

By Senator Brandes

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1 A bill to be entitled
2 An act relating to the Florida Retirement System;
3 amending s. 121.053, F.S.; authorizing renewed
4 membership in the Florida Retirement System for
5 retirees who are reemployed in a position eligible for
6 the Elected Officers' Class under certain
7 circumstances; amending s. 121.055, F.S.; providing
8 for renewed membership in the retirement system for
9 retirees of the Senior Management Service Optional
10 Annuity Program who are reemployed on or after a
11 specified date; amending s. 121.091, F.S.; revising
12 criteria for eligibility of payment of death benefits
13 to the surviving children of a Special Risk Class
14 member killed in the line of duty under specified
15 circumstances; conforming a provision to changes made
16 by the act; amending s. 121.122, F.S.; requiring that
17 certain retirees who are reemployed on or after a
18 specified date be renewed members in the investment
19 plan; providing exceptions; specifying that creditable
20 service does not accrue for employment during a
21 specified period; prohibiting certain funds from being
22 paid into a renewed member's investment plan account
23 for a specified period of employment; requiring the
24 renewed member to satisfy vesting requirements;
25 prohibiting a renewed member from receiving specified
26 disability benefits; specifying limitations and
27 requirements; requiring the employer and the retiree
28 to make applicable contributions to the renewed
29 member's investment plan account; providing for the

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30 transfer of contributions; authorizing a renewed
31 member to receive additional credit toward the health
32 insurance subsidy under certain circumstances;
33 prohibiting participation in the pension plan;
34 providing that a retiree reemployed on or after a
35 specified date in a regularly established position
36 eligible for the State University System Optional
37 Retirement Program or State Community College System
38 Optional Retirement Program is a renewed member of
39 that program; specifying limitations and requirements;
40 requiring the employer and the retiree to make
41 applicable contributions; amending s. 121.4501, F.S.;
42 revising definitions; revising a provision relating to
43 acknowledgement of an employee's election to
44 participate in the investment plan; enrolling certain
45 employees in the pension plan from their date of hire
46 until they are automatically enrolled in the
47 investment plan or timely elect enrollment in the
48 pension plan; providing certain members with a
49 specified time to choose participation in the pension
50 plan or the investment plan; conforming provisions to
51 changes made by the act; amending s. 121.591, F.S.;
52 authorizing payment of death benefits to the surviving
53 spouse or surviving children of a member in the
54 investment plan; establishing qualifications and
55 eligibility requirements for receipt of such benefits;
56 prescribing the method of calculating the benefit;
57 specifying circumstances under which benefit payments
58 are terminated; amending s. 121.5912, F.S.; revising a

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59 provision regarding program qualification under the
60 Internal Revenue Code and rulemaking authority, to
61 conform to changes made by the act; declaring that the
62 act fulfills an important state interest; providing an
63 effective date.

64

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

66

67 Section 1. Paragraph (a) of subsection (3) and subsection
68 (5) of section 121.053, Florida Statutes, are amended to read:

69 121.053 Participation in the Elected Officers' Class for
70 retired members.—

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

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

77 (5) Any renewed member, as described in s. 121.122(1), (3),
78 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
79 receiving the maximum health insurance subsidy provided in s.
80 112.363 is entitled to earn additional credit toward the maximum
81 health insurance subsidy. Any additional subsidy due because of
82 such additional credit may be received only at the time of
83 payment of the second career retirement benefit. The total
84 health insurance subsidy received from initial and renewed
85 membership may not exceed the maximum allowed in s. 112.363.

86 Section 2. Paragraph (f) of subsection (1) and paragraph
87 (c) of subsection (6) of section 121.055, Florida Statutes, are

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88 amended to read:

89 121.055 Senior Management Service Class.—There is hereby
90 established a separate class of membership within the Florida
91 Retirement System to be known as the “Senior Management Service
92 Class,” which shall become effective February 1, 1987.

93 (1)

94 (f) Effective July 1, 1997:

95 1. Except as provided in subparagraph 3., an elected state
96 officer eligible for membership in the Elected Officers’ Class
97 under s. 121.052(2)(a), (b), or (c) who elects membership in the
98 Senior Management Service Class under s. 121.052(3)(c) may,
99 within 6 months after assuming office or within 6 months after
100 this act becomes a law for serving elected state officers, elect
101 to participate in the Senior Management Service Optional Annuity
102 Program, as provided in subsection (6), in lieu of membership in
103 the Senior Management Service Class.

104 2. Except as provided in subparagraph 3., an elected
105 officer of a local agency employer eligible for membership in
106 the Elected Officers’ Class under s. 121.052(2)(d) who elects
107 membership in the Senior Management Service Class under s.
108 121.052(3)(c) may, within 6 months after assuming office, or
109 within 6 months after this act becomes a law for serving elected
110 officers of a local agency employer, elect to withdraw from the
111 Florida Retirement System, as provided in subparagraph (b)2., in
112 lieu of membership in the Senior Management Service Class.

113 3. A retiree of a state-administered retirement system who
114 is initially reemployed in a regularly established position on
115 or after July 1, 2010, through June 30, 2017, as an elected
116 official eligible for the Elected Officers’ Class may not be

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117 enrolled in renewed membership in the Senior Management Service
118 Class or in the Senior Management Service Optional Annuity
119 Program as provided in subsection (6), and may not withdraw from
120 the Florida Retirement System as a renewed member as provided in
121 subparagraph (b)2., as applicable, in lieu of membership in the
122 Senior Management Service Class. Effective July 1, 2017, a
123 retiree of the Senior Management Service Optional Annuity
124 Program who is reemployed in a regularly established position
125 with a covered employer shall be enrolled as a renewed member as
126 provided in s. 121.122.

127 (6)

128 (c) *Participation.*—

129 1. An eligible employee who is employed on or before
130 February 1, 1987, may elect to participate in the optional
131 annuity program in lieu of participating in the Senior
132 Management Service Class. Such election shall ~~must~~ be made in
133 writing and filed with the department and the personnel officer
134 of the employer on or before May 1, 1987. An eligible employee
135 who is employed on or before February 1, 1987, and who fails to
136 make an election to participate in the optional annuity program
137 by May 1, 1987, is ~~shall be~~ deemed to have elected membership in
138 the Senior Management Service Class.

139 2. Except as provided in subparagraph 6., an employee who
140 becomes eligible to participate in the optional annuity program
141 by reason of initial employment commencing after February 1,
142 1987, may, within 90 days after the date of commencing
143 employment, elect to participate in the optional annuity
144 program. Such election shall ~~must~~ be made in writing and filed
145 with the personnel officer of the employer. An eligible employee

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146 who does not within 90 days after commencing employment elect to
147 participate in the optional annuity program is ~~shall be~~ deemed
148 to have elected membership in the Senior Management Service
149 Class.

150 3. A person who is appointed to a position in the Senior
151 Management Service Class and who is a member of an existing
152 retirement system or the Special Risk or Special Risk
153 Administrative Support Classes of the Florida Retirement System
154 may elect to remain in such system or class in lieu of
155 participating in the Senior Management Service Class or optional
156 annuity program. Such election shall ~~must~~ be made in writing and
157 filed with the department and the personnel officer of the
158 employer within 90 days after such appointment. An eligible
159 employee who fails to make an election to participate in the
160 existing system, the Special Risk Class of the Florida
161 Retirement System, the Special Risk Administrative Support Class
162 of the Florida Retirement System, or the optional annuity
163 program is ~~shall be~~ deemed to have elected membership in the
164 Senior Management Service Class.

165 4. Except as provided in subparagraph 5., an employee's
166 election to participate in the optional annuity program is
167 irrevocable if the employee continues to be employed in an
168 eligible position and continues to meet the eligibility
169 requirements set forth in this paragraph.

170 5. Effective from July 1, 2002, through September 30, 2002,
171 an active employee in a regularly established position who has
172 elected to participate in the Senior Management Service Optional
173 Annuity Program has one opportunity to choose to move from the
174 Senior Management Service Optional Annuity Program to the

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175 Florida Retirement System Pension Plan.

176 a. The election shall ~~must~~ be made in writing and ~~must be~~
177 filed with the department and the personnel officer of the
178 employer before October 1, 2002, or, in the case of an active
179 employee who is on a leave of absence on July 1, 2002, within 90
180 days after the conclusion of the leave of absence. This election
181 is irrevocable.

182 b. The employee shall receive service credit under the
183 pension plan equal to his or her years of service under the
184 Senior Management Service Optional Annuity Program. The cost for
185 such credit is the amount representing the present value of that
186 employee's accumulated benefit obligation for the affected
187 period of service.

188 c. The employee shall ~~must~~ transfer the total accumulated
189 employer contributions and earnings on deposit in his or her
190 Senior Management Service Optional Annuity Program account. If
191 the transferred amount is not sufficient to pay the amount due,
192 the employee shall ~~must~~ pay a sum representing the remainder of
193 the amount due. The employee may not retain any employer
194 contributions or earnings from the Senior Management Service
195 Optional Annuity Program account.

196 6. A retiree of a state-administered retirement system who
197 is initially reemployed on or after July 1, 2010, through June
198 30, 2017, may not renew membership in the Senior Management
199 Service Optional Annuity Program. Effective July 1, 2017, a
200 retiree of the Senior Management Service Optional Annuity
201 Program who is reemployed in a regularly established position
202 with a covered employer shall be enrolled as a renewed member as
203 provided in s. 121.122.

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204 Section 3. Paragraphs (d) and (i) of subsection (7) and
205 paragraph (c) of subsection (9) of section 121.091, Florida
206 Statutes, are amended to read:

207 121.091 Benefits payable under the system.—Benefits may not
208 be paid under this section unless the member has terminated
209 employment as provided in s. 121.021(39) (a) or begun
210 participation in the Deferred Retirement Option Program as
211 provided in subsection (13), and a proper application has been
212 filed in the manner prescribed by the department. The department
213 may cancel an application for retirement benefits when the
214 member or beneficiary fails to timely provide the information
215 and documents required by this chapter and the department's
216 rules. The department shall adopt rules establishing procedures
217 for application for retirement benefits and for the cancellation
218 of such application when the required information or documents
219 are not received.

220 (7) DEATH BENEFITS.—

221 (d) Notwithstanding any other provision in this chapter to
222 the contrary, with the exception of the Deferred Retirement
223 Option Program, as provided in subsection (13):

224 1. The surviving spouse of any member killed in the line of
225 duty may receive a monthly pension equal to one-half of the
226 monthly salary being received by the member at the time of death
227 for the rest of the surviving spouse's lifetime or, if the
228 member was vested, such surviving spouse may elect to receive a
229 benefit as provided in paragraph (b). Benefits provided by this
230 paragraph shall supersede any other distribution that may have
231 been provided by the member's designation of beneficiary.

232 2. If the surviving spouse of a member killed in the line

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233 of duty dies, the monthly payments that would have been payable
234 to such surviving spouse had such surviving spouse lived shall
235 be paid for the use and benefit of such member's child or
236 children under 18 years of age and unmarried until the 18th
237 birthday of the member's youngest child. Beginning July 1, 2016,
238 such payments may be extended, for the surviving child of a
239 member in the Special Risk Class at the time he or she was
240 killed in the line of duty on or after July 1, 2013, until the
241 25th birthday of any child of the member if the child is
242 unmarried and enrolled as a full-time student. Beginning July 1,
243 2017, such payments may be extended, for the surviving child of
244 a member in the Special Risk Class at the time he or she was
245 killed in the line of duty on or after July 1, 2002, until the
246 25th birthday of any child of the member if the child is
247 unmarried and enrolled as a full-time student.

248 3. If a member killed in the line of duty leaves no
249 surviving spouse but is survived by a child or children under 18
250 years of age, the benefits provided by subparagraph 1., normally
251 payable to a surviving spouse, shall be paid for the use and
252 benefit of such member's child or children under 18 years of age
253 and unmarried until the 18th birthday of the member's youngest
254 child. Beginning July 1, 2016, such monthly payments may be
255 extended, for the surviving child of a member in the Special
256 Risk Class at the time he or she was killed in the line of duty
257 on or after July 1, 2013, until the 25th birthday of any child
258 of the member if the child is unmarried and enrolled as a full-
259 time student. Beginning July 1, 2017, such monthly payments may
260 be extended, for the surviving child of a member in the Special
261 Risk Class at the time he or she was killed in the line of duty

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262 on or after July 1, 2002, until the 25th birthday of any child
263 of the member if the child is unmarried and enrolled as a full-
264 time student.

265 4. The surviving spouse of a member whose benefit
266 terminated because of remarriage shall have the benefit
267 reinstated beginning July 1, 1993, at an amount that would have
268 been payable had the benefit not been terminated.

269 (i) ~~Effective July 1, 2016,~~ and Notwithstanding any
270 provision in this chapter to the contrary, if a member in the
271 Special Risk Class, other than a participant in the Deferred
272 Retirement Option Program under subsection (13), is killed in
273 the line of duty on or after July 1, 2002 ~~2013~~, the following
274 benefits are payable in addition to the benefits provided in
275 paragraph (d):

276 1. The surviving spouse may receive a monthly pension equal
277 to one-half of the monthly salary being received by the member
278 at the time of the member's death for the rest of the surviving
279 spouse's lifetime or, if the member was vested, such surviving
280 spouse may elect to receive a benefit as provided in paragraph
281 (b). Benefits provided by this paragraph supersede any other
282 distribution that may have been provided by the member's
283 designation of beneficiary.

284 2. If the surviving spouse dies, the monthly payments that
285 otherwise would have been payable to such surviving spouse shall
286 be paid for the use and benefit of the member's child or
287 children under 18 years of age and unmarried until the 18th
288 birthday of the member's youngest child. Such monthly payments
289 may be extended until the 25th birthday of the member's child if
290 the child is unmarried and enrolled as a full-time student.

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291 3. If the member leaves no surviving spouse but is survived
292 by a child or children under 18 years of age, the benefits
293 provided by subparagraph 1., normally payable to a surviving
294 spouse, shall be paid for the use and benefit of such member's
295 child or children under 18 years of age and unmarried until the
296 18th birthday of the member's youngest child. Such monthly
297 payments may be extended until the 25th birthday of any of the
298 member's children if the child is unmarried and enrolled as a
299 full-time student.

300 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

301 (c) Any person whose retirement is effective on or after
302 July 1, 2010, or whose participation in the Deferred Retirement
303 Option Program terminates on or after July 1, 2010, who is
304 retired under this chapter, except under the disability
305 retirement provisions of subsection (4) or as provided in s.
306 121.053, may be reemployed by an employer that participates in a
307 state-administered retirement system and receive retirement
308 benefits and compensation from that employer. However, a person
309 may not be reemployed by an employer participating in the
310 Florida Retirement System before meeting the definition of
311 termination in s. 121.021 and may not receive both a salary from
312 the employer and retirement benefits for 6 calendar months after
313 meeting the definition of termination. However, a DROP
314 participant shall continue employment and receive a salary
315 during the period of participation in the Deferred Retirement
316 Option Program, as provided in subsection (13).

317 1. The reemployed retiree may not renew membership in the
318 Florida Retirement System, except as provided in s. 121.122.

319 2. The employer shall pay retirement contributions in an

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320 amount equal to the unfunded actuarial liability portion of the
321 employer contribution that would be required for active members
322 of the Florida Retirement System in addition to the
323 contributions required by s. 121.76.

324 3. A retiree initially reemployed in violation of this
325 paragraph and an employer that employs or appoints such person
326 are jointly and severally liable for reimbursement of any
327 retirement benefits paid to the retirement trust fund from which
328 the benefits were paid, including the Florida Retirement System
329 Trust Fund and the Public Employee Optional Retirement Program
330 Trust Fund, as appropriate. The employer must have a written
331 statement from the employee that he or she is not retired from a
332 state-administered retirement system. Retirement benefits shall
333 remain suspended until repayment is made. Benefits suspended
334 beyond the end of the retiree's 6-month reemployment limitation
335 period shall apply toward the repayment of benefits received in
336 violation of this paragraph.

337 Section 4. Subsection (2) of section 121.122, Florida
338 Statutes, is amended, and subsections (3), (4), and (5) are
339 added to that section, to read:

340 121.122 Renewed membership in system.—

341 (2) Except as otherwise provided in subsections (3), (4),
342 and (5), a retiree of a state-administered retirement system who
343 is initially reemployed in a regularly established position on
344 or after July 1, 2010, may not be enrolled as a renewed member.

345 (3) A retiree of the investment plan, the State University
346 System Optional Retirement Program, the Senior Management
347 Service Optional Annuity Program, or the State Community College
348 System Optional Retirement Program who is reemployed with a

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349 covered employer in a regularly established position on or after
350 July 1, 2017, shall be enrolled as a renewed member of the
351 investment plan unless employed in a position eligible for
352 participation in the State University System Optional Retirement
353 Program as provided in subsection (4) or the State Community
354 College System Optional Retirement Program as provided in
355 subsection (5). The renewed member must satisfy the vesting
356 requirements and other provisions of this chapter.

357 (a) A renewed member of the investment plan shall be
358 enrolled in one of the following membership classes:

359 1. In the Regular Class, if the position does not meet the
360 requirements for membership under s. 121.0515, s. 121.053, or s.
361 121.055.

362 2. In the Special Risk Class, if the position meets the
363 requirements of s. 121.0515.

364 3. In the Elected Officers' Class, if the position meets
365 the requirements of s. 121.053.

366 4. In the Senior Management Service Class, if the position
367 meets the requirements of s. 121.055.

368 (b) Creditable service, including credit toward the retiree
369 health insurance subsidy provided in s. 112.363, does not accrue
370 for a renewed member's employment in a regularly established
371 position with a covered employer from July 1, 2010, through June
372 30, 2017.

373 (c) Employer and employee contributions, interest,
374 earnings, or any other funds may not be paid into a renewed
375 member's investment plan account for any employment in a
376 regularly established position with a covered employer on or
377 after July 1, 2010, through June 30, 2017, by the renewed member

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378 or the employer on behalf of the renewed member.

379 (d) To be eligible to receive a retirement benefit, the
380 renewed member must satisfy the vesting requirements in s.
381 121.4501(6).

382 (e) The renewed member is ineligible to receive disability
383 benefits as provided in s. 121.091(4) or s. 121.591(2).

384 (f) The renewed member is subject to the limitations on
385 reemployment after retirement provided in s. 121.091(9), as
386 applicable.

387 (g) The renewed member must satisfy the requirements for
388 termination from employment provided in s. 121.021(39).

389 (h) Upon renewed membership or reemployment of a retiree,
390 the employer and the renewed member shall pay the applicable
391 employer and employee contributions required under ss. 112.363,
392 121.71, 121.74, and 121.76. The contributions are payable only
393 for employment and salary earned in a regularly established
394 position with a covered employer on or after July 1, 2017. The
395 employer and employee contributions shall be transferred to the
396 investment plan and placed in a default fund as designated by
397 the state board. The renewed member may move the contributions
398 once an account is activated in the investment plan.

399 (i) A renewed member who earns creditable service under the
400 investment plan and who is not receiving the maximum health
401 insurance subsidy provided in s. 112.363 is entitled to earn
402 additional credit toward the subsidy. Such credit may be earned
403 only for employment in a regularly established position with a
404 covered employer on or after July 1, 2017. Any additional
405 subsidy due because of additional credit may be received only at
406 the time of paying the second career retirement benefit. The

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407 total health insurance subsidy received by a retiree receiving
408 benefits from initial and renewed membership may not exceed the
409 maximum allowed under s. 112.363.

410 (j) Notwithstanding s. 121.4501(4)(f), the renewed member
411 is not eligible to elect membership in the pension plan.

412 (4) A retiree of the investment plan, the State University
413 System Optional Retirement Program, the Senior Management
414 Service Optional Annuity Program, or the State Community College
415 System Optional Retirement Program who is reemployed on or after
416 July 1, 2017, in a regularly established position eligible for
417 participation in the State University System Optional Retirement
418 Program shall become a renewed member of the optional retirement
419 program. The renewed member must satisfy the vesting
420 requirements and other provisions of this chapter. Once
421 enrolled, a renewed member remains enrolled in the optional
422 retirement program while employed in an eligible position for
423 the optional retirement program. If employment in a different
424 covered position results in the renewed member's enrollment in
425 the investment plan, the renewed member is no longer eligible to
426 participate in the optional retirement program unless employed
427 in a mandatory position under s. 121.35.

428 (a) The renewed member is subject to the limitations on
429 reemployment after retirement provided in s. 121.091(9), as
430 applicable.

431 (b) The renewed member must satisfy the requirements for
432 termination from employment provided in s. 121.021(39).

433 (c) Upon renewed membership or reemployment of a retiree,
434 the employer and the renewed member shall pay the applicable
435 employer and employee contributions required under s. 121.35.

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436 (d) Employer and employee contributions, interest,
437 earnings, or any other funds may not be paid into a renewed
438 member's optional retirement program account for any employment
439 in a regularly stablished position with a covered employer on or
440 after July 1, 2010, through June 30, 2017, by the renewed member
441 or the employer on behalf of the renewed member.

442 (e) Notwithstanding s. 121.4501(4) (f), the renewed member
443 is not eligible to elect membership in the pension plan.

444 (5) A retiree of the investment plan, the State University
445 System Optional Retirement Program, the Senior Management
446 Service Optional Annuity Program, or the State Community College
447 System Optional Retirement Program who is reemployed on or after
448 July 1, 2017, in a regularly established position eligible for
449 participation in the State Community College System Optional
450 Retirement Program shall become a renewed member of the optional
451 retirement program. The renewed member must satisfy the
452 eligibility requirements of this chapter and s. 1012.875 for the
453 optional retirement program. Once enrolled, a renewed member
454 remains enrolled in the optional retirement program while
455 employed in an eligible position for the optional retirement
456 program. If employment in a different covered position results
457 in the renewed member's enrollment in the investment plan, the
458 renewed member is no longer eligible to participate in the
459 optional retirement program.

460 (a) The renewed member is subject to the limitations on
461 reemployment after retirement provided in s. 121.091(9), as
462 applicable.

463 (b) The renewed member must satisfy the requirements for
464 termination from employment provided in s. 121.021(39).

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465 (c) Upon renewed membership or reemployment of a retiree,
466 the employer and the renewed member shall pay the applicable
467 employer and employee contributions required under ss.
468 121.051(2)(c) and 1012.875.

469 (d) Employer and employee contributions, interest,
470 earnings, or any other funds may not be paid into a renewed
471 member's optional retirement program account for any employment
472 in a regularly established position with a covered employer on
473 or after July 1, 2010, through June 30, 2017, by the renewed
474 member or the employer on behalf of the renewed member.

475 (e) Notwithstanding s. 121.4501(4)(f), the renewed member
476 is not eligible to elect membership in the pension plan.

477 Section 5. Paragraphs (e) and (i) of subsection (2),
478 paragraph (b) of subsection (3), subsection (4), paragraph (c)
479 of subsection (5), and paragraphs (a) and (h) of subsection (10)
480 of section 121.4501, Florida Statutes, are amended to read:

481 121.4501 Florida Retirement System Investment Plan.—

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

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

485 1. Is a member of, or is eligible for membership in, the
486 Florida Retirement System, including any renewed member of the
487 Florida Retirement System initially enrolled before July 1,
488 2010; ~~or~~

489 2. Participates in, or is eligible to participate in, the
490 Senior Management Service Optional Annuity Program as
491 established under s. 121.055(6), the State Community College
492 System Optional Retirement Program as established under s.
493 121.051(2)(c), or the State University System Optional

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494 Retirement Program established under s. 121.35; or

495 3. Is a retired member of the investment plan, the State
496 University System Optional Retirement Program, the Senior
497 Management Service Optional Annuity Program, or the State
498 Community College System Optional Retirement Program who is
499 reemployed in a regularly established position on or after July
500 1, 2017, and enrolled as a renewed member as provided in s.
501 121.122.

502
503 The term does not include any member participating in the
504 Deferred Retirement Option Program established under s.
505 121.091(13), a retiree of the pension plan who is reemployed in
506 a regularly established position on or after July 1, 2010, a
507 retiree of a state-administered retirement system initially
508 reemployed in a regularly established position on or after July
509 1, 2010, through June 30, 2017, or a mandatory participant of
510 the State University System Optional Retirement Program
511 established under s. 121.35.

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

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

518 (b) Notwithstanding paragraph (a), an eligible employee who
519 elects to participate in, or who defaults into, the investment
520 plan and establishes one or more individual member accounts may
521 elect to transfer to the investment plan a sum representing the
522 present value of the employee's accumulated benefit obligation

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523 under the pension plan, except as provided in paragraph (4) (b).
524 Upon transfer, all service credit earned under the pension plan
525 is nullified for purposes of entitlement to a future benefit
526 under the pension plan. A member may not transfer the
527 accumulated benefit obligation balance from the pension plan
528 after the time period for enrolling in the investment plan has
529 expired.

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

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

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

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

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

557 (A) Age 62; or

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

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

566 (A) Age 65; or

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

572 d. For members of the Special Risk Class and for members of
573 the Special Risk Administrative Support Class entitled to retain
574 the special risk normal retirement date:

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

578 (A) Age 55; or

579 (B) The age the member would attain if the member completed
580 25 years of service with an employer, assuming the member worked

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581 continuously from the estimate date, and disregarding any
582 vesting requirement that would otherwise apply under the pension
583 plan.

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

588 (A) Age 60; or

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

594 e. The calculation must disregard vesting requirements and
595 early retirement reduction factors that would otherwise apply
596 under the pension plan.

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

606 a. Transfer, or cause to be transferred, from the Florida
607 Retirement System Trust Fund to the member's account the excess,
608 if any, of the recomputed amount over the previously transferred
609 amount together with interest from the initial date of transfer

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610 to the date of transfer under this subparagraph, based upon the
611 effective annual interest equal to the assumed return on the
612 actuarial investment which was used in the most recent actuarial
613 valuation of the system, compounded annually.

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

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

631 4. As directed by the member, the state board shall
632 transfer or cause to be transferred the appropriate amounts to
633 the designated accounts within 30 days after the effective date
634 of the member's participation in the investment plan unless the
635 major financial markets for securities available for a transfer
636 are seriously disrupted by an unforeseen event that causes the
637 suspension of trading on a ~~any~~ national securities exchange in
638 the country where the securities were issued. In that event, the

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639 30-day period may be extended by a resolution of the state
640 board. Transfers are not commissionable or subject to other fees
641 and may be in the form of securities or cash, as determined by
642 the state board. Such securities are valued as of the date of
643 receipt in the member's account.

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

652 (4) PARTICIPATION; ENROLLMENT.—

653 (a)1. Effective June 1, 2002, through February 28, 2003, a
654 90-day election period was provided to each eligible employee
655 participating in the Florida Retirement System, preceded by a
656 90-day education period, permitting each eligible employee to
657 elect membership in the investment plan. An employee who failed
658 to elect the investment plan during the election period remained
659 in the pension plan. An eligible employee who was employed in a
660 regularly established position during the election period was
661 granted the option to make one subsequent election, as provided
662 in paragraph (f). With respect to an eligible employee who did
663 not participate in the initial election period or who is
664 initially employed in a regularly established position after the
665 close of the initial election period but before January 1, 2018,
666 ~~on June 1, 2002, by a state employer:~~

667 a. ~~Any such employee may elect to participate in the~~

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

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

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

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

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697 means and must be filed with the third-party administrator. The
698 election to participate in the investment plan is irrevocable,
699 except as provided in paragraph (f) ~~(g)~~.

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

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

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

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726 participation in the State Community College System Optional
727 Retirement Program or the State University System Optional
728 Retirement Program terminates. The employee's enrollment in the
729 investment plan is effective on the first day of the month for
730 which a full month's employer and employee contribution is made
731 to the investment plan.

732 (b)1. With respect to employees who become eligible to
733 participate in the investment plan by reason of employment in a
734 regularly established position commencing on or after January 1,
735 2018, or who did not complete an election window before January
736 1, 2018, any such employee shall be enrolled in the pension plan
737 at the commencement of employment and may, by the last business
738 day of the fifth month following the employee's month of hire,
739 elect to participate in the pension plan or the investment plan.
740 Eligible employees may make a plan election only if they are
741 earning service credit in an employer-employee relationship
742 consistent with s. 121.021(17) (b), excluding leaves of absence
743 without pay.

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

749 3. If the employee fails to make an election of the pension
750 plan or investment plan within 5 months following the month of
751 hire, the employee is deemed to have elected the investment plan
752 and shall default into the investment plan retroactively to the
753 employee's date of employment. The employee's option to
754 participate in the pension plan is forfeited, except as provided

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755 in paragraph (f).

756 4. The amount of the employee and employer contributions
757 paid through the date of default to the investment plan shall be
758 transferred to the investment plan and shall be placed in a
759 default fund as designated by the State Board of Administration.
760 The employee may move the contributions once an account is
761 activated in the investment plan.

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

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

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

777 ~~a. Any such employee may elect to participate in the~~
778 ~~investment plan in lieu of retaining his or her membership in~~
779 ~~the pension plan. The election must be made in writing or by~~
780 ~~electronic means and must be filed with the third party~~
781 ~~administrator by November 30, or, in the case of an active~~
782 ~~employee who is on a leave of absence on July 1, 2002, by the~~
783 ~~last business day of the 5th month following the month the leave~~

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784 ~~of absence concludes. This election is irrevocable, except as~~
785 ~~provided in paragraph (g). Upon making such election, the~~
786 ~~employee shall be enrolled as a member of the investment plan,~~
787 ~~the employee's membership in the Florida Retirement System is~~
788 ~~governed by the provisions of this part, and the employee's~~
789 ~~membership in the pension plan terminates. The employee's~~
790 ~~enrollment in the investment plan is effective the first day of~~
791 ~~the month for which a full month's employer contribution is made~~
792 ~~to the investment program.~~

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

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

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

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

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813 ~~retirement contributions paid through the month of the employee~~
814 ~~plan change shall be transferred to the investment plan, and,~~
815 ~~effective the first day of the next month, the employer shall~~
816 ~~pay the applicable contributions based on the employee~~
817 ~~membership class in the investment plan.~~

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

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

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

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

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842 ~~plan, the employee's membership in the Florida Retirement System~~
843 ~~is governed by the provisions of this part, and the employee's~~
844 ~~membership in the pension plan terminates. The employee's~~
845 ~~enrollment in the investment plan is effective the first day of~~
846 ~~the month for which a full month's employer contribution is made~~
847 ~~to the investment plan.~~

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

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

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

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

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871 ~~pay the applicable contributions based on the employee~~
872 ~~membership class in the investment plan.~~

873 ~~e. Any such employee who fails to elect to participate in~~
874 ~~the investment plan within the prescribed time period is deemed~~
875 ~~to have elected to retain membership in the pension plan, and~~
876 ~~the employee's option to elect to participate in the investment~~
877 ~~plan is forfeited.~~

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

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

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

890 ~~(e)1.(f)~~ A member of the investment plan who takes a
891 distribution of any contributions from his or her investment
892 plan account is considered a retiree. A retiree who is initially
893 reemployed in a regularly established position on or after July
894 1, 2010, through June 30, 2017, is not eligible for to be
895 enrolled in renewed membership, except as provided in s.
896 121.122.

897 2. A retiree who is reemployed on or after July 1, 2017,
898 shall be enrolled as a renewed member as provided in s. 121.122.

899 ~~(f)-(g)~~ After the period during which an eligible employee

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900 had the choice to elect the pension plan or the investment plan,
901 or the month following the receipt of the eligible employee's
902 plan election, if sooner, the employee shall have one
903 opportunity, at the employee's discretion, to choose to move
904 from the pension plan to the investment plan or from the
905 investment plan to the pension plan. Eligible employees may
906 elect to move between plans only if they are earning service
907 credit in an employer-employee relationship consistent with s.
908 121.021(17)(b), excluding leaves of absence without pay.
909 Effective July 1, 2005, such elections are effective on the
910 first day of the month following the receipt of the election by
911 the third-party administrator and are not subject to the
912 requirements regarding an employer-employee relationship or
913 receipt of contributions for the eligible employee in the
914 effective month, except when the election is received by the
915 third-party administrator. This paragraph is contingent upon
916 approval by the Internal Revenue Service.

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

919 2. If the employee chooses to move to the pension plan, the
920 employee must transfer from his or her investment plan account,
921 and from other employee moneys as necessary, a sum representing
922 the present value of that employee's accumulated benefit
923 obligation immediately following the time of such movement,
924 determined assuming that attained service equals the sum of
925 service in the pension plan and service in the investment plan.
926 Benefit commencement occurs on the first date the employee is
927 eligible for unreduced benefits, using the discount rate and
928 other relevant actuarial assumptions that were used to value the

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929 pension plan liabilities in the most recent actuarial valuation.
930 For any employee who, at the time of the second election,
931 already maintains an accrued benefit amount in the pension plan,
932 the then-present value of the accrued benefit is deemed part of
933 the required transfer amount. The division must ensure that the
934 transfer sum is prepared using a formula and methodology
935 certified by an enrolled actuary. A refund of any employee
936 contributions or additional member payments made which exceed
937 the employee contributions that would have accrued had the
938 member remained in the pension plan and not transferred to the
939 investment plan is not permitted.

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

953 4. An employee's ability to transfer from the pension plan
954 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)-~~
955 ~~(d)~~, and the ability of a current employee to have an option to
956 later transfer back into the pension plan under subparagraph 2.,
957 shall be deemed a significant system amendment. Pursuant to s.

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958 121.031(4), any resulting unfunded liability arising from actual
959 original transfers from the pension plan to the investment plan
960 must be amortized within 30 plan years as a separate unfunded
961 actuarial base independent of the reserve stabilization
962 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
963 direct amortization payment may not be calculated for this base.
964 During this 25-year period, the separate base shall be used to
965 offset the impact of employees exercising their second program
966 election under this paragraph. The actuarial funded status of
967 the pension plan will not be affected by such second program
968 elections in any significant manner, after due recognition of
969 the separate unfunded actuarial base. Following the initial 25-
970 year period, any remaining balance of the original separate base
971 shall be amortized over the remaining 5 years of the required
972 30-year amortization period.

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

981 (5) CONTRIBUTIONS.—

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

986 1. The employer and employee contribution portion earmarked

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987 for member accounts shall be used to purchase interests in the
988 appropriate investment vehicles as specified by the member, or
989 in accordance with paragraph (4)(c) ~~(4)(d)~~.

990 2. The employer contribution portion earmarked for
991 administrative and educational expenses shall be transferred to
992 the state board's Administrative Trust Fund.

993 3. The employer contribution portion earmarked for
994 disability benefits and line-of-duty death benefits shall be
995 transferred to the Florida Retirement System Trust Fund.

996 (10) EDUCATION COMPONENT.—

997 (a) The state board, in coordination with the department,
998 shall provide for an education component for eligible employees
999 ~~system members~~ in a manner consistent with ~~the provisions of~~
1000 this subsection ~~section~~. ~~The education component must be~~
1001 ~~available to eligible employees at least 90 days prior to the~~
1002 ~~beginning date of the election period for the employees of the~~
1003 ~~respective types of employers.~~

1004 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1005 ~~System employers have an obligation to regularly communicate the~~
1006 ~~existence of the two Florida Retirement System plans and the~~
1007 ~~plan choice in the natural course of administering their~~
1008 ~~personnel functions, using the educational materials supplied by~~
1009 ~~the state board and the Department of Management Services.~~

1010 Section 6. Subsection (4) of section 121.591, Florida
1011 Statutes, is amended to read:

1012 121.591 Payment of benefits.—Benefits may not be paid under
1013 the Florida Retirement System Investment Plan unless the member
1014 has terminated employment as provided in s. 121.021(39)(a) or is
1015 deceased and a proper application has been filed as prescribed

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1016 by the state board or the department. Benefits, including
1017 employee contributions, are not payable under the investment
1018 plan for employee hardships, unforeseeable emergencies, loans,
1019 medical expenses, educational expenses, purchase of a principal
1020 residence, payments necessary to prevent eviction or foreclosure
1021 on an employee's principal residence, or any other reason except
1022 a requested distribution for retirement, a mandatory de minimis
1023 distribution authorized by the administrator, or a required
1024 minimum distribution provided pursuant to the Internal Revenue
1025 Code. The state board or department, as appropriate, may cancel
1026 an application for retirement benefits if the member or
1027 beneficiary fails to timely provide the information and
1028 documents required by this chapter and the rules of the state
1029 board and department. In accordance with their respective
1030 responsibilities, the state board and the department shall adopt
1031 rules establishing procedures for application for retirement
1032 benefits and for the cancellation of such application if the
1033 required information or documents are not received. The state
1034 board and the department, as appropriate, are authorized to cash
1035 out a de minimis account of a member who has been terminated
1036 from Florida Retirement System covered employment for a minimum
1037 of 6 calendar months. A de minimis account is an account
1038 containing employer and employee contributions and accumulated
1039 earnings of not more than \$5,000 made under the provisions of
1040 this chapter. Such cash-out must be a complete lump-sum
1041 liquidation of the account balance, subject to the provisions of
1042 the Internal Revenue Code, or a lump-sum direct rollover
1043 distribution paid directly to the custodian of an eligible
1044 retirement plan, as defined by the Internal Revenue Code, on

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1045 behalf of the member. Any nonvested accumulations and associated
1046 service credit, including amounts transferred to the suspense
1047 account of the Florida Retirement System Investment Plan Trust
1048 Fund authorized under s. 121.4501(6), shall be forfeited upon
1049 payment of any vested benefit to a member or beneficiary, except
1050 for de minimis distributions or minimum required distributions
1051 as provided under this section. If any financial instrument
1052 issued for the payment of retirement benefits under this section
1053 is not presented for payment within 180 days after the last day
1054 of the month in which it was originally issued, the third-party
1055 administrator or other duly authorized agent of the state board
1056 shall cancel the instrument and credit the amount of the
1057 instrument to the suspense account of the Florida Retirement
1058 System Investment Plan Trust Fund authorized under s.
1059 121.4501(6). Any amounts transferred to the suspense account are
1060 payable upon a proper application, not to include earnings
1061 thereon, as provided in this section, within 10 years after the
1062 last day of the month in which the instrument was originally
1063 issued, after which time such amounts and any earnings
1064 attributable to employer contributions shall be forfeited. Any
1065 forfeited amounts are assets of the trust fund and are not
1066 subject to chapter 717.

1067 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN ~~SPECIAL~~
1068 ~~RISK CLASS~~ MEMBERS.—Benefits are provided under this subsection
1069 to the spouse and child or children of members in the investment
1070 plan ~~Special Risk Class~~ when such members are killed in the line
1071 of duty and are payable in lieu of the benefits that would
1072 otherwise be payable under subsection (1) or subsection (3).
1073 Benefits provided by this subsection supersede any other

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1074 distribution that may have been provided by the member's
1075 designation of beneficiary. Such benefits must be funded from
1076 employer contributions made under s. 121.571, transferred
1077 employee contributions and funds accumulated pursuant to
1078 paragraph (a), and interest and earnings thereon.

1079 (a) *Transfer of funds.*—To qualify to receive monthly
1080 benefits under this subsection:

1081 1. All moneys accumulated in the member's account,
1082 including vested and nonvested accumulations as described in s.
1083 121.4501(6), must be transferred from such individual accounts
1084 to the division for deposit in the survivor benefit account of
1085 the Florida Retirement System Trust Fund. Moneys in the survivor
1086 benefit account must be accounted for separately. Earnings must
1087 be credited on an annual basis for amounts held in the survivor
1088 benefit account of the Florida Retirement System Trust Fund
1089 based on actual earnings of the trust fund.

1090 2. If the member has retained retirement credit earned
1091 under the pension plan as provided in s. 121.4501(3), a sum
1092 representing the actuarial present value of such credit within
1093 the Florida Retirement System Trust Fund shall be transferred by
1094 the division from the pension plan to the survivor benefit
1095 retirement program as implemented under this subsection and
1096 shall be deposited in the survivor benefit account of the trust
1097 fund.

1098 (b) *Survivor retirement; entitlement.*—An investment plan
1099 member who is ~~in the Special Risk Class at the time the member~~
1100 ~~is~~ killed in the line of duty on or after July 1, 2002 ~~2013~~,
1101 regardless of length of creditable service, may have survivor
1102 benefits paid as provided in s. 121.091(7) (d) and (i) to:

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1103 1. The surviving spouse for the spouse's lifetime; or
 1104 2. If there is no surviving spouse or the surviving spouse
 1105 dies, the member's child or children under 18 years of age and
 1106 unmarried until the 18th birthday of the member's youngest
 1107 child. Such payments may be extended until the 25th birthday of
 1108 any child of the member if the child is unmarried and enrolled
 1109 as a full-time student as provided in s. 121.091(7)(d) and (i).

1110 (c) *Survivor benefit retirement effective date.*—

1111 1. The effective retirement date for the surviving spouse
 1112 or eligible child of a Special Risk Class member who is killed
 1113 in the line of duty is:

1114 a.1. The first day of the month following the member's
 1115 death if the member dies on or after July 1, 2016.

1116 b.2. July 1, 2016, for a member of the Special Risk Class
 1117 when killed in the line of duty on or after July 1, 2013, but
 1118 before July 1, 2016, if the application is received before July
 1119 1, 2016; or the first day of the month following the receipt of
 1120 such application.

1121 2. Except as provided in subparagraph 1., the effective
 1122 retirement date for the surviving spouse or eligible child of an
 1123 investment plan member who is killed in the line of duty is:

1124 a. The first day of the month following the member's death
 1125 if the member dies on or after July 1, 2017.

1126 b. July 1, 2017, if the member is killed in the line of
 1127 duty on or after July 1, 2002, but before July 1, 2017, if the
 1128 application is received before July 1, 2017; or the first day of
 1129 the month following the receipt of such application.

1130
 1131 If the investment plan account balance has already been paid out

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1132 to the surviving spouse or the eligible unmarried dependent
1133 child or children, the benefit payable shall be actuarially
1134 reduced by the amount of the payout.

1135 (d) *Line-of-duty death benefit.*—

1136 1. The following individuals are eligible to receive a
1137 retirement benefit under s. 121.091(7)(d) and (i) if the
1138 member's account balance is surrendered and an application is
1139 received and approved:

1140 a. The surviving spouse.

1141 b. If there is no surviving spouse or the surviving spouse
1142 dies, the member's child or children under 18 years of age and
1143 unmarried until the 18th birthday of the member's youngest
1144 child, or until the 25th birthday of the member's child if the
1145 child is unmarried and enrolled as a full-time student.

1146 2. Such surviving spouse or such child or children shall
1147 receive a monthly survivor benefit that begins accruing on the
1148 first day of the month of survivor benefit retirement, as
1149 approved by the division, and is payable on the last day of that
1150 month and each month thereafter during the surviving spouse's
1151 lifetime or on behalf of the unmarried children of the member
1152 until the 18th birthday of the youngest child, or until the 25th
1153 birthday of any of the member's unmarried children who are
1154 enrolled as full-time students. Survivor benefits must be paid
1155 out of the survivor benefit account of the Florida Retirement
1156 System Trust Fund established under this subsection.

1157
1158 If the investment plan account balance has already been paid out
1159 to the surviving spouse or the eligible unmarried dependent
1160 child or children, the benefit payable shall be actuarially

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1161 reduced by the amount of the payout.

1162 (e) *Computation of survivor benefit retirement benefit.*—The
1163 amount of each monthly payment must be calculated as provided
1164 under s. 121.091(7)(d) and (i).

1165 (f) *Death of the surviving spouse or children.*—

1166 1. Upon the death of a surviving spouse, the monthly
1167 benefits shall be paid through the last day of the month of
1168 death and shall terminate or be paid on behalf of the unmarried
1169 child or children until the 18th birthday of the youngest child,
1170 or the 25th birthday of any of the member's unmarried children
1171 who are enrolled as full-time students.

1172 2. If the surviving spouse dies and the benefits are being
1173 paid on behalf of the member's unmarried children as provided in
1174 subparagraph 1., benefits shall be paid through the last day of
1175 the month until the later of the month the youngest child
1176 reaches his or her 18th birthday, the month of the 25th birthday
1177 of any of the member's unmarried children enrolled as full-time
1178 students, or the month of the death of the youngest child.

1179 Section 7. Section 121.5912, Florida Statutes, is amended
1180 to read:

1181 121.5912 Survivor benefit retirement program; qualified
1182 status; rulemaking authority.—It is the intent of the
1183 Legislature that the survivor benefit retirement program for
1184 ~~Special Risk Class~~ members of the Florida Retirement System
1185 Investment Plan meet all applicable requirements for a qualified
1186 plan. If the state board or the division receives notification
1187 from the Internal Revenue Service that this program or any
1188 portion of this program will cause the retirement system, or any
1189 portion thereof, to be disqualified for tax purposes under the

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1190 Internal Revenue Code, the portion that will cause the
1191 disqualification does not apply. Upon such notice, the state
1192 board or the division shall notify the presiding officers of the
1193 Legislature. The state board and the department may adopt any
1194 rules necessary to maintain the qualified status of the survivor
1195 benefit retirement program.

1196 Section 8. The Legislature finds that a proper and
1197 legitimate state purpose is served when employees and retirees
1198 of the state and its political subdivisions, and the dependents,
1199 survivors, and beneficiaries of such employees and retirees, are
1200 extended the basic protections afforded by governmental
1201 retirement systems. These persons must be provided benefits that
1202 are fair and adequate and that are managed, administered, and
1203 funded in an actuarially sound manner, as required by s. 14,
1204 Article X of the State Constitution and part VII of chapter 112,
1205 Florida Statutes. Therefore, the Legislature determines and
1206 declares that this act fulfills an important state interest.

1207 Section 9. This act shall take effect July 1, 2017.