The Committee on Appropriations (Grimsley) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Section 112.1816, Florida Statutes, is created to read:

112.1816 Firefighter disability or death from cancer presumed contracted in the line of duty.—

(1) DEFINITION.—As used in this section, the term “firefighter” has the same meaning as in s. 112.81.
(2) PRESUMPTION; ELIGIBILITY CONDITIONS.—

(a) Any condition or impairment of the health of a firefighter employed full time by the state or any municipality, county, port authority, special tax district, or fire control district which is caused by multiple myeloma, non-Hodgkin’s lymphoma, prostate cancer, or testicular cancer and results in total or partial disability or death is presumed to have been accidental and to have been contracted in the line of duty unless the contrary is shown by competent evidence. In order to be entitled to this presumption, the firefighter:

1. Must have successfully passed a physical examination administered before the individual began service as a firefighter and which failed to reveal any evidence of such a health condition;

2. Must have been employed as a firefighter with his or her current employer for at least 5 continuous years before becoming totally or partially disabled or before his or her death;

3. Must not have used tobacco products for at least 5 years before becoming totally or partially disabled or before his or her death; and

4. Must not have been employed during the preceding 5 years in any other position that is proven to create a higher risk for multiple myeloma, non-Hodgkin’s lymphoma, prostate cancer, or testicular cancer. This includes any other employment as a firefighter at another employing agency within the preceding 5 years.

(b) An employing agency must provide a physical examination for a firefighter before he or she begins service or immediately thereafter. Notwithstanding subparagraph (a)1., if the employing
agency fails to provide a physical examination before the firefighter begins service, or immediately thereafter, the firefighter is entitled to the presumption, provided that he or she meets the criteria specified in subparagraphs (a)2., (a)3., and (a)4.

(c) The presumption does not apply to benefits payable under or granted in a life insurance or disability insurance policy unless the insurer and insured have negotiated for the additional benefits to be included in the policy contract.

(3) APPLICABILITY.—A firefighter employed on July 1, 2017, is not required to meet the physical examination requirement in subsection (2) in order to be entitled to the presumption set forth in this section.

Section 2. Paragraph (a) of subsection (3) and subsection (5) of section 121.053, Florida Statutes, are amended to read:

121.053 Participation in the Elected Officers’ Class for retired members.—

(3) On or after July 1, 2010:

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

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

Section 3. Paragraph (f) of subsection (1) and paragraph
(c) of subsection (6) of section 121.055, Florida Statutes, are
amended to read:
121.055 Senior Management Service Class.—There is hereby
established a separate class of membership within the Florida
Retirement System to be known as the “Senior Management Service
Class,” which shall become effective February 1, 1987.

(1)
   (f) Effective July 1, 1997:
   1. Except as provided in subparagraph 3., an elected state
      officer eligible for membership in the Elected Officers’ Class
      under s. 121.052(2)(a), (b), or (c) who elects membership in the
      Senior Management Service Class under s. 121.052(3)(c) may,
      within 6 months after assuming office or within 6 months after
      this act becomes a law for serving elected state officers, elect
      to participate in the Senior Management Service Optional Annuity
      Program, as provided in subsection (6), in lieu of membership in
      the Senior Management Service Class.
   2. Except as provided in subparagraph 3., an elected
      officer of a local agency employer eligible for membership in
      the Elected Officers’ Class under s. 121.052(2)(d) who elects
      membership in the Senior Management Service Class under s.
      121.052(3)(c) may, within 6 months after assuming office, or
      within 6 months after this act becomes a law for serving elected
      officers of a local agency employer, elect to withdraw from the
      Florida Retirement System, as provided in subparagraph (b)2., in
lieu of membership in the Senior Management Service Class.

3. A retiree of a state-administered retirement system who is initially reemployed in a regularly established position on or after July 1, 2010, through June 30, 2017, as an elected official eligible for the Elected Officers’ Class may not be enrolled in renewed membership in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program as provided in subsection (6), and may not withdraw from the Florida Retirement System as a renewed member as provided in subparagraph (b)2., as applicable, in lieu of membership in the Senior Management Service Class. Effective July 1, 2017, a retiree of the Senior Management Service Optional Annuity Program who is reemployed in a regularly established position with a covered employer shall be enrolled as a renewed member as provided in s. 121.122.

(6)

(c) Participation.—

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

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

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

4. Except as provided in subparagraph 5., an employee’s election to participate in the optional annuity program is irrevocable if the employee continues to be employed in an eligible position and continues to meet the eligibility requirements set forth in this paragraph.
5. Effective from July 1, 2002, through September 30, 2002, an active employee in a regularly established position who has elected to participate in the Senior Management Service Optional Annuity Program has one opportunity to choose to move from the Senior Management Service Optional Annuity Program to the Florida Retirement System Pension Plan.

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

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

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

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

7. Effective July 1, 2017, the Senior Management Service Optional Annuity Program is closed to new members. A member enrolled in the Senior Management Service Optional Annuity Program before July 1, 2017, may retain his or her membership in the annuity program.

Section 4. Paragraphs (d) and (i) of subsection (7) and paragraph (c) of subsection (9) of section 121.091, Florida Statutes, are amended to read:

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

(7) DEATH BENEFITS.—

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

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

2. If the surviving spouse of a member killed in the line of duty dies, the monthly payments that would have been payable to such surviving spouse had such surviving spouse lived shall be paid for the use and benefit of such member’s child or children under 18 years of age and unmarried until the 18th birthday of the member’s youngest child. Beginning July 1, 2016, such payments may be extended, for the surviving child of a member in the Special Risk Class at the time he or she was killed in the line of duty on or after July 1, 2013, until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student. Beginning July 1, 2017, such payments may be extended, for the surviving child of a member in the Special Risk Class at the time he or she was killed in the line of duty on or after July 1, 2002, until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student.

3. If a member killed in the line of duty leaves no surviving spouse but is survived by a child or children under 18 years of age, the benefits provided by subparagraph 1., normally payable to a surviving spouse, shall be paid for the use and
benefit of such member’s child or children under 18 years of age and unmarried until the 18th birthday of the member’s youngest child. Beginning July 1, 2016, such monthly payments may be extended, for the surviving child of a member in the Special Risk Class at the time he or she was killed in the line of duty on or after July 1, 2013, until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student. Beginning July 1, 2017, such monthly payments may be extended, for the surviving child of a member in the Special Risk Class at the time he or she was killed in the line of duty on or after July 1, 2002, until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student.

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

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

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

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

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

(9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

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

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

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

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

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

121.122 Renewed membership in system.—

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

(3) A retiree of the investment plan, the State University System Optional Retirement Program, the Senior Management Service Optional Annuity Program, or the State Community College System Optional Retirement Program who is reemployed with a covered employer in a regularly established position on or after July 1, 2017, shall be enrolled as a renewed member of the investment plan unless employed in a position eligible for participation in the State University System Optional Retirement Program as provided in subsection (4) or the State Community College System Optional Retirement Program as provided in subsection (5). The renewed member must satisfy the vesting requirements and other provisions of this chapter.

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

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

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

3. In the Elected Officers’ Class, if the position meets the requirements of s. 121.053.

4. In the Senior Management Service Class, if the position meets the requirements of s. 121.055.
(b) Creditable service, including credit toward the retiree health insurance subsidy provided in s. 112.363, does not accrue for a renewed member’s employment in a regularly established position with a covered employer from July 1, 2010, through June 30, 2017.

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

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

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

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

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

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

(i) A renewed member who earns creditable service under the investment plan and who is not receiving the maximum health insurance subsidy provided in s. 112.363 is entitled to earn additional credit toward the subsidy. Such credit may be earned only for employment in a regularly established position with a covered employer on or after July 1, 2017. Any additional subsidy due because of additional credit may be received only at the time of paying the second career retirement benefit. The total health insurance subsidy received by a retiree receiving benefits from initial and renewed membership may not exceed the maximum allowed under s. 112.363.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. Paragraphs (e) and (i) of subsection (2), paragraph (b) of subsection (3), subsection (4), paragraph (c) of subsection (5), and paragraphs (a) and (h) of subsection (10) of section 121.4501, Florida Statutes, are amended to read:

121.4501 Florida Retirement System Investment Plan.—

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

(e) “Eligible employee” means an officer or employee, as
defined in s. 121.021, who:

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

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

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

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

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

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

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

1. For purposes of this subsection, the present value of the member’s accumulated benefit obligation is based upon the member’s estimated creditable service and estimated average final compensation under the pension plan, subject to recomputation under subparagraph 2. For state employees, initial estimates shall be based upon creditable service and average final compensation as of midnight on June 30, 2002; for district school board employees, initial estimates shall be based upon creditable service and average final compensation as of midnight on September 30, 2002; and for local government employees, initial estimates shall be based upon creditable service and average final compensation as of midnight on December 31, 2002.
The dates specified are the “estimate date” for these employees. The actuarial present value of the employee’s accumulated benefit obligation shall be based on the following:

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

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

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

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

        (A) Age 62; or

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

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

        (A) Age 65; or

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

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

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

(A) Age 55; or

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

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

(A) Age 60; or

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

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

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

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

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

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

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

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

(4) PARTICIPATION; ENROLLMENT.—

(a)1. Effective June 1, 2002, through February 28, 2003, a 90-day election period was provided to each eligible employee participating in the Florida Retirement System, preceded by a 90-day education period, permitting each eligible employee to elect membership in the investment plan. An employee who failed
to elect the investment plan during the election period remained
in the pension plan. An eligible employee who was employed in a
regularly established position during the election period was
granted the option to make one subsequent election, as provided
in paragraph (f). With respect to an eligible employee who did
not participate in the initial election period or who is
initially employed in a regularly established position after the
close of the initial election period but before January 1, 2018,
on June 1, 2002, by a state employer:
   a. Any such employee may elect to participate in the
   investment plan in lieu of retaining his or her membership in
   the pension plan. The election must be made in writing or by
electronic means and must be filed with the third-party
   administrator by August 31, 2002, or, in the case of an active
   employee who is on a leave of absence on April 1, 2002, by the
   last business day of the 5th month following the month the leave
   of absence concludes. This election is irrevocable, except as
   provided in paragraph (g). Upon making such election, the
   employee shall be enrolled as a member of the investment plan,
   the employee’s membership in the Florida Retirement System is
governed by the provisions of this part, and the employee’s
   membership in the pension plan terminates. The employee’s
   enrollment in the investment plan is effective the first day of
   the month for which a full month’s employer contribution is made
to the investment plan.

   b. Any such employee who fails to elect to participate in
   the investment plan within the prescribed time period is deemed
to have elected to retain membership in the pension plan, and
   the employee’s option to elect to participate in the investment
2. With respect to employees who become eligible to participate in the investment plan by reason of employment in a regularly established position with a state employer commencing after April 1, 2002:

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

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

   b. An employee who fails to elect to participate in the investment plan within the prescribed time period is deemed to have elected to retain membership in the pension plan, and the employee’s option to elect to participate in the investment plan is forfeited.

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

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

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

3.a. Except as provided in sub-subparagraph b., if the employee fails to make an election to either the pension plan or the investment plan during the 8-month period following the month of hire, the employee is deemed to have elected the investment plan and shall default into the investment plan retroactively to the employee’s date of employment. The employee’s option to participate in the pension plan is forfeited, except as provided in paragraph (f).

b. If the employee is employed in a position included in the Special Risk Class and fails to make an election to either the pension plan or the investment plan during the 8-month period following the month of hire, the employee is deemed to have elected the pension plan and shall default into the pension plan retroactively to the employee’s date of employment. The employee’s option to participate in the investment plan is forfeited, except as provided in paragraph (f).

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

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

4. For purposes of this paragraph, “state employer” means
any agency, board, branch, commission, community college,
department, institution, institution of higher education, or
water management district of the state, which participates in
the Florida Retirement System for the benefit of certain
employees.

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

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

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

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

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

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

c. Any such employee who fails to elect to participate in
the investment plan within the prescribed time period is deemed
to have elected to retain membership in the pension plan, and
the employee’s option to elect to participate in the investment
plan is forfeited.
3. For purposes of this paragraph, “district school board employer” means any district school board that participates in the Florida Retirement System for the benefit of certain employees, or a charter school or charter technical career center that participates in the Florida Retirement System as provided in s. 121.051(2)(d).

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

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

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

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

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

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

   c. Any such employee who fails to elect to participate in the investment plan within the prescribed time period is deemed to have elected to retain membership in the pension plan, and the employee’s option to elect to participate in the investment plan is forfeited.

3. For purposes of this paragraph, “local employer” means any employer not included in paragraph (a) or paragraph (b).

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

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

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

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

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

Effective July 1, 2005, such elections are effective on the
first day of the month following the receipt of the election by
the third-party administrator and are not subject to the
requirements regarding an employer-employee relationship or
receipt of contributions for the eligible employee in the
effective month, except when the election is received by the
third-party administrator. This paragraph is contingent upon
approval by the Internal Revenue Service.

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

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

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

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

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

(5) CONTRIBUTIONS.—

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

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

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

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

(10) EDUCATION COMPONENT.—
(a) The state board, in coordination with the department, shall provide for an education component for eligible employees system members in a manner consistent with the provisions of this subsection section. The education component must be available to eligible employees at least 90 days prior to the beginning date of the election period for the employees of the respective types of employers.

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

Section 7. Subsection (4) of section 121.591, Florida Statutes, is amended to read:

121.591 Payment of benefits.—Benefits may not be paid under the Florida Retirement System Investment Plan unless the member has terminated employment as provided in s. 121.021(39)(a) or is deceased and a proper application has been filed as prescribed by the state board or the department. Benefits, including employee contributions, are not payable under the investment plan for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee’s principal residence, or any other reason except a requested distribution for retirement, a mandatory de minimis distribution authorized by the administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code. The state board or department, as appropriate, may cancel
an application for retirement benefits if the member or beneficiary fails to timely provide the information and documents required by this chapter and the rules of the state board and department. In accordance with their respective responsibilities, the state board and the department shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application if the required information or documents are not received. The state board and the department, as appropriate, are authorized to cash out a de minimis account of a member who has been terminated from Florida Retirement System covered employment for a minimum of 6 calendar months. A de minimis account is an account containing employer and employee contributions and accumulated earnings of not more than $5,000 made under the provisions of this chapter. Such cash-out must be a complete lump-sum liquidation of the account balance, subject to the provisions of the Internal Revenue Code, or a lump-sum direct rollover distribution paid directly to the custodian of an eligible retirement plan, as defined by the Internal Revenue Code, on behalf of the member. Any nonvested accumulations and associated service credit, including amounts transferred to the suspense account of the Florida Retirement System Investment Plan Trust Fund authorized under s. 121.4501(6), shall be forfeited upon payment of any vested benefit to a member or beneficiary, except for de minimis distributions or minimum required distributions as provided under this section. If any financial instrument issued for the payment of retirement benefits under this section is not presented for payment within 180 days after the last day of the month in which it was originally issued, the third-party
administrator or other duly authorized agent of the state board shall cancel the instrument and credit the amount of the instrument to the suspense account of the Florida Retirement System Investment Plan Trust Fund authorized under s. 121.4501(6). Any amounts transferred to the suspense account are payable upon a proper application, not to include earnings thereon, as provided in this section, within 10 years after the last day of the month in which the instrument was originally issued, after which time such amounts and any earnings attributable to employer contributions shall be forfeited. Any forfeited amounts are assets of the trust fund and are not subject to chapter 717.

(4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN SPECIAL RISK CLASS MEMBERS.—Benefits are provided under this subsection to the spouse and child or children of members in the investment plan Special Risk Class when such members are killed in the line of duty and are payable in lieu of the benefits that would otherwise be payable under subsection (1) or subsection (3). Benefits provided by this subsection supersede any other distribution that may have been provided by the member’s designation of beneficiary. Such benefits must be funded from employer contributions made under s. 121.571, transferred employee contributions and funds accumulated pursuant to paragraph (a), and interest and earnings thereon.

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

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

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

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

1. The surviving spouse for the spouse’s lifetime; or

2. If there is no surviving spouse or the surviving spouse dies, the member’s child or children under 18 years of age and unmarried until the 18th birthday of the member’s youngest child. Such payments may be extended until the 25th birthday of any child of the member if the child is unmarried and enrolled as a full-time student as provided in s. 121.091(7)(d) and (i).

(c) Survivor benefit retirement effective date.—

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

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

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

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

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

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

If the investment plan account balance has already been paid out to the surviving spouse or the eligible unmarried dependent child or children, the benefit payable shall be actuarially reduced by the amount of the payout.

(d) Line-of-duty death benefit.—

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

a. The surviving spouse.

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

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

If the investment plan account balance has already been paid out
to the surviving spouse or the eligible unmarried dependent
child or children, the benefit payable shall be actuarially
reduced by the amount of the payout.

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

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

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

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

Section 8. Section 121.5912, Florida Statutes, is amended to read:

121.5912 Survivor benefit retirement program; qualified status; rulemaking authority.—It is the intent of the Legislature that the survivor benefit retirement program for Special Risk Class members of the Florida Retirement System Investment Plan meet all applicable requirements for a qualified plan. If the state board or the division receives notification from the Internal Revenue Service that this program or any portion of this program will cause the retirement system, or any portion thereof, to be disqualified for tax purposes under the Internal Revenue Code, the portion that will cause the disqualification does not apply. Upon such notice, the state board or the division shall notify the presiding officers of the Legislature. The state board and the department may adopt any rules necessary to maintain the qualified status of the survivor benefit retirement program.

Section 9. Subsections (1) and (3) of section 121.735, Florida Statutes, are amended to read:

121.735 Allocations for member line-of-duty death benefits; percentage amounts.—
(1) The allocations established in subsection (3) shall be used to provide line-of-duty death benefit coverage for Special Risk Class members in the investment plan and shall be transferred monthly by the division from the Florida Retirement System Contributions Clearing Trust Fund to the survivor benefit account of the Florida Retirement System Trust Fund.

(3) Effective July 1, 2017, allocations from the Florida Retirement System Contributions Clearing Trust Fund to provide line-of-duty death benefits for Special Risk Class members in the investment plan and to offset the costs of administering said coverage, are as follows:

<table>
<thead>
<tr>
<th>Membership Class</th>
<th>Percentage of Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Class</td>
<td>0.05%</td>
</tr>
<tr>
<td>Special Risk Class</td>
<td>1.15% 0.82%</td>
</tr>
<tr>
<td>Special Risk Administrative Support Class</td>
<td>0.03%</td>
</tr>
<tr>
<td>Elected Officers’ Class—</td>
<td></td>
</tr>
<tr>
<td>Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public</td>
<td>0.15%</td>
</tr>
</tbody>
</table>
Defenders

Elected Officers’ Class—
  Justices, Judges  0.09%

Elected Officers’ Class—
  County Elected Officers  0.20%

Senior Management Service
Class  0.05%

Section 10. The Legislature shall review the current status of research programs, funded wholly or in part by the General Appropriations Act, which study the incidence of cancer in firefighters. This review must be conducted before the convening of the 2018 Regular Session of the Legislature to determine whether any further statutory changes are necessary as a result of the enactment of s. 112.1816, Florida Statutes, by this act.

Section 11. (1) In order to fund the benefit changes provided in this act, the required employer contribution rate for members of the Florida Retirement System established in s. 121.71(4), Florida Statutes, are adjusted as follows:

(a) The Regular Class is increased by 0.01 percentage point.

(b) The Special Risk Class is increased by 0.06 percentage point.

(c) The Special Risk Administrative Support Class is increased by 0.02 percentage point.
(d) The Elected Officers’ Class—Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, and Public Defenders is increased by 0.04 percentage point.

(e) The Elected Officers’ Class—Justices, Judges is increased by 0.01 percentage point.

(f) The Elected Officers’ Class—County Elected Officers is increased by 0.06 percentage point.

(g) The Senior Management Service Class is increased by 0.01 percentage point.

(2) In order to fund the benefit changes provided in this act, the required employer contribution rate for the unfunded actuarial liability of the Florida Retirement System established in s. 121.71(5), Florida Statutes, for the Special Risk Class is increased by 0.12 percentage point.

(3) The adjustments provided in subsections (1) and (2) are in addition to any other changes to such contribution rates which may be enacted into law to take effect on July 1, 2017.

The Division of Law Revision and Information is directed to adjust accordingly the contribution rates provided in s. 121.71, Florida Statutes.

Section 12. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by governmental retirement systems. These persons must be provided benefits that are fair and adequate and that are managed, administered, and funded in an actuarially sound manner, as required by s. 14, Article X of the State Constitution and part VII of chapter 112,
Florida Statutes. Therefore, the Legislature determines and declares that this act fulfills an important state interest.

Section 13. Subsection (2) and paragraphs (b), (f), (h), and (j) of subsection (3) of section 110.123, Florida Statutes, are amended, and paragraph (k) is added to subsection (3) of that section, to read:

110.123 State group insurance program.—
(2) DEFINITIONS.—As used in ss. 110.123-110.1239 this section, the term:
(a) "Department" means the Department of Management Services.
(b) "Enrollee" means all state officers and employees, retired state officers and employees, surviving spouses of deceased state officers and employees, and terminated employees or individuals with continuation coverage who are enrolled in an insurance plan offered by the state group insurance program. "Enrollee" includes all state university officers and employees, retired state university officers and employees, surviving spouses of deceased state university officers and employees, and terminated state university employees or individuals with continuation coverage who are enrolled in an insurance plan offered by the state group insurance program.
(c) "Full-time state employees" means employees of all branches or agencies of state government holding salaried positions who are paid by state warrant or from agency funds and who work or are expected to work an average of at least 30 or more hours per week; employees paid from regular salary appropriations for 8 months' employment, including university personnel on academic contracts; and employees paid from other-
personal-services (OPS) funds as described in subparagraphs 1. and 2. The term includes all full-time employees of the state universities. The term does not include seasonal workers who are paid from OPS funds.

1. For persons hired before April 1, 2013, the term includes any person paid from OPS funds who:
   a. Has worked an average of at least 30 hours or more per week during the initial measurement period from April 1, 2013, through September 30, 2013; or
   b. Has worked an average of at least 30 hours or more per week during a subsequent measurement period.

2. For persons hired after April 1, 2013, the term includes any person paid from OPS funds who:
   a. Is reasonably expected to work an average of at least 30 hours or more per week; or
   b. Has worked an average of at least 30 hours or more per week during the person’s measurement period.

(d) “Health maintenance organization” or “HMO” means an entity certified under part I of chapter 641.

(e) “Health plan member” means any person participating in a state group health insurance plan, a TRICARE supplemental insurance plan, or a health maintenance organization plan under the state group insurance program, including enrollees and covered dependents thereof.

(f) “Part-time state employee” means an employee of any branch or agency of state government paid by state warrant from salary appropriations or from agency funds, and who is employed for less than an average of 30 hours per week or, if on academic contract or seasonal or other type of employment which is less
than year-round, is employed for less than 8 months during any
12-month period, but does not include a person paid from other-
personal-services (OPS) funds. The term includes all part-time
employees of the state universities.

(g) “Plan year” means a calendar year.

(h) “Retired state officer or employee” or “retiree”
means any state or state university officer or employee who
retires under a state retirement system or a state optional
annuity or retirement program or is placed on disability
retirement, and who was insured under the state group insurance
program at the time of retirement, and who begins receiving
retirement benefits immediately after retirement from state or
state university office or employment. The term also includes
any state officer or state employee who retires under the
Florida Retirement System Investment Plan established under part
II of chapter 121 if he or she:

1. Meets the age and service requirements to qualify for
normal retirement as set forth in s. 121.021(29); or

2. Has attained the age specified by s. 72(t)(2)(A)(i) of
the Internal Revenue Code and has 6 years of creditable service.

(i) “State agency” or “agency” means any branch,
department, or agency of state government. “State agency” or
“agency” includes any state university for purposes of this
section only.

(j) “Seasonal workers” has the same meaning as provided
under 29 C.F.R. s. 500.20(s)(1).

(k) “State group health insurance plan or plans” or
“state plan or plans” mean the state self-insured health
insurance plan or plans offered to state officers and employees,
retired state officers and employees, and surviving spouses of
deceased state officers and employees pursuant to this section.

(l) “State-contracted HMO” means any health maintenance
organization under contract with the department to participate
in the state group insurance program.

(m) “State group insurance program” or “programs” means
the package of insurance plans offered to state officers and
employees, retired state officers and employees, and surviving
spouses of deceased state officers and employees pursuant to
this section, including the state group health insurance plan or
plans, health maintenance organization plans, TRICARE
supplemental insurance plans, and other plans required or
authorized by law.

(n) “State officer” means any constitutional state
officer, any elected state officer paid by state warrant, or any
appointed state officer who is commissioned by the Governor and
who is paid by state warrant.

(o) “Surviving spouse” means the widow or widower of a
deceased state officer, full-time state employee, part-time
state employee, or retiree if such widow or widower was covered
as a dependent under the state group health insurance plan, TRICARE
supplemental insurance plan, or a health maintenance
organization plan established pursuant to this section at the
time of the death of the deceased officer, employee, or retiree.
“Surviving spouse” also means any widow or widower who is
receiving or eligible to receive a monthly state warrant from a
state retirement system as the beneficiary of a state officer,
full-time state employee, or retiree who died prior to July 1,
1979. For the purposes of this section, any such widow or
widower shall cease to be a surviving spouse upon his or her remarriage.

(p)(c) “TRICARE supplemental insurance plan” means the Department of Defense Health Insurance Program for eligible members of the uniformed services authorized by 10 U.S.C. s. 1097.

(3) STATE GROUP INSURANCE PROGRAM.—

(b) It is the intent of the Legislature to offer a comprehensive package of health insurance and retirement benefits and a personnel system for state employees which are provided in a cost-efficient and prudent manner, and to allow state employees the option to choose benefit plans which best suit their individual needs. Therefore, the state group insurance program is established which may include the state group health insurance plan or plans, health maintenance organization plans, group life insurance plans, TRICARE supplemental insurance plans, group accidental death and dismemberment plans, and group disability insurance plans.

Furthermore, the department is additionally authorized to establish and provide as part of the state group insurance program any other group insurance plans or coverage choices, and other benefits authorized by law that are consistent with the provisions of s. 125 of the Internal Revenue Code this section.

(f) Except as provided for in subparagraph (h)2., the state contribution toward the cost of any plan in the state group insurance program shall be uniform with respect to all state employees in a state collective bargaining unit participating in the same coverage tier in the same plan. This section does not prohibit the development of separate benefit plans for officers...
and employees exempt from the career service or the development of separate benefit plans for each collective bargaining unit.

For the 2020 plan year and each plan year thereafter, if the state’s contribution is more than the premium cost of the health plan selected by the employee, subject to federal limitation, the employee may elect to have the balance:

1. Credited to the employee’s flexible spending account;
2. Credited to the employee’s health savings account;
3. Used to purchase additional benefits offered through the state group insurance program; or
4. Used to increase the employee’s salary.

(h)1. A person eligible to participate in the state group insurance program may be authorized by rules adopted by the department, in lieu of participating in the state group health insurance plan, to exercise an option to elect membership in a health maintenance organization plan which is under contract with the state in accordance with criteria established by this section and by said rules. The offer of optional membership in a health maintenance organization plan permitted by this paragraph may be limited or conditioned by rule as may be necessary to meet the requirements of state and federal laws.

2. The department shall contract with health maintenance organizations seeking to participate in the state group health insurance program through a request for proposal or other procurement process, as developed by the Department of Management Services and determined to be appropriate.

a. The department shall establish a schedule of minimum benefits for health maintenance organization coverage, and that schedule shall include: physician services; inpatient and
outpatient hospital services; emergency medical services, including out-of-area emergency coverage; diagnostic laboratory and diagnostic and therapeutic radiologic services; mental health, alcohol, and chemical dependency treatment services meeting the minimum requirements of state and federal law; skilled nursing facilities and services; prescription drugs; age-based and gender-based wellness benefits; and other benefits as may be required by the department. Additional services may be provided subject to the contract between the department and the HMO. As used in this paragraph, the term “age-based and gender-based wellness benefits” includes aerobic exercise, education in alcohol and substance abuse prevention, blood cholesterol screening, health risk appraisals, blood pressure screening and education, nutrition education, program planning, safety belt education, smoking cessation, stress management, weight management, and women’s health education.

b. The department may establish uniform deductibles, copayments, coverage tiers, or coinsurance schedules for all participating HMO plans.

c. The department may require detailed information from each health maintenance organization participating in the procurement process, including information pertaining to organizational status, experience in providing prepaid health benefits, accessibility of services, financial stability of the plan, quality of management services, accreditation status, quality of medical services, network access and adequacy, performance measurement, ability to meet the department’s reporting requirements, and the actuarial basis of the proposed rates and other data determined by the director to be necessary.
for the evaluation and selection of health maintenance
organization plans and negotiation of appropriate rates for
these plans. Upon receipt of proposals by health maintenance
organization plans and the evaluation of those proposals, the
department may enter into negotiations with all of the plans or
a subset of the plans, as the department determines appropriate.
Nothing shall preclude the department from negotiating regional
or statewide contracts with health maintenance organization
plans when this is cost-effective and when the department
determines that the plan offers high value to enrollees.

d. The department may limit the number of HMOs that it
contracts with in each service area based on the nature of the
bids the department receives, the number of state employees in
the service area, or any unique geographical characteristics of
the service area. The department shall establish by rule service
areas throughout the state.

e. All persons participating in the state group insurance
program may be required to contribute towards a total state
group health premium that may vary depending upon the plan,
benefit level, and coverage tier selected by the enrollee and
the level of state contribution authorized by the Legislature.

3. The department is authorized to negotiate and to
contract with specialty psychiatric hospitals for mental health
benefits, on a regional basis, for alcohol, drug abuse, and
mental and nervous disorders. The department may establish,
subject to the approval of the Legislature pursuant to
subsection (5), any such regional plan upon completion of an
actuarial study to determine any impact on plan benefits and
premiums.
4. In addition to contracting pursuant to subparagraph 2., the department may enter into contract with any HMO to participate in the state group insurance program which:

a. Serves greater than 5,000 recipients on a prepaid basis under the Medicaid program;

b. Does not currently meet the 25-percent non-Medicare/non-Medicaid enrollment composition requirement established by the Department of Health excluding participants enrolled in the state group insurance program;

c. Meets the minimum benefit package and copayments and deductibles contained in sub-subparagraphs 2.a. and b.;

d. Is willing to participate in the state group insurance program at a cost of premiums that is not greater than 95 percent of the cost of HMO premiums accepted by the department in each service area; and

e. Meets the minimum surplus requirements of s. 641.225.

The department is authorized to contract with HMOs that meet the requirements of sub-subparagraphs a.-d. prior to the open enrollment period for state employees. The department is not required to renew the contract with the HMOs as set forth in this paragraph more than twice. Thereafter, the HMOs shall be eligible to participate in the state group insurance program only through the request for proposal or invitation to negotiate process described in subparagraph 2.

5. All enrollees in a state group health insurance plan, a TRICARE supplemental insurance plan, or any health maintenance organization plan have the option of changing to any other health plan that is offered by the state within any open
enrollment period designated by the department. Open enrollment shall be held at least once each calendar year.

6. When a contract between a treating provider and the state-contracted health maintenance organization is terminated for any reason other than for cause, each party shall allow any enrollee for whom treatment was active to continue coverage and care when medically necessary, through completion of treatment of a condition for which the enrollee was receiving care at the time of the termination, until the enrollee selects another treating provider, or until the next open enrollment period offered, whichever is longer, but no longer than 6 months after termination of the contract. Each party to the terminated contract shall allow an enrollee who has initiated a course of prenatal care, regardless of the trimester in which care was initiated, to continue care and coverage until completion of postpartum care. This does not prevent a provider from refusing to continue to provide care to an enrollee who is abusive, noncompliant, or in arrears in payments for services provided. For care continued under this subparagraph, the program and the provider shall continue to be bound by the terms of the terminated contract. Changes made within 30 days before termination of a contract are effective only if agreed to by both parties.

7. Any HMO participating in the state group insurance program shall submit health care utilization and cost data to the department, in such form and in such manner as the department shall require, as a condition of participating in the program. The department shall enter into negotiations with its contracting HMOs to determine the nature and scope of the data
submission and the final requirements, format, penalties associated with noncompliance, and timetables for submission. These determinations shall be adopted by rule.

8. The department may establish and direct, with respect to collective bargaining issues, a comprehensive package of insurance benefits that may include supplemental health and life coverage, dental care, long-term care, vision care, and other benefits it determines necessary to enable state employees to select from among benefit options that best suit their individual and family needs. Beginning with the 2018 plan year, the package of benefits may also include products and services described in s. 110.12303.

a. Based upon a desired benefit package, the department shall issue a request for proposal or invitation to negotiate for health insurance providers interested in participating in the state group insurance program, and the department shall issue a request for proposal or invitation to negotiate for insurance providers interested in participating in the non-health-related components of the state group insurance program. Upon receipt of all proposals, the department may enter into contract negotiations with insurance providers submitting bids or negotiate a specially designed benefit package. Insurance providers offering or providing supplemental coverage as of May 30, 1991, which qualify for pretax benefit treatment pursuant to s. 125 of the Internal Revenue Code of 1986, with 5,500 or more state employees currently enrolled may be included by the department in the supplemental insurance benefit plan established by the department without participating in a request for proposal, submitting bids, negotiating contracts, or
negotiating a specially designed benefit package. These contracts shall provide state employees with the most cost-effective and comprehensive coverage available; however, except as provided in subparagraph (f)3., no state or agency funds shall be contributed toward the cost of any part of the premium of such supplemental benefit plans. With respect to dental coverage, the division shall include in any solicitation or contract for any state group dental program made after July 1, 2001, a comprehensive indemnity dental plan option which offers enrollees a completely unrestricted choice of dentists. If a dental plan is endorsed, or in some manner recognized as the preferred product, such plan shall include a comprehensive indemnity dental plan option which provides enrollees with a completely unrestricted choice of dentists.

b. Pursuant to the applicable provisions of s. 110.161, and s. 125 of the Internal Revenue Code of 1986, the department shall enroll in the pretax benefit program those state employees who voluntarily elect coverage in any of the supplemental insurance benefit plans as provided by sub-subparagraph a.

c. Nothing herein contained shall be construed to prohibit insurance providers from continuing to provide or offer supplemental benefit coverage to state employees as provided under existing agency plans.

(j)1. For the 2020 plan year and each plan year thereafter, health plans shall be offered in the following benefit levels:

a. Platinum level, which shall have an actuarial value of at least 90 percent.

b. Gold level, which shall have an actuarial value of at least 80 percent.
c. Silver level, which shall have an actuarial value of at least 70 percent.

d. Bronze level, which shall have an actuarial value of at least 60 percent.

2. For purposes of this paragraph, the term “actuarial value” means the percentage paid by a health plan of the percentage of the total allowed costs of benefits.

Notwithstanding paragraph (f) requiring uniform contributions, and for the 2011-2012 fiscal year only, the state contribution toward the cost of any plan in the state group insurance plan is the difference between the overall premium and the employee contribution. This subsection expires June 30, 2012.

(k) In consultation with the independent benefits consultant described in s. 110.12304, the department shall develop a plan for implementation of the benefit levels described in paragraph (j). The plan shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2019, and must include an actuarial study of the trends, costs, and savings over the next 15 years which are associated with the implementation of benefit levels for employers and enrollees. The plan must also include recommendations for:

1. Employer and enrollee contribution policies.

2. Steps necessary for maintaining or improving total employee compensation levels.

3. An education strategy to inform employees of the additional choices available in the state group insurance program.
This paragraph expires July 1, 2019.

Section 14. Section 110.12303, Florida Statutes, is created to read:

110.12303 State group insurance program; additional benefits; price transparency program; reporting.—Beginning with the 2018 plan year:

(1) In addition to the comprehensive package of health insurance and other benefits required or authorized to be included in the state group insurance program, the package of benefits may also include products and services consistent with the provisions of s. 125 of the Internal Revenue Code which are offered by:

(a) Prepaid limited health service organizations authorized pursuant to part I of chapter 636.

(b) Discount medical plan organizations authorized pursuant to part II of chapter 636.

(c) Prepaid health clinics licensed under part II of chapter 641.

(d) Licensed health care providers, including hospitals and other health care facilities, health care clinics, and health professionals, who sell service contracts and arrangements for a specified amount and type of health services.

(e) Provider organizations, including service networks, group practices, professional associations, and other incorporated organizations of providers, who sell service contracts and arrangements for a specified amount and type of health services.

(f) Entities that provide specific health services in accordance with applicable state law and sell service contracts
and arrangements for a specified amount and type of health services.

  (g) Entities that provide health services or treatments through a bidding process.

  (h) Entities that provide health services or treatments through the bundling or aggregating of health services or treatments.

  (i) Entities that provide other innovative and cost-effective health service delivery methods.

(2)(a) The department shall contract with at least one entity that provides comprehensive pricing and inclusive services for surgery and other medical procedures which may be accessed at the option of the enrollee. The contract shall require the entity to:

  1. Have procedures and evidence-based standards to ensure the inclusion of only high-quality health care providers.

  2. Provide assistance to the enrollee in accessing and coordinating care.

  3. Provide cost savings to the state group insurance program to be shared equally with both the state and the enrollee. Cost savings payable to an enrollee may be:

   a. Credited to the enrollee’s flexible spending account;

   b. Credited to the enrollee’s health savings account;

   c. Credited to the enrollee’s health reimbursement account;

   or

   d. Paid as additional health plan reimbursements not exceeding the amount of the enrollee’s out-of-pocket medical expenses.

  4. Provide, subject to approval by the department, an
educational campaign for enrollees to learn about the services offered by the entity.

(b)1. On or before February 1 of each year, the department shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the participation level and cost-savings to both the enrollee and the state resulting from the contract or contracts described in this subsection.

2. In preparation of its report, the department must use the official information developed by the Self-Insurance Estimating Conference relating to the cost savings of the program.

(3) The department shall contract with an entity that provides enrollees with online information on the cost and quality of health care services and providers, allows an enrollee to shop for health care services and providers, and rewards the enrollee by sharing savings generated by the enrollee’s choice of services or providers. The contract shall require the entity to:

(a) Establish an Internet-based, consumer-friendly platform that educates and informs enrollees about the price and quality of health care services and providers, including the average amount paid in each county for health care services and providers. The average amounts paid for such services and providers may be expressed for service bundles, which include all products and services associated with a particular treatment or episode of care, or for separate and distinct products and services.

(b) Allow enrollees to shop for health care services and
providers using the price and quality information provided on
the Internet-based platform.

(c) Permit a certified bargaining agent of state employees
to provide educational materials and counseling, subject to
approval by the department, to enrollees regarding the Internet-
based platform.

(d) Identify the savings realized to the enrollee and state
if the enrollee chooses high-quality, lower-cost health care
services or providers, and facilitate a shared savings payment
to the enrollee. The amount of shared savings shall be
determined by a methodology approved by the department and shall
maximize value-based purchasing by enrollees. The amount payable
to the enrollee may be:

1. Credited to the enrollee’s flexible spending account;
2. Credited to the enrollee’s health savings account;
3. Credited to the enrollee’s health reimbursement account;
or
4. Paid as additional health plan reimbursements not
exceeding the amount of the enrollee’s out-of-pocket medical
expenses.

(e)1. On or before February 1 of each year, the department
shall report to the Governor, the President of the Senate, and
the Speaker of the House of Representatives on the participation
level, amount paid to enrollees, and cost-savings to both the
enrollees and the state resulting from the implementation of
this subsection.

2. In preparation of its report, the department must use
the official information developed by the Self-Insurance
Estimating Conference relating to the cost savings of the
program.

(4)(a) The programs established pursuant to subsections (2) and (3) are limited to enrollees in the self-insured products offered through the state group insurance program.

(b) The programs may be expanded to include enrollees in the fully insured products if the department and the state-contracted HMO execute an agreement on the implementation of the program, including a limited program, which does not result in additional costs to the state group insurance program.

Section 15. Section 110.12304, Florida Statutes, is created to read:

110.12304 Independent benefits consultant.—

(1) The department shall competitively procure an independent benefits consultant.

(2) The independent benefits consultant may not:

(a) Be owned or controlled by a health maintenance organization or insurer.

(b) Have an ownership interest in a health maintenance organization or insurer.

(c) Have a direct or indirect financial interest in a health maintenance organization or insurer.

(3) The independent benefits consultant must have substantial experience in consultation and design of employee benefit programs for large employers and public employers, including experience with plans that qualify as cafeteria plans under s. 125 of the Internal Revenue Code of 1986.

(4) The independent benefits consultant shall:

(a) Provide an ongoing assessment of trends in benefits and employer-sponsored insurance that affect the state group
insurance program.

   (b) Conduct a comprehensive analysis of the state group insurance program, including available benefits, coverage options, and claims experience.

   (c) Identify and establish appropriate adjustment procedures necessary to respond to any risk segmentation that may occur when increased choices are offered to employees.

   (d) Assist the department with the submission of any necessary plan revisions for federal review.

   (e) Assist the department in ensuring compliance with applicable federal and state regulations.

   (f) Assist the department in monitoring the adequacy of funding and reserves for the state self-insured plan.

   (g) Assist the department in preparing recommendations for any modifications to the state group insurance program which shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1 of each year.

Section 16. (1) For the 2017-2018 fiscal year, the sums of $151,216 in recurring funds and $507,546 in nonrecurring funds are appropriated from the State Employees Health Insurance Trust Fund to the Department of Management Services, and two full-time equivalent positions and associated salary rate of 120,000 are authorized, for the purpose of implementing this act.

   (2)(a) The recurring funds appropriated in this section shall be allocated to the following specific appropriation categories within the Insurance Benefits Administration Program: $150,528 in Salaries and Benefits and $688 in Special Categories Transfer to Department of Management Services—Human Resources
Purchased per Statewide Contract.

(b) The nonrecurring funds appropriated in this section shall be allocated to the following specific appropriation categories: $500,000 in Special Categories Contracted Services and $7,546 in Expenses.

Section 17. (1) PURPOSE.—This section provides instructions for implementing the 2017-2018 fiscal year salary and benefit adjustments provided in this act. All allocations, distributions, and uses of these funds are to be made in strict accordance with the provisions of this act and chapter 216, Florida Statutes.

(2) LEGISLATIVE INTENT.—It is the intent of the Legislature that the minimum for each pay grade and pay band may not be adjusted during the 2017-2018 fiscal year and that the maximums for each pay grade and pay band shall be adjusted upward by 6 percent, effective July 1, 2017. In addition, the Legislature intends that all eligible employees receive the increases specified in this section, even if the implementation of such increases results in an employee’s salary exceeding the adjusted pay grade maximum. Salary increases provided under this section shall be prorated based on the full-time equivalency of the employee’s position. Employees classified as other-personnel-services employees are not eligible for an increase based on the implementation of increases authorized in this section.

(3) LAW ENFORCEMENT COMPENSATION ADJUSTMENTS.—

(a) Effective July 1, 2017, funds are provided in section 18 of this act to grant a competitive pay adjustment of 5 percent of each eligible law enforcement employee’s base rate of pay on June 30, 2017, in the Department of Legal Affairs, the
Department of Agriculture and Consumer Services, the Department of Financial Services, the Department of Law Enforcement, the Department of Highway Safety and Motor Vehicles, the Department of Business and Professional Regulation, and the Department of the Lottery; the Fish and Wildlife Conservation Commission; the offices of State Attorneys; and the Florida Commission on Offender Review.

(b) For purposes of this subsection, the term “law enforcement employee” means:

1. Sworn officers of the Law Enforcement, Florida Highway Patrol, Special Agent, and Lottery Law Enforcement bargaining units in the following classification codes: Law Enforcement Officer (8515); Law Enforcement Corporal (8517); Law Enforcement Sergeant (8519); Law Enforcement Investigator I (8540); Law Enforcement Investigator II (8541); Law Enforcement Airplane Pilot I (8532); Law Enforcement Airplane Pilot II (8534); Special Agent Trainee (8580); Special Agent (8581); Special Agent I (2724); Special Agent II (2608); Security Agent-FDLE (8593); and Security Agent Supervisor-FDLE (8596).

2. Sworn officers in the following classification codes: Law Enforcement Lieutenant (8522); Law Enforcement Captain (8525 and 8632); Law Enforcement Major (8526, 8626, and 8630); Special Agent Supervisor (1126 and 8584); Inspector-FDLE (8590); and Investigators I-VI (6661, 6662, 6663, 6664, 6665, and 6666).

(4) DEPARTMENT OF CORRECTIONS COMPENSATION ADJUSTMENTS.—

(a) Effective October 1, 2017, the Department of Corrections shall adjust the minimum base rate of pay for its positions in the correctional officer classification series as follows:
1. Correctional officer (8003) to $33,500.
2. Correctional officer sergeant (8005) to $36,850.
3. Correctional officer lieutenant (8011) to $40,535.
4. Correctional officer captain (8013) to $44,589.

(b) Effective October 1, 2017, funds are provided in section 18 of this act to fund the adjustments to the minimum base rates of pay authorized in paragraph (a) and to fund competitive pay adjustments to all other employees of the Department of Corrections filling a position in the correctional officer classification series (class codes 8003, 8005, 8011, and 8013). The adjustments to the base rate of pay shall be the amount necessary to increase the employee’s base rate of pay as of September 30, 2017, to the applicable class minimum specified in paragraph (a) or by $2,500, whichever amount is greater.

(5) ASSISTANT PUBLIC DEFENDER COMPENSATION ADJUSTMENTS.—Effective October 1, 2017, funds are provided in section 18 of this act to grant a competitive pay adjustment of 6 percent of each eligible employee’s base rate of pay as of September 30, 2017, eligible assistant public defender (class code 5901) and each eligible assistant public defender chief (class code 5909). For purposes of this subsection, an “eligible employee” means an employee filling a position as an assistant public defender (class code 5901) or as an assistant public defender chief (class code 5909) who has completed at least 3 years of service as an attorney in the judicial circuit in which the attorney is currently employed.

(6) COMPENSATION ADJUSTMENTS FOR CERTAIN OFFICERS AND DESIGNATED EMPLOYEES.—
(a) For the period July 1, 2017, through September 30,
2017, the following officers and designated employees shall be paid at the annual rate authorized in this paragraph:

1. Supreme Court Justices at the annual rate of $162,200.
2. District Court of Appeal Judges at the annual rate of $154,140.
3. Circuit Court Judges at the annual rate of $146,080.
4. County Court Judges at the annual rate of $138,020.
5. State Attorneys at the annual rate of $154,140.
6. Public Defenders at the annual rate of $154,140.
7. Criminal Conflict and Civil Regional Counsels at the annual rate of $105,000.

(b) Beginning October 1, 2017, from the funds provided in section 18 of this act, the following officers and designated employees shall be paid at the annual rate authorized in this paragraph:

1. Supreme Court Justices at the annual rate of $178,420.
2. District Court of Appeal Judges at the annual rate of $169,554.
3. Circuit Court Judges at the annual rate of $160,688.
4. County Court Judges at the annual rate of $151,822.
5. State Attorneys at the annual rate of $169,554.
6. Public Defenders at the annual rate of $169,554.
7. Criminal Conflict and Civil Regional Counsels at the annual rate of $115,000.

None of the officers, commission members, or employees whose salaries have been fixed in this subsection shall receive any supplemental salary or benefits from any county or municipality.
(a) For purposes of this subsection, the term “competitive pay adjustment” means:

1. For employees with a base rate of pay of $40,000 or less on September 30, 2017, an annual increase of $1,400.

2. For employees with a base rate of pay greater than $40,000 on September 30, 2017, an annual increase of $1,000; provided however, in no instance may an employee’s base rate of pay be increased to an annual amount less than $41,400.

For the purpose of determining the applicable increase for part-time employees, the full-time equivalent value of the base rate of pay on September 30, 2017, shall be used; but the amount of the annual increase for a part-time employee must be proportional to the full-time equivalency of the employee’s position.

(b) For purposes of this subsection, the term “eligible employees” means employees who are, at a minimum, meeting their required performance standards, if applicable. If an ineligible employee achieves performance standards subsequent to the salary increase implementation date but on or before the end of the 2017-2018 fiscal year, the employee may receive an increase; however, such increase shall take effect on the date the employee becomes eligible and is not retroactive to the salary increase implementation date. In addition, the salary increase provided under this section shall be prorated based on the full-time equivalency of the employee’s position. Employees classified as being other-personnel-services employees are not eligible for an increase.

(c) Effective October 1, 2017, funds are provided in
section 18 of this act to grant competitive pay adjustments for all eligible employees in the Career Service, the Selected Exempt Service, the Senior Management Service, the lottery pay plan, the judicial branch pay plan, the legislative pay plan, and the pay plans administered by the Justice Administration Commission, except those officers and employees receiving compensation adjustments pursuant to subsections (3), (4), (5), and (6) and paragraphs (8)(c) and (8)(d).

(8) SPECIAL PAY ISSUES.—
(a) The Department of Highway Safety and Motor Vehicles is authorized to increase the minimum annual salaries of current and new employees hired to fill positions in the law enforcement officer class (class code 8515) to $36,223. This paragraph is effective upon becoming a law.

(b) From funds in section 18 of this act, the Department of Veterans' Affairs is authorized to implement its competitive pay plan proposed in the department's initial legislative budget request to address recruitment and retention of its employees who hold an active nursing assistant certification and fill a position in one of the following classification codes: certified nursing assistant (class code 5707); senior certified nursing assistant (class code 5708); therapy aide I (class code 5556); or therapy aide II (class code 5557).

(c) From funds in section 18 of this act, and beginning October 1, 2017, the Justice Administrative Commission is authorized to implement the salary adjustment proposed in its initial legislative budget request for the Statewide Guardian Ad Litem Program. To be eligible to receive this competitive pay adjustment, the employee must be an employee of the Statewide...
Guardian Ad Litem Program and must fill a position in one of the following classification codes: child advocate manager (class code 8401); senior child advocate manager (class code 8402); volunteer recruiter (class code 8403); program attorney (class code 8700); or senior program attorney (class code 8701).

(d) From the funds in section 18 of this act, and beginning April 1, 2018, the Department of Legal Affairs is authorized to:

1. Increase the starting salary of employees in the Attorney-Assistant Attorney General class (class code 7737) to $43,900;

2. Grant a competitive pay adjustment of $6,000 to each employee employed as an Assistant Attorney General (class code 7746) who has worked for the department for at least 2 years and meets or exceeds performance expectations; and

3. Grant a competitive pay adjustment of $3,000 to each employee employed as a Senior Assistant Attorney General (class code 7747); Attorney Supervisor-Assistant Attorney General (class code 7744); Special Counsel-Assistant Attorney General (class code 7165); Chief-Assistant Attorney General (class code 7748); Assistant Statewide Prosecutor-Attorney (class code 8681); Assistant Statewide Prosecutor-Senior Attorney (class code 8682); Assistant Statewide Prosecutor-Special Counsel (class code 6120); or Assistant Statewide Prosecutor-Chief (class code 9191) who has worked for the department for at least 2 years and meets or exceeds performance expectations.

(9) PAY ADDITIVES AND OTHER INCENTIVE PROGRAMS.—The following pay additives and other incentive programs are authorized for the 2017-2018 fiscal year from existing agency resources consistent with the provisions of ss. 110.2035 and
216.251, Florida Statutes, the applicable rules adopted by the Department of Management Services, and negotiated collective bargaining agreements.

(a) Each agency is authorized to continue to pay, at the levels in effect on June 30, 2007, on-call fees and shift differentials as necessary to perform normal operations of the agency.

(b) Each agency that had a training program in existence on June 30, 2006, which included granting pay additives to participating employees, is authorized to continue such training program for the 2017-2018 fiscal year. Such additives shall be granted in accordance with applicable law, administrative rules, and collective bargaining agreements.

(c) Each agency is authorized to continue to grant temporary special duties pay additives to employees assigned additional duties as a result of another employee being absent from work pursuant to the federal Family Medical Leave Act or authorized military leave.

(d) Contingent upon the availability of funds, and at the agency head’s discretion, each agency is authorized to grant competitive pay adjustments to a cohort of 10 or fewer employees sharing the same job classification or job occupations to address retention, pay inequities, or other staffing issues. The agency is responsible for retaining sufficient documentation justifying any adjustments provided herein to an employee’s compensation. The authority granted by this paragraph may be used only once by each agency during the 2017-2018 fiscal year.

(e) Contingent upon the availability of funds, and at the agency head’s discretion, each agency is authorized to grant a
competitive pay adjustment to an employee to address retention, pay inequities, or other staffing issues. The agency is responsible for retaining sufficient documentation justifying any adjustments provided herein to an employee’s compensation.

(f) Each agency is authorized to grant merit pay increases based on the employee’s exemplary performance as evidenced by a performance evaluation conducted pursuant to chapter 60L-35, Florida Administrative Code, or a similar performance evaluation applicable to other pay plans. The Chief Justice may exempt judicial branch employees from the performance evaluation requirements of this paragraph.

(g) Contingent upon the availability of funds and at the agency head’s discretion, each agency is authorized to grant a temporary special duties pay additive, of up to 15 percent of the employee’s base rate of pay, to each employee temporarily deployed to a facility or area closed due to emergency conditions from another area of the state that is not closed.

(h) The Fish and Wildlife Conservation Commission may continue to grant temporary special duty pay additives to law enforcement officers who perform additional duties as K-9 handlers, regional recruiters/media coordinators, and breath test operators/inspectors, and may grant temporary special duty pay additives to law enforcement officers who perform additional duties as offshore patrol vessel crew members, special operations group members, and long-term covert investigators.

(i) The Fish and Wildlife Conservation Commission is authorized to grant critical market pay additives to employees residing in and assigned to Broward County, Collier County, Lee County, Miami-Dade County, or Monroe County, at the levels that
the employing agency granted salary increases for similar purposes before July 1, 2006. These critical market pay additives may be granted only during the time in which the employee resides in and is assigned to duties within those counties. The employee may not receive an adjustment to the employee’s base rate of pay and a critical market pay additive based on the employee residing in and being assigned in the specified counties.

(j) The Department of Highway Safety and Motor Vehicles is authorized to grant critical market pay additives to sworn law enforcement officers residing in and assigned to:

1. Lee County, Collier County, or Monroe County, at the levels that the employing agency granted salary increases for similar purposes before July 1, 2006.

2. Duval, Escambia, Hillsborough, Marion, Orange, and Pinellas Counties, at $5,000, or, in lieu thereof, an equivalent salary adjustment that was made during the 2015-2016 fiscal year.

3. Pasco County at $5,000.

These critical market pay additives may be granted only during the time in which the employee resides in, and is assigned to duties within, those counties. The employee may not receive an adjustment to the employee’s base rate of pay and a critical market pay additive based on the employee residing in and being assigned in the specified counties.

(k) The Department of Highway Safety and Motor Vehicles may grant special duty pay additives of $2,000 for law enforcement officers who perform additional duties as K-9 handlers; felony
officers; criminal interdiction officers; criminal investigation
and intelligence officers; new recruit background checks and
training, and technical support officers; drug recognition
experts; hazardous material squad members; compliance
investigation squad members; motorcycle squad members; Quick
Response Force Team; or Florida Advanced Investigation and
Reconstruction Teams.

(l) The Department of Highway Safety and Motor Vehicles may
provide a critical market pay additive of $1,300 to non-sworn
Florida Highway Patrol personnel working and residing in Broward
and Miami-Dade Counties. These critical market pay additives
shall be granted during the time the employee resides in, and is
assigned duties within, those counties.

(m) The Department of Highway Safety and Motor Vehicles is
authorized to continue to grant a pay additive of $162.50 per
pay period for law enforcement officers assigned to the Office
of Motor Carrier Compliance who maintain certification by the
Commercial Vehicle Safety Alliance.

(n) The Department of Transportation is authorized to
continue its training program for employees in the areas of
transportation engineering, right-of-way acquisition, relocation
benefits administration, right-of-way property management, real
estate appraisal, and business valuation under the same
guidelines established for the training program before June 30,
2006.

(o) The Department of Corrections may continue to grant
hazardous duty pay additives, as necessary, to those employees
assigned to the Department of Corrections institutions’ Rapid
Response Teams, including the baton, shotgun, and chemical agent
teams, and the Correctional Emergency Response Teams.

(p) The Department of Corrections is authorized to award a temporary special duties pay additive of up to 10 percent of the employee’s base rate of pay for each certified correctional officer (class code 8003); certified correctional officer sergeant (class code 8005); certified correctional officer lieutenant (class code 8011); and certified correctional officer captain (class code 8013). For purposes of determining eligibility for this special pay additive, the term “certified” means the employee has obtained a correctional behavioral mental health certification as provided through the American Correctional Association. Such additive may be awarded only during the time the certified officer is employed in an assigned mental health unit post.

(q) The Department of Corrections is authorized to award a one-time $1,000 hiring bonus to newly-hired correctional officers (class code 8003) who are hired to fill positions at a correctional institution that had a vacancy rate for such positions of more than 10 percent for the preceding calendar quarter. The bonus may not be awarded before the officer obtaining his or her correctional officer certification. Current employees and former employees who have had a break in service with the Department of Corrections of 31 days or less, are not eligible for this bonus.

Section 18. The sums of $112,210,610 of recurring funds in the General Revenue Fund and $73,949,000 of recurring funds from trust funds are appropriated for the salary adjustments authorized in section 17 of this act. The Office of Policy and Budget in the Executive Office of the Governor, in consultation
with the Legislature, shall distribute the funds and budget
authority to the state agencies and the legislative and judicial
branches in accordance with chapter 216, Florida Statutes.

Section 19. Except as otherwise expressly provided in this
act and except for this section, which shall take effect upon
becoming a law, this act shall take effect July 1, 2017.

And the title is amended as follows:
Delete everything before the enacting clause
and insert:
A bill to be entitled
An act relating to benefits and salaries for public
employees; creating s. 112.1816, F.S.; defining the
term “firefighter”; establishing a presumption as to a
firefighter’s condition or impairment of health caused
by certain types of cancer that he or she contracts in
the line of duty; specifying criteria a firefighter
must meet to be entitled to the presumption; requiring
an employing agency to provide a physical examination
for a firefighter; specifying circumstances under
which the presumption does not apply; providing for
applicability; amending s. 121.053, F.S.; authorizing
renewed membership in the Florida Retirement System
for retirees who are reemployed in a position eligible
for the Elected Officers’ Class under certain
circumstances; amending s. 121.055, F.S.; providing
for renewed membership in the retirement system for
retirees of the Senior Management Service Optional
Annuity Program who are reemployed on or after a specified date; closing the Senior Management Service Optional Annuity Program to new members after a specified date; amending s. 121.091, F.S.; revising criteria for eligibility of payment of death benefits to the surviving children of a Special Risk Class member killed in the line of duty under specified circumstances; conforming a provision to changes made by the act; amending s. 121.122, F.S.; requiring that certain retirees who are reemployed on or after a specified date be renewed members in the investment plan; providing exceptions; specifying that creditable service does not accrue for employment during a specified period; prohibiting certain funds from being paid into a renewed member’s investment plan account for a specified period of employment; requiring the renewed member to satisfy vesting requirements; prohibiting a renewed member from receiving specified disability benefits; specifying limitations and requirements; requiring the employer and the retiree to make applicable contributions to the renewed member’s investment plan account; providing for the transfer of contributions; authorizing a renewed member to receive additional credit toward the health insurance subsidy under certain circumstances; prohibiting participation in the pension plan; providing that a retiree reemployed on or after a specified date in a regularly established position eligible for the State University System Optional
Retirement Program or State Community College System
Optional Retirement Program is a renewed member of
that program; specifying limitations and requirements;
requiring the employer and the retiree to make
applicable contributions; amending s. 121.4501, F.S.;
revising definitions; revising a provision relating to
acknowledgement of an employee’s election to
participate in the investment plan; enrolling certain
employees in the pension plan from their date of hire
until they are automatically enrolled in the
investment plan or timely elect enrollment in the
pension plan; providing an exception for employees who
are in positions in the Special Risk Class; providing
certain members with a specified timeframe within
which they may choose participation in the pension
plan or the investment plan; conforming provisions to
changes made by the act; amending s. 121.591, F.S.;
authorizing payment of death benefits to the surviving
spouse or surviving children of a member in the
investment plan; establishing qualifications and
eligibility requirements for receipt of such benefits;
prescribing the method of calculating the benefit;
specifying circumstances under which benefit payments
are terminated; amending s. 121.5912, F.S.; revising a
provision regarding program qualification under the
Internal Revenue Code and rulemaking authority, to
conform to changes made by the act; amending s.
121.735, F.S.; revising allocations to fund line-of-
duty death benefits for investment plan members, to
conform to changes made by the act; requiring the Legislature to review specified cancer research programs by a certain date; revising employer contribution rates to fund changes made by the act; providing a directive to the Division of Law Revision and Information; providing a declaration of important state interest; amending s. 110.123, F.S.; revising applicability of certain definitions; defining the term “plan year”; authorizing the state group insurance program to include additional benefits; authorizing an employee to use a specified portion of the state’s contribution to purchase additional program benefits and supplemental benefits under certain circumstances; providing for the program to offer health plans in specified benefit levels; defining the term “actuarial value”; requiring the Department of Management Services to develop a plan for implementation of the benefit levels; providing reporting requirements; providing for expiration of the implementation plan; creating s. 110.12303, F.S.; authorizing additional benefits to be included in the state group insurance program; requiring the department to contract with at least one entity that provides comprehensive pricing and inclusive services for surgery and other medical procedures; providing contract and reporting requirements; requiring the department to contract with an entity to provide enrollees with online information on health care services and providers; providing contract and
reporting requirements; specifying applicability;
creating s. 110.12304, F.S.; directing the department
to competitively procure an independent benefits
consultant; providing qualifications and duties of the
independent benefits consultant; providing reporting
requirements; providing an appropriation and
authorizing positions; providing a purpose and
legislative intent with respect to provisions
governing salary and benefit adjustments for specified
state employees; providing for compensation
adjustments for law enforcement personnel, the
Department of Corrections, Assistant Public Defenders,
certain judicial officers and designated employees,
and other state employees and officers; authorizing
the use of specified pay additives and other incentive
programs for the 2017-2018 fiscal year; providing
appropriations to fund the salary and benefit
adjustments; requiring the Office of Policy and Budget
in the Executive Office of the Governor, in
consultation with the Legislature, to distribute funds
and budget authority; providing effective dates.