
907 investment plan in lieu of retaining his or her membership in
908 the pension plan. The election must be made in writing or by
909 electronic means and must be filed with the third-party
910 administrator by November 30, or, in the case of an active
911 employee who is on a leave of absence on July 1, 2002, by the
912 last business day of the 5th month following the month the leave
913 of absence concludes. This election is irrevocable, except as
914 provided in paragraph (g). Upon making such election, the
915 employee shall be enrolled as a member of the investment plan,
916 the employee's membership in the Florida Retirement System is
917 governed by the provisions of this part, and the employee's
918 membership in the pension plan terminates. The employee's
919 enrollment in the investment plan is effective the first day of
920 the month for which a full month's employer contribution is made
921 to the investment program.

922 b. Any such employee who fails to elect to participate in
923 the investment plan within the prescribed time period is deemed
924 to have elected to retain membership in the pension plan, and
925 the employee's option to elect to participate in the investment
926 plan is forfeited.

927 2. With respect to employees who become eligible to
928 participate in the investment plan by reason of employment in a

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929 ~~regularly established position with a district school board~~
930 ~~employer commencing after July 1, 2002:~~

931 ~~a. Any such employee shall, by default, be enrolled in the~~
932 ~~pension plan at the commencement of employment, and may, by the~~
933 ~~last business day of the 5th month following the employee's~~
934 ~~month of hire, elect to participate in the investment plan. The~~
935 ~~employee's election must be made in writing or by electronic~~
936 ~~means and must be filed with the third party administrator. The~~
937 ~~election to participate in the investment plan is irrevocable,~~
938 ~~except as provided in paragraph (g).~~

939 ~~b. If the employee files such election within the~~
940 ~~prescribed time period, enrollment in the investment plan is~~
941 ~~effective on the first day of employment. The employer~~
942 ~~retirement contributions paid through the month of the employee~~
943 ~~plan change shall be transferred to the investment plan, and,~~
944 ~~effective the first day of the next month, the employer shall~~
945 ~~pay the applicable contributions based on the employee~~
946 ~~membership class in the investment plan.~~

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

952 ~~3. For purposes of this paragraph, "district school board~~
953 ~~employer" means any district school board that participates in~~
954 ~~the Florida Retirement System for the benefit of certain~~
955 ~~employees, or a charter school or charter technical career~~
956 ~~center that participates in the Florida Retirement System as~~
957 ~~provided in s. 121.051(2) (d).~~

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

961 ~~a. Any such employee may elect to participate in the~~
962 ~~investment plan in lieu of retaining his or her membership in~~
963 ~~the pension plan. The election must be made in writing or by~~
964 ~~electronic means and must be filed with the third-party~~
965 ~~administrator by February 28, 2003, or, in the case of an active~~
966 ~~employee who is on a leave of absence on October 1, 2002, by the~~
967 ~~last business day of the 5th month following the month the leave~~
968 ~~of absence concludes. This election is irrevocable, except as~~
969 ~~provided in paragraph (g). Upon making such election, the~~
970 ~~employee shall be enrolled as a participant of the investment~~
971 ~~plan, the employee's membership in the Florida Retirement System~~
972 ~~is governed by the provisions of this part, and the employee's~~
973 ~~membership in the pension plan terminates. The employee's~~
974 ~~enrollment in the investment plan is effective the first day of~~
975 ~~the month for which a full month's employer contribution is made~~
976 ~~to the investment plan.~~

977 ~~b. Any such employee who fails to elect to participate in~~
978 ~~the investment plan within the prescribed time period is deemed~~
979 ~~to have elected to retain membership in the pension plan, and~~
980 ~~the employee's option to elect to participate in the investment~~
981 ~~plan is forfeited.~~

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

986 ~~a. Any such employee shall, by default, be enrolled in the~~

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987 ~~pension plan at the commencement of employment, and may, by the~~
988 ~~last business day of the 5th month following the employee's~~
989 ~~month of hire, elect to participate in the investment plan. The~~
990 ~~employee's election must be made in writing or by electronic~~
991 ~~means and must be filed with the third party administrator. The~~
992 ~~election to participate in the investment plan is irrevocable,~~
993 ~~except as provided in paragraph (g).~~

994 ~~b. If the employee files such election within the~~
995 ~~prescribed time period, enrollment in the investment plan is~~
996 ~~effective on the first day of employment. The employer~~
997 ~~retirement contributions paid through the month of the employee~~
998 ~~plan change shall be transferred to the investment plan, and,~~
999 ~~effective the first day of the next month, the employer shall~~
1000 ~~pay the applicable contributions based on the employee~~
1001 ~~membership class in the investment plan.~~

1002 ~~e. Any such employee who fails to elect to participate in~~
1003 ~~the investment plan within the prescribed time period is deemed~~
1004 ~~to have elected to retain membership in the pension plan, and~~
1005 ~~the employee's option to elect to participate in the investment~~
1006 ~~plan is forfeited.~~

1007 ~~3. For purposes of this paragraph, "local employer" means~~
1008 ~~any employer not included in paragraph (a) or paragraph (b).~~

1009 ~~(c)~~ (d) Contributions available for self-direction by a
1010 member who has not selected one or more specific investment
1011 products shall be allocated as prescribed by the state board.
1012 The third-party administrator shall notify the member at least
1013 quarterly that the member should take an affirmative action to
1014 make an asset allocation among the investment products.

1015 ~~(d)~~ (e) On or after July 1, 2011, a member of the pension

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1016 plan who obtains a refund of employee contributions retains his
1017 or her prior plan choice upon return to employment in a
1018 regularly established position with a participating employer.

1019 (e)~~(f)~~ A member of the investment plan who takes a
1020 distribution of any contributions from his or her investment
1021 plan account is considered a retiree. A member ~~retiree~~ who
1022 retires ~~is initially reemployed in a regularly established~~
1023 ~~position~~ on or after July 1, 2010, is not eligible to be
1024 enrolled in renewed membership. A member who retired before July
1025 1, 2010, and is employed on or after January 1, 2015, in a
1026 regularly established position shall be a renewed member as
1027 provided under s. 121.122. A retiree who returned to covered
1028 employment before July 1, 2010, shall continue membership in the
1029 plan as provided under s. 121.122.

1030 (f)~~(g)~~ After the period during which an eligible employee
1031 had the choice to elect the pension plan or the investment plan,
1032 or the month following the receipt of the eligible employee's
1033 plan election, if sooner, the employee shall have one
1034 opportunity, at the employee's discretion, to ~~choose to~~ move
1035 from the pension plan to the investment plan or from the
1036 investment plan to the pension plan. Eligible employees may
1037 elect to move between plans only if they are earning service
1038 credit in an employer-employee relationship consistent with s.
1039 121.021(17)(b), excluding leaves of absence without pay.
1040 Effective July 1, 2005, such elections are effective on the
1041 first day of the month following the receipt of the election by
1042 the third-party administrator and are not subject to the
1043 requirements regarding an employer-employee relationship or
1044 receipt of contributions for the eligible employee in the

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1045 effective month, except when the election is received by the
1046 third-party administrator. This paragraph is contingent upon
1047 approval by the Internal Revenue Service. This paragraph is not
1048 applicable to compulsory members of the investment plan
1049 described in paragraph (g).

1050 1. If the employee chooses to move to the investment plan,
1051 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.

1052 2. If the employee chooses to move to the pension plan, the
1053 employee must transfer from his or her investment plan account,
1054 and from other employee moneys as necessary, a sum representing
1055 the present value of that employee's accumulated benefit
1056 obligation immediately following the time of such movement,
1057 determined assuming that attained service equals the sum of
1058 service in the pension plan and service in the investment plan.
1059 Benefit commencement occurs on the first date the employee is
1060 eligible for unreduced benefits, using the discount rate and
1061 other relevant actuarial assumptions that were used to value the
1062 pension plan liabilities in the most recent actuarial valuation.
1063 For an ~~any~~ employee who, at the time of the second election,
1064 already maintains an accrued benefit amount in the pension plan,
1065 the then-present value of the accrued benefit is deemed part of
1066 the required transfer amount. The division must ensure that the
1067 transfer sum is prepared using a formula and methodology
1068 certified by an enrolled actuary. A refund of any employee
1069 contributions or additional member payments made which exceed
1070 the employee contributions that would have accrued had the
1071 member remained in the pension plan and not transferred to the
1072 investment plan is not permitted.

1073 3. Notwithstanding subparagraph 2., an employee who chooses

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1074 to move to the pension plan and who became eligible to
1075 participate in the investment plan by reason of employment in a
1076 regularly established position with a state employer after June
1077 1, 2002; a district school board employer after September 1,
1078 2002; or a local employer after December 1, 2002, must transfer
1079 from his or her investment plan account, and from other employee
1080 moneys as necessary, a sum representing the employee's actuarial
1081 accrued liability. A refund of any employee contributions or
1082 additional member ~~participant~~ payments made which exceed the
1083 employee contributions that would have accrued had the member
1084 remained in the pension plan and not transferred to the
1085 investment plan is not permitted.

1086 4. An employee's ability to transfer from the pension plan
1087 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)-~~
1088 ~~(d)~~, and the ability of a current employee to have an option to
1089 later transfer back into the pension plan under subparagraph 2.,
1090 shall be deemed a significant system amendment. Pursuant to s.
1091 121.031(4), any resulting unfunded liability arising from actual
1092 original transfers from the pension plan to the investment plan
1093 must be amortized within 30 plan years as a separate unfunded
1094 actuarial base independent of the reserve stabilization
1095 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first
1096 25 years, a direct amortization payment may not be calculated
1097 for this base. During this 25-year period, the separate base
1098 shall be used to offset the impact of employees exercising their
1099 second program election under this paragraph. The actuarial
1100 funded status of the pension plan will not be affected by such
1101 second program elections in any significant manner, after due
1102 recognition of the separate unfunded actuarial base. Following

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1103 the initial 25-year period, any remaining balance of the
1104 original separate base shall be amortized over the remaining 5
1105 years of the required 30-year amortization period.

1106 5. If the employee chooses to transfer from the investment
1107 plan to the pension plan and retains an excess account balance
1108 in the investment plan after satisfying the buy-in requirements
1109 under this paragraph, the excess may not be distributed until
1110 the member retires from the pension plan. The excess account
1111 balance may be rolled over to the pension plan and used to
1112 purchase service credit or upgrade creditable service in the
1113 pension plan.

1114 (g) Except for members of the Elected Officers Class
1115 eligible to withdraw from the Florida Retirement System under s.
1116 121.052(3)(d) or eligible for optional retirement programs under
1117 s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35, or described
1118 in s. 121.052(2)(a)2. or (2)(b), an employee initially enrolled
1119 in the Florida Retirement System on or after July 1, 2015, and
1120 whose first employment in a regularly established position is
1121 covered by the Elected Officers' Class are compulsory members of
1122 the investment plan. Investment plan membership continues for a
1123 compulsory member even if the employee is subsequently employed
1124 in a position covered by another membership class. Membership in
1125 the pension plan by a compulsory member is not permitted except
1126 as provided in s. 121.591(2).

1127 1. Employees initially enrolled in the system before July
1128 1, 2015, may retain their membership in the pension plan or
1129 investment plan and are eligible to use the election opportunity
1130 specified in paragraph (f). Compulsory members are not eligible
1131 to use the election opportunity.

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1132 2. Employees eligible to withdraw from the system under s.
1133 121.052(3)(d) may withdraw from the system or participate in the
1134 investment plan as provided under those provisions. Employees
1135 eligible for optional retirement programs under s. 121.051(2)(c)
1136 or s. 121.35 may participate in the optional retirement program
1137 or the investment plan as provided in those provisions. Eligible
1138 employees required to participate in the optional retirement
1139 program pursuant to s. 121.051(1)(a) as provided under s. 121.35
1140 must participate in the investment plan if employed in a
1141 position not eligible for the optional retirement program.

1142 3. The amount of retirement contributions paid by the
1143 employee and employer, as required under s. 121.72, shall be
1144 placed in a default fund designated by the state board, until an
1145 account is activated in the investment plan, at which time the
1146 member may move the contributions from the default fund to other
1147 funds provided in the investment plan.

1148 (5) CONTRIBUTIONS.—

1149 (c) The state board, acting as plan fiduciary, shall ~~must~~
1150 ensure that all plan assets are held in a trust, pursuant to s.
1151 401 of the Internal Revenue Code. The fiduciary shall ~~must~~
1152 ensure that such contributions are allocated as follows:

1153 1. The employer and employee contribution portion earmarked
1154 for member accounts shall be used to purchase interests in the
1155 appropriate investment vehicles as specified by the member, or
1156 in accordance with paragraph (4)(c) ~~(4)(d)~~.

1157 2. The employer contribution portion earmarked for
1158 administrative and educational expenses shall be transferred to
1159 the Florida Retirement System Investment Plan Trust Fund.

1160 3. The employer contribution portion earmarked for

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1161 disability benefits shall be transferred to the Florida
1162 Retirement System Trust Fund.

1163 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1164 shall be administered by the state board and affected employers.
1165 The state board may require oaths, by affidavit or otherwise,
1166 and acknowledgments from persons in connection with the
1167 administration of its statutory duties and responsibilities for
1168 the investment plan. An oath, by affidavit or otherwise, is may
1169 ~~be~~ required of a member at the time of enrollment. Except
1170 for compulsory members described in paragraph (4)(g),
1171 acknowledgment of an employee's election to participate in the
1172 program may shall be no greater than necessary to confirm the
1173 employee's election. The state board shall adopt rules to carry
1174 out its statutory duties with respect to administering the
1175 investment plan, including establishing the roles and
1176 responsibilities of affected state, local government, and
1177 education-related employers, the state board, the department,
1178 and third-party contractors. The department shall adopt rules
1179 necessary to administer the investment plan in coordination with
1180 the pension plan and the disability benefits available under the
1181 investment plan.

1182 (a)1. The state board shall select and contract with a
1183 third-party administrator to provide administrative services if
1184 those services cannot be competitively and contractually
1185 provided by the division. With the approval of the state board,
1186 the third-party administrator may subcontract to provide
1187 components of the administrative services. As a cost of
1188 administration, the state board may compensate ~~any~~ such
1189 contractor for its services, in accordance with the terms of the

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1190 contract, as is deemed necessary or proper by the board. The
1191 third-party administrator may not be an approved provider or be
1192 affiliated with an approved provider.

1193 2. These administrative services may include, but are not
1194 limited to, enrollment of eligible employees, collection of
1195 employer and employee contributions, disbursement of
1196 contributions to approved providers in accordance with the
1197 allocation directions of members; services relating to
1198 consolidated billing; individual and collective recordkeeping
1199 and accounting; asset purchase, control, and safekeeping; and
1200 direct disbursement of funds to and from the third-party
1201 administrator, the division, the state board, employers,
1202 members, approved providers, and beneficiaries. This section
1203 does not prevent or prohibit a bundled provider from providing
1204 any administrative or customer service, including accounting and
1205 administration of individual member benefits and contributions;
1206 individual member recordkeeping; asset purchase, control, and
1207 safekeeping; direct execution of the member's instructions as to
1208 asset and contribution allocation; calculation of daily net
1209 asset values; direct access to member account information; or
1210 periodic reporting to members, at least quarterly, on account
1211 balances and transactions, if these services are authorized by
1212 the state board as part of the contract.

1213 (b)1. The state board shall select and contract with one or
1214 more organizations to provide educational services. With
1215 approval of the state board, the organizations may subcontract
1216 to provide components of the educational services. As a cost of
1217 administration, the state board may compensate any such
1218 contractor for its services in accordance with the terms of the

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1219 contract, as is deemed necessary or proper by the board. The
1220 education organization may not be an approved provider or be
1221 affiliated with an approved provider.

1222 2. Educational services shall be designed by the state
1223 board and department to assist employers, eligible employees,
1224 members, and beneficiaries in order to maintain compliance with
1225 United States Department of Labor regulations under s. 404(c) of
1226 the Employee Retirement Income Security Act of 1974 and to
1227 assist employees in their choice of pension plan or investment
1228 plan retirement alternatives. Educational services include, but
1229 are not limited to, disseminating educational materials;
1230 providing retirement planning education; explaining the pension
1231 plan and the investment plan; and offering financial planning
1232 guidance on matters such as investment diversification,
1233 investment risks, investment costs, and asset allocation. An
1234 approved provider may also provide educational information,
1235 including retirement planning and investment allocation
1236 information concerning its products and services.

1237 (c)1. In evaluating and selecting a third-party
1238 administrator, the state board shall establish criteria for
1239 evaluating the relative capabilities and qualifications of each
1240 proposed administrator. In developing such criteria, the state
1241 board shall consider:

1242 a. The administrator's demonstrated experience in providing
1243 administrative services to public or private sector retirement
1244 systems.

1245 b. The administrator's demonstrated experience in providing
1246 daily valued recordkeeping to defined contribution programs.

1247 c. The administrator's ability and willingness to

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1248 coordinate its activities with employers, the state board, and
1249 the division, and to supply to such employers, the board, and
1250 the division the information and data they require, including,
1251 but not limited to, monthly management reports, quarterly member
1252 reports, and ad hoc reports requested by the department or state
1253 board.

1254 d. The cost-effectiveness and levels of the administrative
1255 services provided.

1256 e. The administrator's ability to interact with the
1257 members, the employers, the state board, the division, and the
1258 providers; the means by which members may access account
1259 information, direct investment of contributions, make changes to
1260 their accounts, transfer moneys between available investment
1261 vehicles, and transfer moneys between investment products; and
1262 any fees that apply to such activities.

1263 f. Any other factor deemed necessary by the state board.

1264 2. In evaluating and selecting an educational provider, the
1265 state board shall establish criteria under which it shall
1266 consider the relative capabilities and qualifications of each
1267 proposed educational provider. In developing such criteria, the
1268 state board shall consider:

1269 a. Demonstrated experience in providing educational
1270 services to public or private sector retirement systems.

1271 b. Ability and willingness to coordinate its activities
1272 with the employers, the state board, and the division, and to
1273 supply to such employers, the board, and the division the
1274 information and data they require, including, but not limited
1275 to, reports on educational contacts.

1276 c. The cost-effectiveness and levels of the educational

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1277 services provided.

1278 d. Ability to provide educational services via different
1279 media, including, but not limited to, the Internet, personal
1280 contact, seminars, brochures, and newsletters.

1281 e. Any other factor deemed necessary by the state board.

1282 3. The establishment of the criteria shall be solely within
1283 the discretion of the state board.

1284 (d) The state board shall develop the form and content of
1285 any contracts to be offered under the investment plan. In
1286 developing the contracts, the board shall consider:

1287 1. The nature and extent of the rights and benefits to be
1288 afforded in relation to the contributions required under the
1289 plan.

1290 2. The suitability of the rights and benefits provided and
1291 the interests of employers in the recruitment and retention of
1292 eligible employees.

1293 (e)1. The state board may contract for professional
1294 services, including legal, consulting, accounting, and actuarial
1295 services, deemed necessary to implement and administer the
1296 investment plan. The state board may enter into a contract with
1297 one or more vendors to provide low-cost investment advice to
1298 members, supplemental to education provided by the third-party
1299 administrator. All fees under any such contract shall be paid by
1300 those members who choose to use the services of the vendor.

1301 2. The department may contract for professional services,
1302 including legal, consulting, accounting, and actuarial services,
1303 deemed necessary to implement and administer the investment plan
1304 in coordination with the pension plan. The department, in
1305 coordination with the state board, may enter into a contract

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1306 with the third-party administrator in order to coordinate
1307 services common to the various programs within the Florida
1308 Retirement System.

1309 (f) The third-party administrator may not receive direct or
1310 indirect compensation from an approved provider, except as
1311 specifically provided ~~for~~ in the contract with the state board.

1312 (g) The state board shall receive and resolve member
1313 complaints against the program, the third-party administrator,
1314 or any program vendor or provider; shall resolve any conflict
1315 between the third-party administrator and an approved provider
1316 if such conflict threatens the implementation or administration
1317 of the program or the quality of services to employees; and may
1318 resolve any other conflicts. The third-party administrator shall
1319 retain all member records for at least 5 years for use in
1320 resolving ~~any~~ member conflicts. The state board, the third-party
1321 administrator, or a provider is not required to produce
1322 documentation or an audio recording to justify action taken with
1323 regard to a member if the action occurred 5 or more years before
1324 the complaint is submitted to the state board. It is presumed
1325 that all action taken 5 or more years before the complaint is
1326 submitted was taken at the request of the member and with the
1327 member's full knowledge and consent. To overcome this
1328 presumption, the member must present documentary evidence or an
1329 audio recording demonstrating otherwise.

1330 (10) EDUCATION COMPONENT.—

1331 (a) The state board, in coordination with the department,
1332 shall provide ~~for~~ an education component for eligible employees
1333 ~~system members~~ in a manner consistent with ~~the provisions of~~
1334 this subsection ~~section~~. ~~The education component must be~~

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1335 ~~available to eligible employees at least 90 days prior to the~~
1336 ~~beginning date of the election period for the employees of the~~
1337 ~~respective types of employers.~~

1338 (b) Except for compulsory members described in paragraph
1339 (4) (g), the education component must provide system members with
1340 impartial and balanced information about plan choices. The
1341 education component must involve multimedia formats. Program
1342 comparisons must, to the greatest extent possible, be based upon
1343 the retirement income that different retirement programs may
1344 provide to the member. The state board shall monitor the
1345 performance of the contract to ensure that the program is
1346 conducted in accordance with the contract, applicable law, and
1347 the rules of the state board.

1348 (c) Except for compulsory members described in paragraph
1349 (4) (g), the state board, in coordination with the department,
1350 shall provide for an initial and ongoing transfer education
1351 component to provide system members with information necessary
1352 to make informed plan choice decisions. The transfer education
1353 component must include, but is not limited to, information on:

1354 1. The amount of money available to a member to transfer to
1355 the defined contribution program.

1356 2. The features of and differences between the pension plan
1357 and the defined contribution program, both generally and
1358 specifically, as those differences may affect the member.

1359 3. The expected benefit available if the member were to
1360 retire under each of the retirement programs, based on
1361 appropriate alternative sets of assumptions.

1362 4. The rate of return from investments in the defined
1363 contribution program and the period of time over which such rate

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1364 of return must be achieved to equal or exceed the expected
1365 monthly benefit payable to the member under the pension plan.

1366 5. The historical rates of return for the investment
1367 alternatives available in the defined contribution programs.

1368 6. The benefits and historical rates of return on
1369 investments available in a typical deferred compensation plan or
1370 a typical plan under s. 403(b) of the Internal Revenue Code for
1371 which the employee may be eligible.

1372 7. The program choices available to employees of the State
1373 University System and the comparative benefits of each available
1374 program, if applicable.

1375 8. Payout options available in each of the retirement
1376 programs.

1377 ~~(h) Pursuant to subsection (8), all Florida Retirement
1378 System employers have an obligation to regularly communicate the
1379 existence of the two Florida Retirement System plans and the
1380 plan choice in the natural course of administering their
1381 personnel functions, using the educational materials supplied by
1382 the state board and the Department of Management Services.~~

1383 Section 10. Paragraph (b) of subsection (2) of section
1384 121.591, Florida Statutes, is amended to read:

1385 121.591 Payment of benefits.—Benefits may not be paid under
1386 the Florida Retirement System Investment Plan unless the member
1387 has terminated employment as provided in s. 121.021(39) (a) or is
1388 deceased and a proper application has been filed as prescribed
1389 by the state board or the department. Benefits, including
1390 employee contributions, are not payable under the investment
1391 plan for employee hardships, unforeseeable emergencies, loans,
1392 medical expenses, educational expenses, purchase of a principal

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1393 residence, payments necessary to prevent eviction or foreclosure
1394 on an employee's principal residence, or any other reason except
1395 a requested distribution for retirement, a mandatory de minimis
1396 distribution authorized by the administrator, or a required
1397 minimum distribution provided pursuant to the Internal Revenue
1398 Code. The state board or department, as appropriate, may cancel
1399 an application for retirement benefits if the member or
1400 beneficiary fails to timely provide the information and
1401 documents required by this chapter and the rules of the state
1402 board and department. In accordance with their respective
1403 responsibilities, the state board and the department shall adopt
1404 rules establishing procedures for application for retirement
1405 benefits and for the cancellation of such application if the
1406 required information or documents are not received. The state
1407 board and the department, as appropriate, are authorized to cash
1408 out a de minimis account of a member who has been terminated
1409 from Florida Retirement System covered employment for a minimum
1410 of 6 calendar months. A de minimis account is an account
1411 containing employer and employee contributions and accumulated
1412 earnings of not more than \$5,000 made under the provisions of
1413 this chapter. Such cash-out must be a complete lump-sum
1414 liquidation of the account balance, subject to the provisions of
1415 the Internal Revenue Code, or a lump-sum direct rollover
1416 distribution paid directly to the custodian of an eligible
1417 retirement plan, as defined by the Internal Revenue Code, on
1418 behalf of the member. Any nonvested accumulations and associated
1419 service credit, including amounts transferred to the suspense
1420 account of the Florida Retirement System Investment Plan Trust
1421 Fund authorized under s. 121.4501(6), shall be forfeited upon

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1422 payment of any vested benefit to a member or beneficiary, except
1423 for de minimis distributions or minimum required distributions
1424 as provided under this section. If any financial instrument
1425 issued for the payment of retirement benefits under this section
1426 is not presented for payment within 180 days after the last day
1427 of the month in which it was originally issued, the third-party
1428 administrator or other duly authorized agent of the state board
1429 shall cancel the instrument and credit the amount of the
1430 instrument to the suspense account of the Florida Retirement
1431 System Investment Plan Trust Fund authorized under s.
1432 121.4501(6). Any amounts transferred to the suspense account are
1433 payable upon a proper application, not to include earnings
1434 thereon, as provided in this section, within 10 years after the
1435 last day of the month in which the instrument was originally
1436 issued, after which time such amounts and any earnings
1437 attributable to employer contributions shall be forfeited. Any
1438 forfeited amounts are assets of the trust fund and are not
1439 subject to chapter 717.

1440 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1441 this subsection are payable in lieu of the benefits that would
1442 otherwise be payable under the provisions of subsection (1).
1443 Such benefits must be funded from employer contributions made
1444 under s. 121.571, transferred employee contributions and funds
1445 accumulated pursuant to paragraph (a), and interest and earnings
1446 thereon.

1447 (b) *Disability retirement; entitlement.*—

1448 1.a. A member of the investment plan initially enrolled
1449 before July 1, 2015, who becomes totally and permanently
1450 disabled, as defined in paragraph (d), after completing 8 years

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1451 of creditable service, or a member who becomes totally and
1452 permanently disabled in the line of duty regardless of length of
1453 service, is entitled to a monthly disability benefit.

1454 b. A member of the investment plan initially enrolled on or
1455 after July 1, 2015, who becomes totally and permanently
1456 disabled, as defined in paragraph (d), after completing 10 years
1457 of creditable service, or a member who becomes totally and
1458 permanently disabled in the line of duty regardless of service,
1459 is entitled to a monthly disability benefit.

1460 2. In order for service to apply toward the 8 years of
1461 creditable service required for regular disability benefits, or
1462 toward the creditable service used in calculating a service-
1463 based benefit as provided under paragraph (g), the service must
1464 be creditable service as described below:

1465 a. The member's period of service under the investment plan
1466 is shall be considered creditable service, except as provided in
1467 subparagraph d.

1468 b. If the member has elected to retain credit for service
1469 under the pension plan as provided under s. 121.4501(3), all
1470 such service is shall be considered creditable service.

1471 c. If the member elects to transfer to his or her member
1472 accounts a sum representing the present value of his or her
1473 retirement credit under the pension plan as provided under s.
1474 121.4501(3), the period of service under the pension plan
1475 represented in the present value amounts transferred is shall be
1476 considered creditable service, except as provided in
1477 subparagraph d.

1478 d. If a member has terminated employment and has taken
1479 distribution of his or her funds as provided in subsection (1),

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1480 all creditable service represented by such distributed funds is
1481 forfeited for purposes of this subsection.

1482 Section 11. Section 238.072, Florida Statutes, is amended
1483 to read:

1484 238.072 Special service provisions for extension
1485 personnel.—All state and county cooperative extension personnel
1486 holding appointments by the United States Department of
1487 Agriculture for extension work in agriculture and home economics
1488 in this state who are joint representatives of the University of
1489 Florida and the United States Department of Agriculture, as
1490 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the
1491 Teachers' Retirement System, chapter 238, and who are prohibited
1492 from transferring to and participating in the Florida Retirement
1493 System, chapter 121, may retire with full benefits upon
1494 completion of 30 years of creditable service and shall be
1495 considered to have attained normal retirement age under this
1496 chapter, any law to the contrary notwithstanding. In order to
1497 comply with ~~the provisions of~~ s. 14, Art. X of the State
1498 Constitution, any liability accruing to the Florida Retirement
1499 System Trust Fund as a result of ~~the provisions of~~ this section
1500 shall be paid on an annual basis from the General Revenue Fund.

1501 Section 12. Subsection (11) of section 413.051, Florida
1502 Statutes, is amended to read:

1503 413.051 Eligible blind persons; operation of vending
1504 stands.—

1505 (11) Effective July 1, 1996, blind licensees who remain
1506 members of the Florida Retirement System pursuant to s.
1507 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1508 retirement costs from their net profits or from program income.

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1509 Within 30 days after the effective date of this act, each blind
1510 licensee who is eligible to maintain membership in the Florida
1511 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1512 who elects to withdraw from the system as provided in s.
1513 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1514 1996, notify the Division of Blind Services and the Department
1515 of Management Services in writing of his or her election to
1516 withdraw. Failure to timely notify the divisions shall be deemed
1517 a decision to remain a compulsory member of the Florida
1518 Retirement System. However, if, at any time after July 1, 1996,
1519 sufficient funds are not paid by a blind licensee to cover the
1520 required contribution to the Florida Retirement System, that
1521 blind licensee shall become ineligible to participate in the
1522 Florida Retirement System on the last day of the first month for
1523 which no contribution is made or the amount contributed is
1524 insufficient to cover the required contribution. For any blind
1525 licensee who becomes ineligible to participate in the Florida
1526 Retirement System as described in this subsection, ~~no~~ creditable
1527 service may not shall be earned under the Florida Retirement
1528 System for any period following the month that retirement
1529 contributions ceased to be reported. However, ~~any~~ such person
1530 may participate in the Florida Retirement System in the future
1531 if employed by a participating employer in a covered position.

1532 Section 13. (1) As soon as practicable, the State Board of
1533 Administration and the Department of Management Services shall
1534 request a determination letter from the United States Internal
1535 Revenue Service as to whether any portion of this act will cause
1536 the Florida Retirement System or a portion thereof to be
1537 disqualified for tax purposes under the Internal Revenue Code.

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1538 If the Internal Revenue Service refuses to act upon a request
1539 for a determination letter, a legal opinion from a qualified tax
1540 attorney or firm may be substituted for the determination
1541 letter. If the board or the department receives notification
1542 from the Internal Revenue Service that this act or any portion
1543 of this act will cause the Florida Retirement System, or a
1544 portion thereof, to be disqualified for tax purposes under the
1545 Internal Revenue Code, that portion that will cause the
1546 disqualification does not apply. Upon receipt of such notice,
1547 the state board and the department shall notify the President of
1548 the Senate and the Speaker of the House of Representatives.

1549 (2) The State Board of Administration and the Department of
1550 Management Services shall also seek guidance from the United
1551 States Internal Revenue Service regarding potential consequences
1552 to the qualified status of the Florida Retirement System if the
1553 pension plan and the investment plan were to offer different
1554 pretax employee contributions rates to members participating in
1555 the same membership class. Upon receipt of such guidance, the
1556 state board and the department shall notify the President of the
1557 Senate and the Speaker of the House of Representatives.

1558 Section 14. The Legislature finds that a proper and
1559 legitimate state purpose is served when employees and retirees
1560 of the state and its political subdivisions, and the dependents,
1561 survivors, and beneficiaries of such employees and retirees, are
1562 extended the basic protections afforded by governmental
1563 retirement systems. These persons must be provided benefits that
1564 are fair and adequate and that are managed, administered, and
1565 funded in an actuarially sound manner, as required by s. 14,
1566 Article X of the State Constitution and part VII of chapter 112,

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1567 Florida Statutes. Therefore, the Legislature determines and
1568 declares that this act fulfills an important state interest.

1569 Section 15. This act shall take effect July 1, 2014.