

By the Committee on General Appropriations and
Representatives Pruitt and Sanderson

1 A bill to be entitled
2 An act relating to retirement; amending s.
3 112.65, F.S.; providing that certain benefits
4 under chapter 121, F.S., shall be considered
5 supplemental benefits; amending s. 121.021,
6 F.S.; redefining the term "system" with respect
7 to the Florida Retirement System; designating
8 ss. 121.011-121.45, F.S., as part I of chapter
9 121, F.S.; designating ss. 121.4501-121.571,
10 F.S., as part II of chapter 121, F.S.; creating
11 s. 121.4501, F.S.; directing the State Board of
12 Administration to establish an optional defined
13 contribution retirement program for members of
14 the Florida Retirement System; providing
15 definitions; providing for eligibility and
16 retirement service credit; providing for
17 participation and enrollment; providing for
18 contributions; providing vesting requirements;
19 providing benefits; providing for
20 administration; providing for investment
21 options or products; providing for an education
22 component; providing participant information
23 requirements; providing that advisory
24 committees shall provide advice and assistance;
25 providing for federal requirements; providing
26 an investment policy statement; providing a
27 statement of fiduciary standards and
28 responsibilities; providing for disability
29 benefits; providing for social security and
30 health insurance subsidy coverage; creating s.
31 121.571, F.S.; providing for contributions;

1 amending ss. 121.021, 121.051, 121.0515,
2 121.052, 121.053, 121.081, 121.1115, 121.1122,
3 121.121, and 215.32, F.S.; providing that
4 members employed in a regularly established
5 position shall be vested after 8 years of
6 creditable service; conforming to the act;
7 amending ss. 112.19, 112.191, 112.313, 112.665,
8 154.10, 154.12, 175.361, 185.37, 189.412,
9 216.262, 231.36, 238.072, 238.171, 238.175,
10 240.3195, and 650.05, F.S.; correcting cross
11 references to conform to the act; amending s.
12 112.363, F.S.; revising language with respect
13 to the retiree health insurance subsidy to
14 include reference to the optional retirement
15 program; amending s. 121.055, F.S.; increasing
16 the number of personnel that may be designated
17 as Senior Management Service Class by local
18 governments; allowing senior management
19 optional annuity program benefits to be
20 distributed through a direct rollover;
21 providing for funding; providing contribution
22 rates; providing a statement of state purpose;
23 providing future effect for certain provisions;
24 providing a contingent effective date.

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

Section 1. Subsection (1) of section 112.65, Florida Statutes, is amended to read:

112.65 Limitation of benefits.--

1 (1) The normal retirement benefit or pension payable
2 to a retiree who becomes a member of any retirement system or
3 plan and who has not previously participated in such plan, on
4 or after January 1, 1980, shall not exceed 100 percent of his
5 or her average final compensation. However, nothing contained
6 in this section shall apply to supplemental retirement
7 benefits or to pension increases attributable to
8 cost-of-living increases or adjustments. For the purposes of
9 this section, benefits accruing on individual participant
10 accounts established under the Public Employee Optional
11 Retirement Program established in part II of chapter 121 are
12 considered supplemental benefits.As used in this section, the
13 term "average final compensation" means the average of the
14 member's earnings over a period of time which the governmental
15 entity has established by statute, charter, or ordinance.

16 Section 2. Subsection (3) of section 121.021, Florida
17 Statutes, is amended to read:

18 121.021 Definitions.--The following words and phrases
19 as used in this chapter have the respective meanings set forth
20 unless a different meaning is plainly required by the context:

21 (3) "System" means the general retirement system
22 established by this chapter to be known and cited as the
23 "Florida Retirement System," including, but not limited to,
24 the defined benefit retirement program administered under the
25 provisions of part I of this chapter and the defined
26 contribution retirement program known as the Public Employee
27 Optional Retirement Program and administered under the
28 provisions of part II of this chapter."

29 Section 3. Chapter 121, Florida Statutes, is
30 designated as part I of said chapter, and part II, consisting
31 of sections 121.4501 through 121.571, is created to read:

1 121.4501 Public Employee Optional Retirement
2 Program.--
3 (1) The Trustees of the State Board of Administration
4 shall establish an optional defined contribution retirement
5 program for members of the Florida Retirement System under
6 which retirement benefits will be provided for eligible
7 employees who elect to participate in the program. The
8 benefits to be provided for or on behalf of participants in
9 such optional retirement program shall be provided through
10 employee-directed investments, in accordance with s. 401(a) of
11 the Internal Revenue Code and its related regulations. The
12 employers shall contribute, as provided in this section and s.
13 121.571, toward the funding of such optional benefits.
14 (2) DEFINITIONS.--As used in this section, the term:
15 (a) "Approved provider" or "provider" means a private
16 sector company that is selected and approved by the state
17 board to offer one or more investment products or services to
18 the Public Employee Optional Retirement Program. Private
19 sector companies include investment management companies,
20 insurance companies, depositories, and mutual fund companies.
21 (b) "De minimis account" refers to an account
22 containing total vested account contributions and accumulated
23 earnings under the Public Employee Optional Retirement Program
24 of not more than \$5,000.
25 (c) "Department" means the Department of Management
26 Services.
27 (d) "Division" means the Division of Retirement within
28 the Department of Management Services.
29 (e) "Eligible employee" means an officer or employee,
30 as defined in s. 121.021(11), who:
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1 1. Is a member of, or is eligible for membership in,
2 the Florida Retirement System;

3 2. Participates in, or is eligible to participate in,
4 the Senior Management Service Optional Annuity Program as
5 established under s. 121.055(6); or

6 3. Is eligible to participate in, but does not
7 participate in, the State University System Optional
8 Retirement Program established under s. 121.35 or the State
9 Community College System Optional Retirement Program
10 established under s. 121.051(2)(c).

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12 The term does not include any renewed member of the Florida
13 Retirement System, any member participating in the Deferred
14 Retirement Option Program established under s. 121.091(13), or
15 any employee participating in an optional retirement program
16 established under s. 121.35 or s. 121.051(2)(c).

17 (f) "Employer" means an employer, as defined in s.
18 121.021(10), of an eligible employee.

19 (g) "Participant" means an eligible employee who
20 elects to participate in the Public Employee Optional
21 Retirement Program and enrolls in such optional program as
22 provided in subsection (4).

23 (h) "Public Employee Optional Retirement Program,"
24 "optional program" or "optional retirement program" means the
25 alternative defined contribution retirement program
26 established under this section.

27 (i) "State board" or "board" means the State Board of
28 Administration.

29 (j) "Trustees" means Trustees of the State Board of
30 Administration.

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1 (k) "Vested" or "vesting" means the guarantee that a
2 participant is eligible to receive a full retirement benefit
3 upon completion of the required years of service under the
4 Public Employee Optional Retirement Program.

5 (3) ELIGIBILITY; RETIREMENT SERVICE CREDIT.--

6 (a) Participation in the Public Employee Optional
7 Retirement Program is limited to eligible employees.
8 Participation in the optional retirement program is in lieu of
9 participation in the defined benefit program of the Florida
10 Retirement System.

11 (b) An eligible employee who is a member of the
12 defined benefit retirement program of the Florida Retirement
13 System at the time of his or her election to participate in
14 the Public Employee Optional Retirement Program shall retain
15 all retirement service credit earned under the defined benefit
16 retirement program of the Florida Retirement System as
17 credited under the system and shall be entitled to a deferred
18 benefit upon termination, if eligible under the system.
19 However, election to participate in the Public Employee
20 Optional Retirement Program terminates the active membership
21 of the employee in the defined benefit program of the Florida
22 Retirement System, and the service of a participant in the
23 Public Employee Optional Retirement Program shall not be
24 creditable under the defined benefit retirement program of the
25 Florida Retirement System for purposes of benefit accrual but
26 shall be credited for purposes of vesting.

27 (c)1. Notwithstanding paragraph (b), each eligible
28 employee who elects to participate in the Public Employee
29 Optional Retirement Program and establishes one or more
30 individual participant accounts under the optional program may
31 elect to transfer to the optional program a sum representing

1 the present value of the employee's accumulated benefit
2 obligation under the defined benefit retirement program of the
3 Florida Retirement System. Upon such transfer, all service
4 credit previously earned under the defined benefit program of
5 the Florida Retirement System shall be nullified for purposes
6 of entitlement to a future benefit under the defined benefit
7 program of the Florida Retirement System. A participant is
8 precluded from transferring the accumulated benefit obligation
9 balance from the defined benefit program upon the expiration
10 of the period afforded to enroll in the optional program.

11 2. For purposes of this subsection, the present value
12 of the member's accumulated benefit obligation is based upon
13 the member's estimated creditable service and estimated
14 average final compensation as of midnight of the day prior to
15 the opening of the election window for the employee. The
16 actuarial present value of the employee's accumulated benefit
17 obligation shall be based on the following:

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

23 b. A benefit commencement age, based on the member's
24 estimated creditable service as of midnight on May 31, 2002.
25 The benefit commencement age shall be the younger of the
26 following, but shall not be younger than the member's age as
27 of midnight on May 31, 2002:

28 (I) Age 62; or

29 (II) The age the member would attain if the member
30 completed 30 years of service with an employer, assuming the
31 member worked continuously from May 31, 2002, and disregarding

1 any vesting requirement that would otherwise apply under the
2 defined benefit program of the Florida Retirement System.

3 c. For members of the Special Risk Class and for
4 members of the Special Risk Administrative Support Class
5 entitled to retain special risk normal retirement date, the
6 benefit commencement age shall be the younger of the
7 following, but shall not be younger than the member's age as
8 of midnight on May 31, 2002:

9 (I) Age 55; or

10 (II) The age the member would attain if the member
11 completed 25 years of service with an employer, assuming the
12 member worked continuously from May 31, 2002, and disregarding
13 any vesting requirement that would otherwise apply under the
14 defined benefit program of the Florida Retirement System.

15 d. The calculation shall disregard vesting
16 requirements and early retirement reduction factors that would
17 otherwise apply under the defined benefit retirement program.

18 3. For each participant who elects to transfer moneys
19 from the defined benefit program to his or her account in the
20 optional program, the division shall recompute the amount
21 transferred under subparagraph 2. not later than 60 days after
22 the actual transfer of funds based upon the participant's
23 actual creditable service and actual final average
24 compensation as of the initial date of participation in the
25 optional program. If the recomputed amount differs from the
26 amount transferred under subparagraph 2. by \$10 or more, the
27 division shall:

28 a. Transfer, or cause to be transferred, from the
29 Florida Retirement System Trust Fund to the participant's
30 account in the optional program the excess, if any, of the
31 recomputed amount over the previously transferred amount

1 together with interest from the initial date of transfer to
2 the date of transfer under this subparagraph, based upon 8
3 percent effective annual interest, compounded annually.

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

12 4. As directed by the participant, the board shall
13 transfer or cause to be transferred the appropriate amounts to
14 the designated accounts. At least 10 percent of the amount
15 transferred shall be transferred to a stable value product.
16 The board shall establish transfer procedures by rule, but the
17 actual transfer shall not be later than 30 days after the
18 effective date of the member's participation in the optional
19 program. Transfers are not commissionable or subject to other
20 fees and may be in the form of securities or cash as
21 determined by the state board.

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

30 (4) PARTICIPATION; ENROLLMENT.--
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1 (a)1. With respect to an eligible employee who is
2 employed in a regularly established position on June 1, 2002,
3 by a state employer:

4 a. Any such employee may elect to participate in the
5 Public Employee Optional Retirement Program in lieu of
6 retaining his or her membership in the defined benefit program
7 of the Florida Retirement System. The election must be made in
8 writing or by electronic means and must be filed with the
9 department and the personnel officer of the employer within 90
10 days after June 1, 2002, or, in the case of an active employee
11 who is on a leave of absence on June 1, 2002, within 90 days
12 after the conclusion of the leave of absence. This election is
13 irrevocable, except as provided in paragraph (e). Upon making
14 such election, the employee shall be enrolled as a participant
15 of the Public Employee Optional Retirement Program, the
16 employee's membership in the Florida Retirement System sha l
17 be governed by the provisions of this part and the employee's
18 membership in the defined benefit program of the Florida
19 Retirement System shall terminate. The employee's enrollment
20 in the Public Employee Optional Retirement Program shall be
21 effective the first day of the month for which a full month's
22 employer contribution is made to the optional program.

23 b. Any such employee who fails to elect to participate
24 in the Public Employee Optional Retirement Program within the
25 prescribed 90 days is deemed to have elected to retain
26 membership in the defined benefit program of the Florida
27 Retirement System and the employee's option to elect to
28 participate in the optional program is forfeited.

29 2. With respect to employees who become eligible to
30 participate in the Public Employee Optional Retirement Program
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1 by reason of employment in a regularly established position
2 commencing after June 1, 2002:

3 a. Any such employee shall, by default, be enrolled in
4 the defined benefit retirement program of the Florida
5 Retirement System at the commencement of employment, and may,
6 within 180 days after employment commences, elect to
7 participate in the Public Employee Optional Retirement
8 Program. The employee's election must be made in writing or by
9 electronic means and must be filed with the personnel officer
10 of the employer. The election to participate in the optional
11 program is irrevocable, except as provided in paragraph (e).

12 b. If the employee files such election before the
13 initial payroll is submitted for the employee, enrollment in
14 the Public Employee Optional Retirement Program shall be
15 effective on the first day of employment.

16 c. If the employee files such election within 180 days
17 after employment commences, but after the initial payroll is
18 submitted for the employee, enrollment in the optional program
19 shall be effective on the first day of the month for which a
20 full month's employer contribution is made to the optional
21 program.

22 d. Any such employee who fails to elect to participate
23 in the Public Employee Optional Retirement Program within the
24 prescribed 180 days is deemed to have elected to retain
25 membership in the defined benefit program of the Florida
26 Retirement System and the employee's option to elect to
27 participate in the optional program is forfeited.

28 3. For purposes of this paragraph, "state employer"
29 means any agency, board, branch, commission, community
30 college, department, institution, institution of higher
31 education, or water management district of the state, which

1 participates in the Florida Retirement System for the benefit
2 of certain employees.

3 (b)1. With respect to an eligible employee who is
4 employed in a regularly established position on September 1,
5 2002, by a district school board employer:

6 a. Any such employee may elect to participate in the
7 Public Employee Optional Retirement Program in lieu of
8 retaining his or her membership in the defined benefit program
9 of the Florida Retirement System. The election must be made in
10 writing or by electronic means and must be filed with the
11 department and the personnel officer of the employer within 90
12 days after September 1, 2002, or, in the case of an active
13 employee who is on a leave of absence on September 1, 2002,
14 within 90 days after the conclusion of the leave of absence.
15 This election is irrevocable, except as provided in paragraph
16 (e). Upon making such election, the employee shall be enrolled
17 as a participant of the Public Employee Optional Retirement
18 Program, the employee's membership in the Florida Retirement
19 System shall be governed by the provisions of this part and
20 the employee's membership in the defined benefit program of
21 the Florida Retirement System shall terminate. The employee's
22 enrollment in the Public Employee Optional Retirement Program
23 shall be effective the first day of the month for which a full
24 month's employer contribution is made to the optional program.

25 b. Any such employee who fails to elect to participate
26 in the Public Employee Optional Retirement Program within the
27 prescribed 90 days is deemed to have elected to retain
28 membership in the defined benefit program of the Florida
29 Retirement System and the employee's option to elect to
30 participate in the optional program is forfeited.

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1 2. With respect to employees who become eligible to
2 participate in the Public Employee Optional Retirement Program
3 by reason of employment in a regularly established position
4 with a district school board employer commencing after
5 September 1, 2002:

6 a. Any such employee shall, by default, be enrolled in
7 the defined benefit retirement program of the Florida
8 Retirement System at the commencement of employment, and may,
9 within 180 days after employment commences, elect to
10 participate in the Public Employee Optional Retirement
11 Program. The employee's election must be made in writing or by
12 electronic means and must be filed with the personnel officer
13 of the employer. The election to participate in the optional
14 program is irrevocable, except as provided in paragraph (e).

15 b. If the employee files such election before the
16 initial payroll is submitted for the employee, enrollment in
17 the Public Employee Optional Retirement Program shall be
18 effective on the first day of employment.

19 c. If the employee files such election within 180 days
20 after employment commences, but after the initial payroll is
21 submitted for the employee, enrollment in the optional program
22 shall be effective on the first day of the month for which a
23 full month's employer contribution is made to the optional
24 program.

25 d. Any such employee who fails to elect to participate
26 in the Public Employee Optional Retirement Program within the
27 prescribed 180 days is deemed to have elected to retain
28 membership in the defined benefit program of the Florida
29 Retirement System and the employee's option to elect to
30 participate in the optional program is forfeited.

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1 3. For purposes of this paragraph, "district school
2 board employer" means any district school board that
3 participates in the Florida Retirement System for the benefit
4 of certain employees, or a charter school or chapter technical
5 career center that participates in the Florida Retirement
6 System as provided in s. 121.051(2)(d).

7 (c)1. With respect to an eligible employee who is
8 employed in a regularly established position on December 1,
9 2002, by a local employer:

10 a. Any such employee may elect to participate in the
11 Public Employee Optional Retirement Program in lieu of
12 retaining his or her membership in the defined benefit program
13 of the Florida Retirement System. The election must be made in
14 writing or by electronic means and must be filed with the
15 department and the personnel officer of the employer within 90
16 days after December 1, 2002, or, in the case of an active
17 employee who is on a leave of absence on December 1, 2002,
18 within 90 days after the conclusion of the leave of absence.
19 This election is irrevocable. Upon making such election, the
20 employee shall be enrolled as a participant of the Public
21 Employee Optional Retirement Program, the employee's
22 membership in the Florida Retirement System will be governed
23 by the provisions of this part and the employee's membership
24 in the defined benefit program of the Florida Retirement
25 System shall terminate. The employee's enrollment in the
26 Public Employee Optional Retirement Program shall be effective
27 the first day of the month for which a full month's employer
28 contribution is made to the optional program.

29 b. Any such employee who fails to elect to participate
30 in the Public Employee Optional Retirement Program within the
31 prescribed 90 days is deemed to have elected to retain

1 membership in the defined benefit program of the Florida
2 Retirement System and the employee's option to elect to
3 participate in the optional program is forfeited.

4 2. With respect to employees who become eligible to
5 participate in the Public Employee Optional Retirement Program
6 by reason of employment in a regularly established position
7 with a local employer commencing after December 1, 2002:

8 a. Any such employee shall, by default, be enrolled in
9 the defined benefit retirement program of the Florida
10 Retirement System at the commencement of employment, and may,
11 within 180 days after employment commences, elect to
12 participate in the Public Employee Optional Retirement
13 Program. The employee's election must be made in writing or by
14 electronic means and must be filed with the personnel officer
15 of the employer. The election to participate in the optional
16 program is irrevocable, except as provided in paragraph (e).

17 b. If the employee files such election before the
18 initial payroll is submitted for the employee, enrollment in
19 the Public Employee Optional Retirement Program shall be
20 effective on the first day of employment.

21 c. If the employee files such election within 90 days
22 after employment commences, but after the initial payroll is
23 submitted for the employee, enrollment in the optional program
24 shall be effective on the first day of the month for which a
25 full month's employer contribution is made to the optional
26 program.

27 d. Any such employee who fails to elect to participate
28 in the Public Employee Optional Retirement Program within the
29 prescribed 180 days is deemed to have elected to retain
30 membership in the defined benefit program of the Florida
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1 Retirement System and the employee's option to elect to
2 participate in the optional program is forfeited.

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

6 (d) Contributions available for self-direction by a
7 participant who has not selected on or more specific
8 investment products shall be allocated as prescribed by the
9 board. The third-party administrator shall notify any such
10 participant at least quarterly that the participant should
11 take an affirmative action to make an asset allocation among
12 the optional program products.

13 (e) After the period during which an eligible employee
14 had the choice to elect the defined benefit program or the
15 Public Employee Optional Retirement Program, the employee
16 shall have one opportunity, at the employee's discretion, to
17 choose to move from the defined benefit program to the Public
18 Employee Optional Retirement Program or from the Public
19 Employee Optional Retirement Program to the defined benefit
20 program.

21 1. If the employee chooses to move to the Public
22 Employee Optional Retirement Program, the applicable
23 provisions of this section shall govern the transfer.

24 2. If the employee chooses to move to the defined
25 benefit program, the employee must transfer from his or her
26 Public Employee Optional Retirement Program account and from
27 other employee moneys as necessary, a sum representing all
28 contributions that would have been made to the defined benefit
29 plan for that employee and the actual return that would have
30 been earned on those contributions had they been invested in
31 the defined benefit program.

1 (5) CONTRIBUTIONS.--
2 (a) Each employer shall contribute on behalf of each
3 participant in the Public Employee Optional Retirement Program
4 an amount based on a percentage of the employee's monthly
5 compensation as set forth in s. 121.571. The plan fiduciary
6 shall ensure that all plan assets are held in a trust,
7 pursuant to s. 401 of the Internal Revenue Code. The employer
8 shall forward all contributions under this program to the
9 third-party administrator. The fiduciary shall ensure that
10 said contributions are allocated as follows:
11 1. The portion earmarked for participant accounts
12 shall be used to purchase interests in the appropriate
13 investment vehicles for the accounts of each participant as
14 specified by the participant, or in accordance with paragraph
15 (4)(d).
16 2. The portion earmarked for administrative and
17 educational expenses shall be transferred to the board.
18 3. The portion earmarked for disability benefits shall
19 be transferred to the department.
20 (b) Employers are responsible for notifying
21 participants regarding maximum contribution levels permitted
22 under the Internal Revenue Code. If a participant contributes
23 to any other tax-deferred plan, he or she is responsible for
24 ensuring that total contributions made to the optional program
25 and to any other such plan do not exceed federally permitted
26 maximums.
27 (6) VESTING REQUIREMENTS.--
28 (a)1. With respect to employer contributions paid on
29 behalf of the participant to the Public Employee Optional
30 Retirement Program, plus interest and earnings thereon and
31 less investment fees and administrative charges, a participant

1 shall be vested after completing 1 work year, as defined in s.
2 121.021(54) with an employer, including any service while the
3 participant was a member of the defined benefit retirement
4 program or an optional retirement program authorized under s.
5 121.051(2)(c) or s. 121.055(6).

6 2. If the participant terminates employment prior to
7 satisfying the vesting requirements, the nonvested
8 accumulation shall be transferred from the participant's
9 accounts to the state board for deposit in the suspense
10 account of the Public Employee Optional Retirement Program
11 Trust Fund of the board. If the terminated participant is
12 reemployed as an eligible employee within 5 years, the state
13 board shall transfer to the participant's account any amount
14 of the moneys previously transferred from the participant's
15 accounts to the Public Employee Optional Retirement Program
16 Trust Fund, plus interest calculated at 3.0 percent per annum,
17 calculated from the date of transfer to the date of
18 reemployment.

19 (b)1. A participant shall be vested in the amount
20 transferred from the defined benefit program, plus interest
21 and earnings thereon and less administrative charges and
22 investment fees, upon meeting the service requirements for the
23 participant's membership class as set forth in s. 121.021(29).
24 The third-party administrator shall account for such amounts
25 for each participant. The division shall notify the
26 participant and the third-party administrator when the
27 participant has satisfied the vesting period for Florida
28 Retirement System purposes.

29 2. If the participant terminates employment prior to
30 satisfying the vesting requirements, the nonvested
31 accumulation shall be transferred from the participant's

1 accounts to the state board for deposit in the suspense
2 account of the Public Employee Optional Retirement Program
3 Trust Fund of the board. If the terminated participant is
4 reemployed as an eligible employee within 5 years, the state
5 board shall transfer to the participant's account any amount
6 of the moneys previously transferred from the participant's
7 accounts to the Public Employee Optional Retirement Program
8 Trust Fund, plus interest calculated at 6.0 percent per annum,
9 calculated from the date of transfer to the date of
10 reemployment.

11 (c) Any nonvested accumulations transferred from a
12 participant's account to the suspense account shall be
13 forfeited by the participant if the participant is not
14 reemployed as an eligible employee within 5 years after
15 termination.

16 (7) BENEFITS.--Under the Public Employee Optional
17 Retirement Program:

18 (a) Benefits shall be provided in accordance with s.
19 401(a) of the Internal Revenue Code.

20 (b) Benefits shall accrue in individual accounts that
21 are participant-directed, portable, and funded by employer
22 contributions and earnings thereon.

23 (c) Benefits shall be payable in accordance with the
24 following terms and conditions:

25 1. If vested, benefits shall be payable only to a
26 participant, or to his or her beneficiaries as designated by
27 the participant.

28 2. Benefits shall be paid by the third-party
29 administrator or designated approved providers in accordance
30 with the law, the contracts, and any applicable board rule or
31 policy.

1 3. To begin receiving the employer-funded benefits,
2 the participant must be terminated from all employment with
3 all Florida Retirement System employers, as provided in s.
4 121.021(39), or the participant must be deceased. If a
5 participant elects to receive his or her employer-funded
6 benefits upon termination of employment, the participant must
7 submit a written application to the third-party administrator
8 indicating his or her preferred distribution date and
9 selecting an authorized method of distribution as provided in
10 paragraph (d). The participant may defer receipt of
11 employer-funded benefits until he or she chooses to make such
12 application, subject to federal requirements.

13 4. In the event of a participant's death, moneys
14 accumulated by, or on behalf of, the participant, less
15 withholding taxes remitted to the Internal Revenue Service,
16 shall be distributed to the participant's designated
17 beneficiary or beneficiaries, or to the participant's estate,
18 as if the participant retired on the date of death, as
19 provided in paragraph (e). No other death benefits shall be
20 available for survivors of participants under the Public
21 Employee Optional Retirement Program, except for such
22 benefits, or coverage for such benefits, as are separately
23 afforded by the employer, at the employer's discretion.

24 (d) Upon receipt by the third-party administrator of a
25 properly executed application for distribution of benefits,
26 the total accumulated employer-funded benefit shall be payable
27 to the participant, as:

- 28 1. A lump-sum distribution to the participant;
29 2. A lump-sum direct rollover distribution whereby all
30 accrued benefits, plus interest and investment earnings, are
31 paid from the participant's account directly to the custodian

1 of an eligible retirement plan, as defined in s. 402(c)(8)(B)
2 of the Internal Revenue Code, on behalf of the participant; or
3 3. Periodic distributions, as authorized by the state
4 board.

5 (e) Survivor benefits shall be payable as:

6 1. A lump-sum distribution payable to the
7 beneficiaries, or to the deceased participant's estate;

8 2. An eligible rollover distribution on behalf of the
9 surviving spouse of a deceased participant, whereby all
10 accrued benefits, plus interest and investment earnings, are
11 paid from the deceased participant's account directly to the
12 custodian of an individual retirement account or an individual
13 retirement annuity, as described in s. 402(c)(9) of the
14 Internal Revenue Code, on behalf of the surviving spouse; or

15 3. A partial lump-sum payment whereby a portion of the
16 accrued benefit is paid to the deceased participant's
17 surviving spouse or other designated beneficiaries, less
18 withholding taxes remitted to the Internal Revenue Service,
19 and the remaining amount is transferred directly to the
20 custodian of an individual retirement account or an individual
21 retirement annuity, as described in s. 402(c)(9) of the
22 Internal Revenue Code, on behalf of the surviving spouse. The
23 proportions must be specified by the participant or the
24 surviving beneficiary.

25
26 This paragraph does not abrogate other applicable provisions
27 of state or federal law providing for payment of death
28 benefits.

29 (f) The benefits payable to any person under the
30 Public Employee Optional Retirement Program, and any
31 contributions accumulated under such program, are not subject

1 to assignment, execution, attachment, or any legal process,
2 except for qualified domestic relations orders by a court of
3 competent jurisdiction, income deduction orders as provided in
4 s. 61.1301, and federal income tax levies.

5 (8) ADMINISTRATION OF PROGRAM.--

6 (a) The Public Employee Optional Retirement Program
7 shall be administered by the state board and affected
8 employers. The board shall adopt rules establishing the role
9 and responsibilities of affected state, local government, and
10 education-related employers, the state board, the department,
11 and third-party contractors in administering the Public
12 Employee Optional Retirement Program. The department shall
13 adopt rules necessary to implement the optional program in
14 coordination with the defined benefit retirement program and
15 the disability benefits available under the optional program.

16 (b)1. The state board shall select and contract with
17 one third-party administrator to provide administrative
18 services. With the approval of the state board, the
19 third-party administrator may subcontract with other
20 organizations to provide components of the administrative
21 services. As a cost of administration, the board may
22 compensate any such contractor for its services, in accordance
23 with the terms of the contract, as is deemed necessary or
24 proper by the board. The third-party administrator may not be
25 an approved provider or be affiliated with an approved
26 provider.

27 2. Administrative services include, but are not
28 limited to, services relating to consolidated billing;
29 individual and collective recordkeeping and accounting; asset
30 purchase, control, and safekeeping; and direct disbursement of
31 funds to and from the third-party administrator, the division,

1 the board, employers, participants, approved providers, and
2 beneficiaries.

3 3. The state board shall select and contract with one
4 or more organizations to provide educational services. With
5 approval of the board, the organizations may subcontract with
6 other organizations to provide components of the educational
7 services. As a cost of administration, the board may
8 compensate any such contractor for its services in accordance
9 with the terms of the contract, as is deemed necessary or
10 proper by the board. The education organization may not be an
11 approved provider or be affiliated with an approved provider.

12 4. Educational services shall be designed to assist
13 employers, eligible employees, participants, and beneficiaries
14 in order to maintain compliance with United States Department
15 of Labor regulations under section 404(c) of the Employee
16 Retirement Income Security Act of 1974 and to assist employees
17 in their choice of defined benefit or defined contribution
18 retirement alternatives. Educational services include, but are
19 not limited to, disseminating educational materials; providing
20 retirement planning education; explaining the differences
21 between the defined benefit retirement plan and the defined
22 contribution retirement plan; and offering financial planning
23 guidance on matters such as investment diversification,
24 investment risks, investment costs, and asset allocation. An
25 approved provider may also provide educational information,
26 including, but not limited to, retirement planning and
27 investment allocation information concerning its products and
28 services.

29 (c)1. In evaluating and selecting a third-party
30 administrator, the board shall establish criteria under which
31 it shall consider the relative capabilities and qualifications

1 of each proposed administrator. In developing such criteria,
2 the board shall consider:

3 a. The administrator's demonstrated experience in
4 providing administrative services to public or private sector
5 retirement systems.

6 b. The administrator's demonstrated experience in
7 providing daily valued recordkeeping to defined contribution
8 plans.

9 c. The administrator's ability and willingness to
10 coordinate its activities with the Florida Retirement System
11 employers, the board, and the division, and to supply to such
12 employers, the board, and the division the information and
13 data they require, including, but not limited to, monthly
14 management reports, quarterly participant reports, and ad hoc
15 reports requested by the department or board.

16 d. The cost-effectiveness and levels of the
17 administrative services provided.

18 e. The administrator's ability to interact with the
19 participants, the employers, the board, the division, and the
20 providers; the means by which participants may access account
21 information, direct investment of contributions, make changes
22 to their accounts, transfer moneys between available
23 investment vehicles, transfer moneys between investment
24 products; and any fees that apply to such activities.

25 f. Any other factor deemed necessary by the Trustees
26 of the State Board of Administration.

27 g. The recommendations of the Public Employee Optional
28 Retirement Program Advisory Committee established in
29 subsection (12).

30 2. In evaluating and selecting an educational
31 provider, the board shall establish criteria under which it

1 shall consider the relative capabilities and qualifications of
2 each proposed educational provider. In developing such
3 criteria, the board shall consider:
4 a. Demonstrated experience in providing educational
5 services to public or private sector retirement systems.
6 b. Ability and willingness to coordinate its
7 activities with the Florida Retirement System employers, the
8 board, and the division, and to supply to such employers, the
9 board, and the division the information and data they require,
10 including, but not limited to, reports on educational
11 contacts.
12 c. The cost-effectiveness and levels of the
13 educational services provided.
14 d. Ability to provide educational services via
15 different media, including, but not limited to, the Internet,
16 personal contact, seminars, brochures, and newsletters.
17 e. Any other factor deemed necessary by the Trustees
18 of the State Board of Administration.
19 f. The recommendations of the Public Employee Optional
20 Retirement Program Advisory Committee established in
21 subsection (12).
22 3. The establishment of the criteria shall be solely
23 within the discretion of the board.
24 (d) The board shall develop the form and content of
25 all contracts to be offered under the Public Employee Optional
26 Retirement Program. In developing its contracts, the board
27 must consider:
28 1. The nature and extent of the rights and benefits to
29 be afforded participants in relation to the required
30 contributions under the program.
31

1 2. The suitability of the rights and benefits to be
2 afforded participants to the needs of the participants and the
3 interests of employers in the recruitment and retention of
4 eligible employees.

5 (e)1. The board may contract with any consultant for
6 professional services, including legal, consulting,
7 accounting, and actuarial services, deemed necessary to
8 implement and administer the optional program by the Trustees
9 of the State Board of Administration. The board may enter into
10 a contract with one or more vendors to provide low-cost
11 investment advice to participants, supplemental to education
12 provided by the third-party administrator. All fees under any
13 such contract shall be paid by those participants who choose
14 to use the services of the vendor.

15 2. The department may contract with consultants for
16 professional services, including legal, consulting,
17 accounting, and actuarial services, deemed necessary to
18 implement and administer the optional program in coordination
19 with the defined benefit program of the Florida Retirement
20 System. The department, in coordination with the boards may
21 enter into a contract with the third-party administrator in
22 order to coordinate services common to the various programs
23 within the Florida Retirement System.

24 (f) The third-party administrator shall not receive
25 direct or indirect compensation from an approved provider,
26 except as specifically provided for in the contract with the
27 board.

28 (g) The board shall resolve any conflict between the
29 third-party administrator and an approved provider, when such
30 conflict threatens the implementation or administration of the
31 program or the quality of services to employees.

1 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE
2 REVIEW.--
3 (a) The board shall develop policy and procedures for
4 selecting, evaluating, and monitoring the performance of
5 investment products to which employees may direct retirement
6 contributions under the program. In accordance with such
7 policy and procedures, the board shall designate and contract
8 for a number of investment products as determined by the
9 board. The board shall select one or more providers who offer
10 multiple investment products when such an approach is
11 determined by the board to afford value to the participants
12 otherwise not available through individual investment
13 products.
14 (b) The board shall consider investment options or
15 products it considers appropriate to give participants the
16 opportunity to accumulate retirement benefits, subject to the
17 following:
18 1. The Public Employee Optional Retirement Program
19 must offer a diversified mix of low-cost investment products
20 that span the risk-return spectrum.
21 2. Investment options or products offered by the group
22 of approved providers may include mutual funds, group annuity
23 contracts, individual retirement annuities, interests in
24 trusts, and other such financial instruments.
25 3. The board shall not contract with any provider that
26 imposes a front-end, back-end, contingent or deferred sales
27 charge, or any other fee that limits or restricts the ability
28 of participants to select any investment product available in
29 the optional program.
30 (c) In evaluating and selecting approved providers and
31 products, the board shall establish criteria under which it

1 shall consider the relative capabilities and qualifications of
2 each proposed provider company and product. In developing such
3 criteria, the board shall consider:

4 1. Experience in the United States providing
5 retirement products and related financial services under
6 defined contribution retirement plans.

7 2. Financial strength and stability which shall be
8 evidenced by the highest ratings assigned by nationally
9 recognized rating services when comparing proposed providers
10 that are so rated.

11 3. Intrastate and interstate portability of the
12 product offered, including early withdrawal options.

13 4. Compliance with the Internal Revenue Code.

14 5. The cost-effectiveness of the product provided and
15 the levels of service supporting the product relative to its
16 benefits and its characteristics, including, without
17 limitation, the level of risk borne by the provider.

18 6. The provider company's ability and willingness to
19 coordinate its activities with Florida Retirement System
20 employers, the department, and the board, and to supply to
21 such employers, the department, and the board the information
22 and data they require.

23 7. The methods available to participants to interact
24 with the provider company; the means by which participants may
25 access account information, direct investment of
26 contributions, make changes to their accounts, transfer moneys
27 between available investment vehicles, and transfer moneys
28 between provider companies; and any fees that apply to such
29 activities.

30 8. The provider company's policies with respect to the
31 transfer of individual account balances, contributions, and

1 earnings thereon, both internally among investment products
2 offered by the provider company and externally between
3 approved providers, as well as any fees, charges, reductions,
4 or penalties that may be applied.

5 9. An evaluation of specific investment products,
6 taking into account each product's track record in meeting its
7 investment return objectives net of all related fees,
8 expenses, and charges, including, but not limited to,
9 investment management fees, loads, distribution and marketing
10 fees, custody fees, recordkeeping fees, education fees,
11 annuity expenses, and consulting fees.

12 10. Organizational factors, including, but not limited
13 to, financial solvency, organizational depth, and experience
14 in providing institutional and retail investment services.

15 (d) As a condition of offering any investment option
16 or product in the optional retirement program, the approved
17 provider must agree to make the investment product or service
18 available under the most beneficial terms offered to any other
19 customer, subject to approval by the Trustees of the State
20 Board of Administration.

21 (e) The board shall regularly review the performance
22 of each approved provider and product and related
23 organizational factors to ensure continued compliance with
24 established selection criteria and with board policy and
25 procedures. Providers and products may be terminated subject
26 to contract provisions. The board shall adopt procedures to
27 transfer account balances from terminated products or
28 providers to other products or providers in the optional
29 program.

30 (10) EDUCATION COMPONENT.--
31

1 (a) The board shall provide for an education component
2 for system members in a manner consistent with the provisions
3 of this section. The education component must be available to
4 eligible employees at least 90 days prior to the beginning
5 date of the election period for the employees of the
6 respective types of employers.

7 (b) The education component must provide system
8 members with impartial and balanced information about plan
9 choices. The education component must involve multimedia
10 formats. Program comparisons must, to the greatest extent
11 possible, be based upon the retirement income that different
12 retirement programs may provide to the participant. The board
13 shall monitor the performance of the contract to ensure that
14 the program is conducted in accordance with the contract,
15 applicable law, and the rules of the board.

16 (c) The board shall provide for an initial and ongoing
17 transfer education component to provide system members with
18 information necessary to make informed plan choice decisions.
19 The transfer education component must include, but is not
20 limited to, information on:

21 1. The amount of money available to a member to
22 transfer to the defined contribution program.

23 2. The features of and differences between the defined
24 benefit program and the defined contribution program, both
25 generally and specifically, as those differences may affect
26 the member.

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

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

1 rate of return must be achieved to equal or exceed the
2 expected monthly benefit payable to the member under the
3 defined benefit program.

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

6 6. The benefits and historical rates of return on
7 investments available in deferred compensation plans or a plan
8 under s. 403(b) of the Internal Revenue Code for which the
9 employee may be eligible.

10 7. The program choices available to employees of the
11 State University System and the comparative benefits of each
12 available program, if applicable.

13 8. Payout options available in each of the retirement
14 programs.

15 (d) An ongoing education and communication component
16 must provide system members with information necessary to make
17 informed decisions about choices within their program of
18 membership and in preparation for retirement. The component
19 must include, but is not limited to, information concerning:

20 1. Rights and conditions of membership.

21 2. Benefit features within the program, options, and
22 effects of certain decisions.

23 3. Coordination of contributions and benefits with a
24 deferred compensation plan under s. 457 or a plan under s.
25 403(b) of the Internal Revenue Code.

26 4. Significant program changes.

27 5. Contribution rates and program funding status.

28 6. Planning for retirement.

29 (e) Descriptive materials must be prepared under the
30 assumption that the employee is an unsophisticated investor,
31

1 and all materials used in the education component must be
2 approved by the state board prior to dissemination.

3 (f) The board and the department shall also establish
4 a communication component to provide program information to
5 participating employers and the employers' personnel and
6 payroll officers and to explain their respective
7 responsibilities in conjunction with the retirement programs.

8 (g) Funding for education of new employees may reflect
9 administrative costs to the optional program and the defined
10 benefit program.

11 (11) PARTICIPANT INFORMATION REQUIREMENTS.--The board
12 shall ensure that each participant is provided a quarterly
13 statement that accounts for the contributions made on behalf
14 of such participants; the interest and investment earnings
15 thereon; and any fees, penalties, or other deductions that
16 apply thereto. At a minimum, such statements must:

17 (a) Indicate the participant's investment options.

18 (b) State the market value of the account at the close
19 of the current quarter and previous quarter.

20 (c) Show account gains and losses for the period and
21 changes in account accumulation unit values for the period.

22 (d) Itemize account contributions for the quarter.

23 (e) Indicate any account changes due to adjustment of
24 contribution levels, reallocation of contributions, balance
25 transfers, or withdrawals.

26 (f) Set forth any fees, charges, penalties, and
27 deductions that apply to the account.

28 (g) Indicate the amount of the account in which the
29 participant is fully vested and the amount of the account in
30 which the participant is not vested.

31

1 (h) Indicate each investment product's performance
2 relative to an appropriate market benchmark.

3
4 The third-party administrator shall provide quarterly and
5 annual summary reports to the board and any other reports
6 requested by the department or the board.

7 (12) ADVISORY COMMITTEES TO PROVIDE ADVICE AND
8 ASSISTANCE.--The Investment Advisory Council and the Public
9 Employee Optional Retirement Program Advisory Committee shall
10 assist the board in implementing and administering the Public
11 Employee Optional Retirement Program.

12 (a) The Investment Advisory Council, created pursuant
13 to s. 215.444, shall review the board's initial
14 recommendations regarding the criteria to be used in selecting
15 and evaluating approved providers and investment products. The
16 council may provide comments on the recommendations to the
17 board within 45 days after receiving the initial
18 recommendations. The board shall make the final determination
19 as to whether any investment provider or product, any
20 contractor, or any and all contract provisions shall be
21 approved for the program.

22 (b)1. The Public Employee Optional Retirement Program
23 Advisory Committee shall be composed of seven members. The
24 President of the Senate shall appoint two members, the Speaker
25 of the House of Representatives shall appoint two members, the
26 Governor shall appoint one member, the Treasurer shall appoint
27 one member, and the Comptroller shall appoint one member. The
28 members of the advisory committee shall elect a member as
29 chair. The appointments shall be made by September 1, 2000,
30 and the committee shall meet to organize by October 1, 2000.
31 The initial appointments shall be for a term of 24 months.

1 Each appointing authority shall fill any vacancy occurring
2 among its appointees for the remainder of the original.
3 2. The advisory committee shall make recommendations
4 on the selection of the third-party administrator and related
5 subcontractors and the selection, design, and implementation
6 of the education component of the program, and the selection
7 of investment products and providers. The committee's
8 recommendations on selection criteria for the third-party
9 administrator must be forwarded to the Trustees of the State
10 Board of Administration by January 1, 2001. The
11 recommendations on the design and implementation of the
12 education component must be forwarded to the trustees by May
13 1, 2001.
14 3. The advisory committee's recommendations and
15 activities shall be guided by the best interests of the
16 employees, considering the interests of employers, and the
17 intent of the Legislature in establishing the Public Employee
18 Optional Retirement Program.
19 4. The staff of the state board and the department
20 shall assist the advisory committee.
21 (13) FEDERAL REQUIREMENTS.--
22 (a) Provisions of this section shall be construed, and
23 the Public Employee Optional Retirement Program shall be
24 administered, so as to comply with the Internal Revenue Code,
25 26 U.S.C., and specifically with plan qualification
26 requirements imposed on governmental plans under s. 401(a) of
27 the Internal Revenue Code.
28 (b) Any section or provision of this chapter which is
29 susceptible to more than one construction must be interpreted
30 in favor of the construction most likely to satisfy
31

1 requirements imposed by s. 401(a) of the Internal Revenue
2 Code.

3 (c) Contributions payable under this section for any
4 limitation year may not exceed the maximum amount allowable
5 for qualified defined contribution pension plans under
6 applicable provisions of the Internal Revenue Code. If an
7 employee who has elected to participate in the Public Employee
8 Optional Retirement Program participates in any other plan
9 that is maintained by the participating employer, benefits
10 that accrue under the Public Employee Optional Retirement
11 Program shall be considered primary for any aggregate
12 limitation applicable under s. 415 of the Internal Revenue
13 Code.

14 (14) INVESTMENT POLICY STATEMENT.--

15 (a) Investment products and approved providers
16 selected for the Public Employee Optional Retirement Program
17 shall be in conformance with the Public Employee Optional
18 Retirement Program Investment Policy Statement, herein
19 referred to as the "statement," as developed and approved by
20 the Trustees of the State Board of Administration. The
21 statement must include, among other items, the investment
22 objectives of the Public Employee Optional Retirement Program,
23 manager selection and monitoring guidelines, and performance
24 measurement criteria. As required from time to time, the
25 executive director of the state board may present recommended
26 changes in the statement to the board for approval.

27 (b) Prior to presenting the statement, or any
28 recommended changes thereto, to the state board, the executive
29 director of the board shall present such statement or changes
30 to the Investment Advisory Council for review. The council
31 shall present the results of its review to the board prior to

1 the board's final approval of the statement or changes in the
2 statement.

3 (15) STATEMENT OF FIDUCIARY STANDARDS AND
4 RESPONSIBILITIES.--

5 (a) Investment of optional defined contribution
6 retirement plan assets shall be made for the sole interest and
7 exclusive purpose of providing benefits to plan participants
8 and beneficiaries and defraying reasonable expenses of
9 administering the plan. The program's assets are to be
10 invested, on behalf of the program participants, with the
11 care, skill, and diligence that a prudent person acting in a
12 like manner would undertake. The performance of the investment
13 duties set forth in this paragraph shall comply with the
14 fiduciary standards set forth in the Employee Retirement
15 Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C).
16 In case of conflict with other provisions of law authorizing
17 investments, the investment and fiduciary standards set forth
18 in this subsection shall prevail.

19 (b) If a participant or beneficiary of the Public
20 Employee Optional Retirement Program exercises control over
21 the assets in his or her account, as determined by reference
22 to regulations of the United States Department of Labor under
23 section 404(c) of the Employee Retirement Income Security Act
24 of 1974 and all applicable laws governing the operation of the
25 program, no program fiduciary shall be liable for any loss to
26 a participant's or beneficiary's account which results from
27 such participant's or beneficiary's exercise of control.

28 (16) DISABILITY BENEFITS.--For any member of the
29 optional retirement program who becomes totally and
30 permanently disabled, as defined in s. 121.091(4)(b), the
31 member shall be entitled to receive those moneys that have

1 accrued in his or her participant account. It is the intent of
2 the Legislature to provide participants of the Public Employee
3 Optional Retirement Program disability benefits comparable to
4 the benefits afforded defined benefit program participants.
5 The department is directed to study the potential options of
6 such coverage and the fiscal impacts on the employees and
7 employers, and to make recommendations to the Legislature by
8 January 1, 2001.

9 (17) SOCIAL SECURITY COVERAGE.--

10 (a) Social security coverage shall be provided for all
11 officers and employees who become participants of the optional
12 program. Any modification of the present agreement with the
13 Social Security Administration, or referendum required under
14 the Social Security Act, for the purpose of providing social
15 security coverage for any member shall be requested by the
16 state agency in compliance with the applicable provisions of
17 the Social Security Act governing such coverage. However,
18 retroactive social security coverage for service prior to
19 December 1, 1970, with the employer shall not be provided for
20 any member who was not covered under the agreement as of
21 November 30, 1970.

22 (b) All officers and employees who are participants of
23 the optional program shall be eligible to receive the retiree
24 health insurance subsidy, subject to the provisions of s.
25 112.363.

26 121.571 Contributions.--Contributions to the Public
27 Employee Optional Retirement Program shall be made as follows:

28 (1) CONTRIBUTION RATES GENERALLY.--The contributions
29 established in this section shall fund the Public Employee
30 Optional Retirement Program and shall be paid by each
31 participant's employer to the third-party administrator based

1 on the class membership of the participant. The contributions
2 are stated as a percentage of each participant's gross
3 compensation for the calendar month. A change in a
4 contribution rate is effective the first day of the month for
5 which a full month's employer contribution is made on or after
6 the beginning date of the change. Contribution rates may be
7 modified by general law.

8 (2) CONTRIBUTIONS TO PARTICIPANTS' ACCOUNTS.--Employer
9 and participant contributions to participant accounts shall be
10 accounted for separately. Interest and investment earnings on
11 employer contributions shall accrue on a tax-deferred basis
12 until proceeds are distributed. Pursuant thereto:

13 (a) All contributions made by or on behalf of a
14 participant pursuant to this subsection shall be transferred
15 by the employer to the third-party administrator for deposit
16 in the participant's account, less an amount approved by the
17 Legislature to fund the administration of the optional
18 retirement program.

19 (b) Retirement contributions for Regular Class members
20 of the optional retirement plan are as follows:

<u>Dates of Contribution</u>	<u>Employers</u>
<u>Rate Changes</u>	
<u>Effective July 1, 2002:</u>	<u>8.89%</u>

24 (c) Retirement contributions for Special Risk Class
25 members of the optional retirement plan are as follows:

<u>Dates of Contribution</u>	<u>Employers</u>
<u>Rate Changes</u>	
<u>Effective July 1, 2002:</u>	<u>19.87%</u>

29 (d) Retirement contributions for Special Risk
30 Administrative Support Class members of the optional
31 retirement plan are as follows:

1 Dates of Contribution Employers
2 Rate Changes
3 Effective July 1, 2002: 11.24%
4 (e) Retirement contributions for Elected Officers'
5 Class members of the optional retirement plan are as follows:
6 Dates of Contribution Employers
7 Rate Changes
8 Effective July 1, 2002:
9 Legislators 13.29%
10 Governor, Lt. Governor,
11 Cabinet Officers 13.29%
12 State Attorneys, Public
13 Defenders 13.29%
14 Justices, Judges 18.79%
15 County Elected Officers 16.11%
16 (f) Retirement contributions for Senior Management
17 Service Class members of the optional retirement plan are as
18 follows:
19 Dates of Contribution Employers
20 Rate Changes
21 Effective July 1, 2002: 10.86%
22 (3) CONTRIBUTIONS TO DISABILITY ACCOUNT.--
23 (a) All contributions made on behalf of a participant
24 pursuant to this subsection shall be transferred by the
25 employer to the third-party administrator for deposit in the
26 Public Employee Disability Trust Fund administered by the
27 Division of Retirement. Such contributions, less any fees or
28 charges authorized by the Legislature to offset the costs of
29 administering the disability component of the optional
30 retirement program, shall be used to provide disability
31 coverage for participants in the optional retirement program.

1 (b) Disability contributions for Regular Class members
2 of the optional retirement plan are as follows:

3 Dates of Contribution Employers

4 Rate Changes

5 Effective July 1, 2002: 0.50%

6 (c) Disability contribution for Special Risk Class
7 members of the optional retirement plan are as follows:

8 Dates of Contribution Employers

9 Rate Changes

10 Effective July 1, 2002: 1.38%

11 (d) Disability contribution for Special Risk
12 Administrative Support Class members of the optional
13 retirement plan are as follows:

14 Dates of Contribution Employers

15 Rate Changes

16 Effective July 1, 2002: 0.84%

17 (e) Disability contribution for Elected Officers'
18 Class members of the optional retirement plan are as follows:

19 Dates of Contribution Employers

20 Rate Changes

21 Effective July 1, 2002:

22 Legislators 0.72%

23 Governor, Lt. Governor,

24 Cabinet Officers 0.72%

25 State Attorneys, Public

26 Defenders 0.72%

27 Justices, Judges 1.56%

28 County Elected Officers 0.95%

29 (f) Disability contribution for Senior Management
30 Service Class members of the optional retirement plan are as
31 follows:

1 Dates of Contribution Employers
2 Rate Changes
3 Effective July 1, 2002: 0.59%
4 (4) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR
5 RETIREE HEALTH INSURANCE SUBSIDY.--Contributions required
6 under this section shall be in addition to employer and member
7 contributions required for social security and the Retiree
8 Health Insurance Subsidy Trust Fund as provided in s. 121.071.
9 (5) ADMINISTRATIVE AND EDUCATIONAL CONTRIBUTIONS.--The
10 contribution rate for each employer shall be 0.1 percent on
11 behalf of each participant to fund the administrative and
12 educational expenses of the optional program. All
13 contributions made on behalf of a participant pursuant to this
14 subsection shall be transferred to the third-party
15 administrator for deposit in the board's administrative fund.
16 (6) DEDUCTIONS.--The board or the third-party
17 administrator may deduct reasonable fees and apply appropriate
18 charges to participants' accounts. Payments for third-party
19 administrative or educational expenses shall be made only
20 pursuant to the terms of the approved contracts for such
21 services. In no event shall administrative and educational
22 expenses exceed the portion of employer contributions
23 earmarked for such expenses pursuant to this section.
24 Investment management fees shall be deducted from the gross
25 returns earned by each authorized investment product, pursuant
26 to the terms of the contract between the product vendor and
27 the board.
28 (7) PAYMENT AND DISTRIBUTION OF
29 CONTRIBUTIONS.--Contributions made pursuant to this section
30 shall be paid by the employer to the third-party administrator
31 by electronic funds transfer no later than the 5th day of the

1 month immediately following the month during which the payroll
2 period ended. The board and the third-party administrator
3 shall ensure that the contributions are distributed to the
4 appropriate trust funds or participant accounts in a timely
5 manner.

6 Section 4. Effective July 1, 2001, subsections (29)
7 and (45) of section 121.021, Florida Statutes, are amended to
8 read:

9 121.021 Definitions.--The following words and phrases
10 as used in this chapter have the respective meanings set forth
11 unless a different meaning is plainly required by the context:

12 (29) "Normal retirement date" means the first day of
13 any month following the date a member attains one of the
14 following statuses:

15 (a) If a Regular Class member, the member:

16 1. Completes 8 ~~10~~ or more years of creditable service
17 and attains age 62; or

18 2. Completes 30 years of creditable service,
19 regardless of age, which may include a maximum of 4 years of
20 military service credit as long as such credit is not claimed
21 under any other system.

22 (b) If a Special Risk Class member, the member:

23 1. Completes 8 ~~10~~ or more years of creditable service
24 in the Special Risk Class and attains age 55;

25 2. Completes 25 years of creditable service in the
26 Special Risk Class, regardless of age; or

27 3. Completes 25 years of creditable service and
28 attains age 52, which service may include a maximum of 4 years
29 of military service credit as long as such credit is not
30 claimed under any other system and the remaining years are in
31 the Special Risk Class.

1 (c) If a Senior Management Service Class member, the
2 member:

- 3 1. Completes 7 years of creditable service in the
4 Senior Management Service Class and attains age 62; or
5 2. Completes 30 years of any creditable service,
6 regardless of age, which may include a maximum of 4 years of
7 military service credit as long as such credit is not claimed
8 under any other system.

9 (d) If an Elected Officers' Class member, the member:

- 10 1. Completes 8 years of creditable service in the
11 Elected Officers' Class and attains age 62; or
12 2. Completes 30 years of any creditable service,
13 regardless of age, which may include a maximum of 4 years of
14 military service credit as long as such credit is not claimed
15 under any other system.

16
17 "Normal retirement age" is attained on the "normal retirement
18 date."

19 (45)(a) "Vested" or "vesting" means the guarantee that
20 a member is eligible to receive a future retirement benefit
21 upon completion of the required years of creditable service
22 for the employee's class of membership, even though the member
23 may have terminated covered employment before reaching normal
24 or early retirement date. Being vested does not entitle a
25 member to a disability benefit. Provisions governing
26 entitlement to disability benefits are set forth under s.
27 121.091(4)~~based on a disability caused by an injury or~~
28 ~~disease that occurs after termination of covered employment.~~

29 (b) Effective July 1, 2001, an 8-year vesting
30 requirement shall be implemented for the Regular Class, the
31 Special Risk Class, and the Special Risk Administrative

1 Support Class of the defined benefit program of the Florida
2 Retirement System. Pursuant thereto:

3 1. Any member employed in a regularly established
4 position on July 1, 2001, who completes or has completed a
5 total of 8 years of creditable service shall be considered
6 vested as described in paragraph (a).

7 2. Any member not employed in a regularly established
8 position on July 1, 2001, shall be deemed vested upon
9 completion of 8 years of creditable service, provided that
10 such member is employed in a covered position for at least 1
11 work year after July 1, 2001. However, no member shall be
12 required to complete more years of creditable service than
13 would have been required for that member to vest under
14 retirement laws in effect before July 1, 2001.

15 Section 5. Effective July 1, 2001, paragraph (a) of
16 subsection (2) of section 121.051, Florida Statutes, is
17 amended to read:

18 121.051 Participation in the system.--

19 (2) OPTIONAL PARTICIPATION.--

20 (a)1. Any officer or employee who is a member of an
21 existing system, except any officer or employee of any
22 nonprofit professional association or corporation, may elect,
23 if eligible, to become a member of this system at any time
24 between April 15, 1971, and June 1, 1971, inclusive, by
25 notifying his or her employer in writing of the desire to
26 transfer membership from the existing system to this system.
27 Any officer or employee who was a member of an existing system
28 on December 1, 1970, and who did not elect to become a member
29 of this system shall continue to be covered under the existing
30 system subject to the provisions of s. 121.045. A person who
31 has retired under any state retirement system shall not be

1 eligible to transfer to the Florida Retirement System created
2 by this chapter subsequent to such retirement. Any officer or
3 employee who, prior to July 1, 1947, filed a written rejection
4 of membership in a state retirement system and who continues
5 employment without participating in the Florida Retirement
6 System may withdraw the rejection in writing and, if otherwise
7 eligible, participate in the Florida Retirement System and
8 purchase prior service in accordance with this chapter. Any
9 former member of an existing system who was permitted to
10 transfer to the Florida Retirement System while employed by
11 the University Athletic Association, Inc., a nonprofit
12 association connected with the University of Florida, during
13 this or subsequent transfer periods, contrary to the
14 provisions of this paragraph, is hereby confirmed as a member
15 of the Florida Retirement System, the provisions of this
16 paragraph to the contrary notwithstanding. Any officer or
17 employee of the University Athletic Association, Inc.,
18 employed prior to July 1, 1979, who was a member of the
19 Florida Retirement System and who chose in writing on a
20 University Athletic Association Plan Participation Election
21 form, between July 1, 1979, and March 31, 1980, inclusively,
22 to terminate his or her participation in the Florida
23 Retirement System shall hereby have such termination of
24 participation confirmed and declared irrevocable retroactive
25 to the date Florida Retirement System retirement contributions
26 ceased to be reported for such officer or employee. The
27 following specific conditions shall apply to any such officer
28 or employee whose participation was so terminated: The officer
29 or employee shall retain all creditable service earned in the
30 Florida Retirement System through the month that retirement
31 contributions ceased to be reported and no creditable service

1 shall be earned after such month; the officer or employee
2 shall not be eligible for disability retirement or death in
3 line of duty benefits if such occurred after the date that
4 participation terminated; and, the officer or employee may
5 participate in the Florida Retirement System in the future
6 only if employed by a participating employer in a regularly
7 established position.

8 2. Any member transferring from the existing system
9 under chapter 238 shall retain rights to survivor benefits
10 under that chapter through November 30, 1975, or until fully
11 insured for disability benefits under social security,
12 whichever is the earliest date, and thereafter no such rights
13 shall exist.

14 3. Any officer or employee who is a member of an
15 existing system on April 15, 1972, and who was eligible to
16 transfer to this system under the provisions of subparagraph
17 1., but who elected to remain in the existing system, may
18 elect, if eligible under the Social Security Act, 42 U.S.C. s.
19 418(d)(6)(F), to become a member of this system at any time
20 between April 15, 1972, and June 30, 1972, inclusive, by
21 notifying his or her employer in writing of the desire to
22 transfer membership from an existing system to this system.
23 Such transfer shall be subject to the following conditions:

24 a. All persons electing to transfer to the Florida
25 Retirement System under this subparagraph shall be transferred
26 on July 1, 1972, and shall thereafter be subject to the
27 provisions of the Florida Retirement System retroactively to
28 November 30, 1970, and at retirement have their benefits
29 calculated in accordance with the provisions of s. 121.091.

30 b. Social security coverage incidental to such
31 elective membership in the Florida Retirement System shall be

1 effective November 30, 1970, and all amounts required from a
2 member for retroactive social security coverage shall, at the
3 time such election is made, be deducted from the individual
4 account of the member, and the difference between the amount
5 remaining in the individual account of such member and the
6 total amount which such member would have contributed had he
7 or she become a member of the Florida Retirement System on
8 November 30, 1970, shall be paid into the system trust fund
9 and added to the member's individual account prior to July 1,
10 1975, or by his or her date of retirement, if earlier.
11 Interest at the rate of 8 percent per annum, compounded
12 annually until paid, shall be charged on any balance remaining
13 unpaid on said date.

14 c. There is appropriated out of the system trust fund
15 into the Social Security Contribution Trust Fund the amount
16 required by federal laws and regulations to be contributed
17 with respect to social security coverage for the years after
18 November 30, 1970, of the members of an existing system who
19 transfer to the Florida Retirement System in accordance with
20 this subparagraph and who qualify for retroactive social
21 security coverage. The amount paid from this appropriation
22 with respect to the employees of any employer shall be charged
23 to the employing agency. There shall be credited against this
24 charge the difference between the matching contributions
25 actually made for the affected employees from November 30,
26 1970, to June 30, 1972, and the amount of matching
27 contributions that would have been required under the Florida
28 Retirement System.

29 d. The net amounts charged the employing agencies for
30 employees transferring to the Florida Retirement System under
31 this subparagraph shall be paid to the system trust fund prior

1 to July 1, 1975. Interest at the rate of 8 percent per annum,
2 compounded annually until paid, shall be charged on any
3 balance remaining unpaid on said date.

4 e. The administrator shall request such modification
5 of the state's agreement with the Social Security
6 Administration, or any referendum required under the Social
7 Security Act governing social security coverage, as may be
8 required to implement the provisions of this law. Retroactive
9 social security coverage for service with an employer prior to
10 November 30, 1970, shall not be provided for any member who
11 was not covered under the agreement as of November 30, 1970.

12 4. Any officer or employee who was a member of an
13 existing system on December 1, 1970, and who is still a member
14 of an existing system, except any officer or employee of any
15 nonprofit professional association or corporation, may elect,
16 if eligible, to become a member of this system at any time
17 between September 1, 1974, and November 30, 1974, inclusive,
18 by notifying his or her employer in writing of the desire to
19 transfer membership from the existing system to this system.
20 This decision to transfer or not to transfer shall become
21 irrevocable on November 30, 1974. All members electing to
22 transfer during the transfer period shall become members of
23 the Florida Retirement System on January 1, 1975, and shall be
24 subject to the provisions of the Florida Retirement System on
25 and after that date. Any officer or employee who was a member
26 of an existing system on December 1, 1970, and who does not
27 elect to become a member of this system shall continue to be
28 covered under the existing system, subject to the provisions
29 of s. 121.045. Any member transferring from the Teachers'
30 Retirement System of Florida under chapter 238 to the Florida
31 Retirement System on January 1, 1975, shall retain rights to

1 survivor benefits under chapter 238 from January 1, 1975,
2 through December 31, 1979, or until fully insured for
3 disability benefits under the Social Security Act, whichever
4 is the earliest date, and thereafter no such rights shall
5 exist.

6 5.a. Any officer or employee who was a member of an
7 existing system on December 1, 1970, and who is still a member
8 of an existing system, except any officer or employee of any
9 nonprofit professional association or corporation, may elect,
10 if eligible, to become a member of this system at any time
11 between January 2, 1982, and May 31, 1982, inclusive, by
12 notifying his or her employer in writing of the desire to
13 transfer membership from the existing system to this system.
14 This decision to transfer or not to transfer shall become
15 irrevocable on May 31, 1982. All members electing to transfer
16 during the transfer period shall become members of the Florida
17 Retirement System on July 1, 1982, and shall be subject to the
18 provisions of the Florida Retirement System on and after that
19 date. Any officer or employee who was a member of an existing
20 system on December 1, 1970, and who does not elect to become a
21 member of this system shall continue to be covered under the
22 existing system, subject to the provisions of s. 121.045. Any
23 member transferring from the Teachers' Retirement System under
24 chapter 238 to the Florida Retirement System on January 1,
25 1979, shall retain rights to survivor benefits under chapter
26 238 from January 1, 1979, through December 31, 1983, or until
27 fully insured for disability benefits under the federal Social
28 Security Act, whichever is the earliest date, and thereafter
29 no such rights shall exist. Any such member transferring to
30 the Florida Retirement System on July 1, 1982, shall retain
31 rights to survivor benefits under chapter 238 from July 1,

1 1982, through June 30, 1987, or until fully insured for
2 disability benefits under the federal Social Security Act,
3 whichever is the earliest date, and thereafter no such rights
4 shall exist.

5 b. Any deficit, as determined by the state actuary,
6 accruing to the Survivors' Benefit Trust Fund of the Teachers'
7 Retirement System and resulting from the passage of chapter
8 78-308, Laws of Florida, and chapter 80-242, Laws of Florida,
9 shall become an obligation of the Florida Retirement System
10 Trust Fund.

11 6. Any active member of an existing system who was not
12 employed in a covered position during a time when transfer to
13 the Florida Retirement System was allowed as described in rule
14 22B-1.004(2)(a), Florida Administrative Code, or as provided
15 in paragraph (1)(c) of this section, may elect, if eligible,
16 to become a member of this system at any time between January
17 1, 1991, and May 29, 1991, inclusive, by notifying his or her
18 employer in writing of the desire to transfer membership from
19 the existing system to this system. The decision to transfer
20 or not to transfer shall become irrevocable on May 29, 1991.
21 Failure to notify the employer shall result in compulsory
22 membership in the existing system. All members electing to
23 transfer during the transfer period shall become members of
24 the Florida Retirement System on July 1, 1991, and shall be
25 subject to the provisions of the Florida Retirement System on
26 and after that date. Any member so transferring from the
27 existing system under chapter 238 to the Florida Retirement
28 System on July 1, 1991, shall retain rights to survivor
29 benefits under that chapter from July 1, 1991, through June
30 30, 1996, or until fully insured for benefits under the
31

1 federal Social Security Act, whichever is the earliest date,
2 and thereafter no such rights shall exist.

3 Section 6. Effective July 1, 2001, paragraph (a) of
4 subsection (7) of section 121.0515, Florida Statutes, is
5 amended to read:

6 121.0515 Special risk membership; criteria;
7 designation and removal of classification; credits for past
8 service and prior service; retention of special risk normal
9 retirement date.--

10 (7) RETENTION OF SPECIAL RISK NORMAL RETIREMENT
11 DATE.--

12 (a) A special risk member who is moved or reassigned
13 to a nonspecial risk law enforcement, firefighting,
14 correctional, or emergency medical care administrative support
15 position with the same agency, or who is subsequently employed
16 in such a position with any law enforcement, firefighting,
17 correctional, or emergency medical care agency under the
18 Florida Retirement System, shall participate in the Special
19 Risk Administrative Support Class and shall earn credit for
20 such service at the same percentage rate as that earned by a
21 regular member. Notwithstanding the provisions of subsection
22 (4), service in such an administrative support position shall,
23 for purposes of s. 121.091, apply toward satisfaction of the
24 special risk normal retirement date, as defined in s.
25 121.021(29)(b), provided that, while in such position, the
26 member remains certified as a law enforcement officer,
27 firefighter, correctional officer, emergency medical
28 technician, or paramedic; remains subject to reassignment at
29 any time to a position qualifying for special risk membership;
30 and completes an aggregate of 8 ~~10~~ or more years of service as
31 a designated special risk member prior to retirement.

1 Section 7. Effective July 1, 2001, subsection (8) of
2 section 121.052, Florida Statutes, is amended to read:

3 121.052 Membership class of elected officers.--

4 (8) NORMAL RETIREMENT DATE; VESTING REQUIREMENT.--A
5 member of the Elected Officers' Class shall have the same
6 normal retirement date as defined in s. 121.021(29) for a
7 member of the regular class of the Florida Retirement System,
8 ~~except that only 8 years of creditable service in this class~~
9 ~~are needed to attain the normal retirement date specified in~~
10 ~~s. 121.021(29)(a)~~. Any public service commissioner who was
11 removed from the Elected State Officers' Class on July 1,
12 1979, after attaining at least 8 years of creditable service
13 in that class shall be considered to have reached the normal
14 retirement date upon attaining age 62 as required in s.
15 121.021(29)(a).

16 Section 8. Effective July 1, 2001, paragraph (a) of
17 subsection (1) of section 121.053, Florida Statutes, is
18 amended to read:

19 121.053 Participation in the Elected Officers' Class
20 for retired members.--

21 (1)(a) Any member who retired under any existing
22 system as defined in s. 121.021(2), and receives a benefit
23 thereof, and who serves in an office covered by the Elected
24 Officers' Class for a period of at least 8 years, shall be
25 entitled to receive an additional retirement benefit for such
26 elected officer service prior to July 1, 1990, under the
27 Elected Officers' Class of the Florida Retirement System, as
28 follows:

29 1. Upon completion of 8 or more years of creditable
30 service in an office covered by the Elected Officers' Class,
31 s. 121.052, such member shall notify the administrator of his

1 or her intent to purchase elected officer service prior to
2 July 1, 1990, and shall pay the member contribution applicable
3 for the period being claimed, plus 4 percent interest
4 compounded annually from the first year of service claimed
5 until July 1, 1975, and 6.5 percent interest compounded
6 annually thereafter, until full payment is made to the Florida
7 Retirement System Trust Fund; however, such member may
8 purchase retirement credit under the Elected Officers' Class
9 only for such service as an elected officer.

10 2. Upon payment of the amount specified in
11 subparagraph 1., the employer shall pay into the Florida
12 Retirement System Trust Fund the applicable employer
13 contribution for the period of elected officer service prior
14 to July 1, 1990, being claimed by the member, plus 4 percent
15 interest compounded annually from the first year of service
16 claimed until July 1, 1975, and 6.5 percent interest
17 compounded annually thereafter, until full payment is made to
18 the Florida Retirement System Trust Fund.

19 Section 9. Effective July 1, 2001, paragraph (i) of
20 subsection (1) of section 121.081, Florida Statutes, is
21 amended to read:

22 121.081 Past service; prior service;
23 contributions.--Conditions under which past service or prior
24 service may be claimed and credited are:

25 (1)

26 (i) An employee of a state agency who was a member of
27 a state-administered retirement system and who was granted
28 educational leave with pay pursuant to a written educational
29 leave-with-pay policy may claim such period of educational
30 leave as past service subject to the following conditions:

31

- 1 1. The educational leave must have occurred prior to
2 December 31, 1971;
- 3 2. The member must have completed at least 8 ~~10~~ years
4 of creditable service excluding the period of the educational
5 leave;
- 6 3. The employee must have returned to employment with
7 a state agency employer who participated in the retirement
8 system, which return was immediately upon termination of the
9 educational leave, and must have remained on the employer's
10 payroll for at least 1 calendar month following the return to
11 employment;
- 12 4. The employee must be a member of the Florida
13 Retirement System at the time he or she claims such service;
- 14 5. Not more than 24 months of creditable service may
15 be claimed for such period of educational leave with pay;
- 16 6. The service must not be claimed under any other
17 state or federal retirement system; and
- 18 7. The member must pay to the retirement trust fund
19 for claiming such past-service credit an amount equal to 8
20 percent of his or her gross annual salary immediately prior to
21 the educational leave with pay for each year of past service
22 claimed, plus 4 percent interest thereon compounded annually
23 each June 30 from the first year of service claimed until July
24 1, 1975, and 6.5 percent interest thereafter on the unpaid
25 balance compounded annually each June 30 until paid.
- 26 Section 10. Effective July 1, 2001, paragraph (b) of
27 subsection (1) of section 121.1115, Florida Statutes, is
28 amended to read:
29 121.1115 Purchase of retirement credit for
30 out-of-state and federal service.--Effective January 1, 1995,
31 a member of the Florida Retirement System may purchase

1 | creditable service for periods of public employment in another
2 | state and receive creditable service for such periods of
3 | employment. Service with the Federal Government, including any
4 | military service, may be claimed. Upon completion of each year
5 | of service earned under the Florida Retirement System, a
6 | member may purchase up to 1 year of retirement credit for his
7 | or her out-of-state service, subject to the following
8 | provisions:

9 | (1) LIMITATIONS AND CONDITIONS.--To receive credit for
10 | the out-of-state service:

11 | (b) The member must have completed a minimum of 8 ~~10~~
12 | years of creditable service under the Florida Retirement
13 | System, excluding out-of-state service and in-state service
14 | claimed and purchased under s. 121.1122.

15 | Section 11. Effective July 1, 2001, paragraph (a) of
16 | subsection (2) of section 121.1122, Florida Statutes, is
17 | amended to read:

18 | 121.1122 Purchase of retirement credit for in-state
19 | public service and in-state service in accredited nonpublic
20 | schools and colleges, including charter schools and charter
21 | technical career centers.--Effective January 1, 1998, a member
22 | of the Florida Retirement System may purchase creditable
23 | service for periods of certain public or nonpublic employment
24 | performed in this state, as provided in this section.

25 | (2) LIMITATIONS AND CONDITIONS.--

26 | (a) A member is not eligible to receive credit for
27 | in-state service under this section until he or she has
28 | completed 8 ~~10~~ years of creditable service under the Florida
29 | Retirement System, excluding service purchased under this
30 | section and out-of-state service claimed and purchased under
31 | s. 121.1115.

1 Section 12. Effective July 1, 2001, paragraph (a) of
2 subsection (1) of section 121.121, Florida Statutes, is
3 amended to read:

4 121.121 Authorized leaves of absence.--

5 (1) A member may purchase creditable service for up to
6 2 work years of authorized leaves of absence if:

7 (a) The member has completed a minimum of 8 ~~10~~ years
8 of creditable service, excluding periods for which a leave of
9 absence was authorized;

10 Section 13. Effective July 1, 2001, paragraph (b) of
11 subsection (2) of section 215.32, Florida Statutes, is amended
12 to read:

13 215.32 State funds; segregation.--

14 (2) The source and use of each of these funds shall be
15 as follows:

16 (b)1. The trust funds shall consist of moneys received
17 by the state which under law or under trust agreement are
18 segregated for a purpose authorized by law. The state agency
19 or branch of state government receiving or collecting such
20 moneys shall be responsible for their proper expenditure as
21 provided by law. Upon the request of the state agency or
22 branch of state government responsible for the administration
23 of the trust fund, the Comptroller may establish accounts
24 within the trust fund at a level considered necessary for
25 proper accountability. Once an account is established within a
26 trust fund, the Comptroller may authorize payment from that
27 account only upon determining that there is sufficient cash
28 and releases at the level of the account.

29 2. In order to maintain a minimum number of trust
30 funds in the State Treasury, each state agency or the judicial
31 branch may consolidate, if permitted under the terms and

1 conditions of their receipt, the trust funds administered by
2 it; provided, however, the agency or judicial branch employs
3 effectively a uniform system of accounts sufficient to
4 preserve the integrity of such trust funds; and provided,
5 further, that consolidation of trust funds is approved by the
6 Administration Commission or the Chief Justice.

7 3. All such moneys are hereby appropriated to be
8 expended in accordance with the law or trust agreement under
9 which they were received, subject always to the provisions of
10 chapter 216 relating to the appropriation of funds and to the
11 applicable laws relating to the deposit or expenditure of
12 moneys in the State Treasury.

13 4.a. Notwithstanding any provision of law restricting
14 the use of trust funds to specific purposes, unappropriated
15 cash balances from selected trust funds may be authorized by
16 the Legislature for transfer to the Budget Stabilization Fund
17 and Working Capital Fund in the General Appropriations Act.

18 b. This subparagraph does not apply to trust funds
19 required by federal programs or mandates; trust funds
20 established for bond covenants, indentures, or resolutions
21 whose revenues are legally pledged by the state or public body
22 to meet debt service or other financial requirements of any
23 debt obligations of the state or any public body; the State
24 Transportation Trust Fund; the trust fund containing the net
25 annual proceeds from the Florida Education Lotteries; the
26 Florida Retirement System Trust Fund; trust funds under the
27 management of the Board of Regents, where such trust funds are
28 for auxiliary enterprises, self-insurance, and contracts,
29 grants, and donations, as those terms are defined by general
30 law; trust funds that serve as clearing funds or accounts for
31 the Comptroller or state agencies; trust funds that account

1 for assets held by the state in a trustee capacity as an agent
2 or fiduciary for individuals, private organizations, or other
3 governmental units; and other trust funds authorized by the
4 State Constitution.

5 Section 14. Paragraph (h) of subsection (2) of section
6 112.19, Florida Statutes, is amended to read:

7 112.19 Law enforcement, correctional, and correctional
8 probation officers; death benefits.--

9 (2)

10 (h)1. Any employer who employs a full-time law
11 enforcement, correctional, or correctional probation officer
12 who, on or after January 1, 1995, suffers a catastrophic
13 injury, as defined in s. 440.02(37), in the line of duty shall
14 pay the entire premium of the employer's health insurance plan
15 for the injured employee, the injured employee's spouse, and
16 for each dependent child of the injured employee until the
17 child reaches the age of majority or until the end of the
18 calendar year in which the child reaches the age of 25 if the
19 child continues to be dependent for support, or the child is a
20 full-time or part-time student and is dependent for support.
21 The term "health insurance plan" does not include supplemental
22 benefits that are not part of the basic group health insurance
23 plan. If the injured employee subsequently dies, the employer
24 shall continue to pay the entire health insurance premium for
25 the surviving spouse until remarried, and for the dependent
26 children, under the conditions outlined in this paragraph.

27 However:

28 a. Health insurance benefits payable from any other
29 source shall reduce benefits payable under this section.

30 b. It is unlawful for a person to willfully and
31 knowingly make, or cause to be made, or to assist, conspire

1 with, or urge another to make, or cause to be made, any false,
2 fraudulent, or misleading oral or written statement to obtain
3 health insurance coverage as provided under this paragraph. A
4 person who violates this sub-subparagraph commits a
5 misdemeanor of the first degree, punishable as provided in s.
6 775.082 or s. 775.083.

7 c. In addition to any applicable criminal penalty,
8 upon conviction for a violation as described in
9 sub-subparagraph b., a law enforcement, correctional, or
10 correctional probation officer or other beneficiary who
11 receives or seeks to receive health insurance benefits under
12 this paragraph shall forfeit the right to receive such health
13 insurance benefits, and shall reimburse the employer for all
14 benefits paid due to the fraud or other prohibited activity.
15 For purposes of this sub-subparagraph, "conviction" means a
16 determination of guilt that is the result of a plea or trial,
17 regardless of whether adjudication is withheld.

18 2. In order for the officer, spouse, and dependent
19 children to be eligible for such insurance coverage, the
20 injury must have occurred as the result of the officer's
21 response to fresh pursuit, the officer's response to what is
22 reasonably believed to be an emergency, or an unlawful act
23 perpetrated by another. Except as otherwise provided herein,
24 nothing in this paragraph shall be construed to limit health
25 insurance coverage for which the officer, spouse, or dependent
26 children may otherwise be eligible, except that a person who
27 qualifies under this section shall not be eligible for the
28 health insurance subsidy provided under part I of chapter 121,
29 chapter 175, or chapter 185.

30 Section 15. Paragraph (g) of subsection (2) of section
31 112.191, Florida Statutes, is amended to read:

1 112.191 Firefighters; death benefits.--
2 (2)
3 (g)1. Any employer who employs a full-time firefighter
4 who, on or after January 1, 1995, suffers a catastrophic
5 injury, as defined in s. 440.02(37), in the line of duty shall
6 pay the entire premium of the employer's health insurance plan
7 for the injured employee, the injured employee's spouse, and
8 for each dependent child of the injured employee until the
9 child reaches the age of majority or until the end of the
10 calendar year in which the child reaches the age of 25 if the
11 child continues to be dependent for support, or the child is a
12 full-time or part-time student and is dependent for support.
13 The term "health insurance plan" does not include supplemental
14 benefits that are not part of the basic group health insurance
15 plan. If the injured employee subsequently dies, the employer
16 shall continue to pay the entire health insurance premium for
17 the surviving spouse until remarried, and for the dependent
18 children, under the conditions outlined in this paragraph.
19 However:
20 a. Health insurance benefits payable from any other
21 source shall reduce benefits payable under this section.
22 b. It is unlawful for a person to willfully and
23 knowingly make, or cause to be made, or to assist, conspire
24 with, or urge another to make, or cause to be made, any false,
25 fraudulent, or misleading oral or written statement to obtain
26 health insurance coverage as provided under this paragraph. A
27 person who violates this sub-subparagraph commits a
28 misdemeanor of the first degree, punishable as provided in s.
29 775.082 or s. 775.083.
30 c. In addition to any applicable criminal penalty,
31 upon conviction for a violation as described in

1 sub-subparagraph b., a firefighter or other beneficiary who
2 receives or seeks to receive health insurance benefits under
3 this paragraph shall forfeit the right to receive such health
4 insurance benefits, and shall reimburse the employer for all
5 benefits paid due to the fraud or other prohibited activity.
6 For purposes of this sub-subparagraph, "conviction" means a
7 determination of guilt that is the result of a plea or trial,
8 regardless of whether adjudication is withheld.

9 2. In order for the firefighter, spouse, and dependent
10 children to be eligible for such insurance coverage, the
11 injury must have occurred as the result of the firefighter's
12 response to what is reasonably believed to be an emergency
13 involving the protection of life or property, or an unlawful
14 act perpetrated by another. Except as otherwise provided
15 herein, nothing in this paragraph shall be construed to limit
16 health insurance coverage for which the firefighter, spouse,
17 or dependent children may otherwise be eligible, except that a
18 person who qualifies for benefits under this section shall not
19 be eligible for the health insurance subsidy provided under
20 part I of chapter 121, chapter 175, or chapter 185.

21
22 Notwithstanding any provision of this section to the contrary,
23 the death benefits provided in paragraphs (b), (c), and (f)
24 shall also be applicable and paid in cases where a firefighter
25 received bodily injury prior to July 1, 1993, and subsequently
26 died on or after July 1, 1993, as a result of such
27 in-line-of-duty injury.

28 Section 16. Paragraph (a) of subsection (9) of section
29 112.313, Florida Statutes, is amended to read:

30 112.313 Standards of conduct for public officers,
31 employees of agencies, and local government attorneys.--

1 (9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT
2 FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.--

3 (a)1. It is the intent of the Legislature to implement
4 by statute the provisions of s. 8(e), Art. II of the State
5 Constitution relating to legislators, statewide elected
6 officers, appointed state officers, and designated public
7 employees.

8 2. As used in this paragraph:

9 a. "Employee" means:

10 (I) Any person employed in the executive or
11 legislative branch of government holding a position in the
12 Senior Management Service as defined in s. 110.402 or any
13 person holding a position in the Selected Exempt Service as
14 defined in s. 110.602 or any person having authority over
15 policy or procurement employed by the Department of the
16 Lottery.

17 (II) The Auditor General, the Sergeant at Arms and
18 Secretary of the Senate, and the Sergeant at Arms and Clerk of
19 the House of Representatives.

20 (III) The executive director of the Legislative
21 Committee on Intergovernmental Relations and the executive
22 director and deputy executive director of the Commission on
23 Ethics.

24 (IV) An executive director, staff director, or deputy
25 staff director of each joint committee, standing committee, or
26 select committee of the Legislature; an executive director,
27 staff director, executive assistant, analyst, or attorney of
28 the Office of the President of the Senate, the Office of the
29 Speaker of the House of Representatives, the Senate Majority
30 Party Office, Senate Minority Party Office, House Majority
31 Party Office, or House Minority Party Office; or any person,

1 hired on a contractual basis, having the power normally
2 conferred upon such persons, by whatever title.

3 (V) The Chancellor and Vice Chancellors of the State
4 University System; the general counsel to the Board of
5 Regents; and the president, vice presidents, and deans of each
6 state university.

7 (VI) Any person having the power normally conferred
8 upon the positions referenced in this sub-subparagraph.

9 b. "Appointed state officer" means any member of an
10 appointive board, commission, committee, council, or authority
11 of the executive or legislative branch of state government
12 whose powers, jurisdiction, and authority are not solely
13 advisory and include the final determination or adjudication
14 of any personal or property rights, duties, or obligations,
15 other than those relative to its internal operations.

16 c. "State agency" means an entity of the legislative,
17 executive, or judicial branch of state government over which
18 the Legislature exercises plenary budgetary and statutory
19 control.

20 3. No member of the Legislature, appointed state
21 officer, or statewide elected officer shall personally
22 represent another person or entity for compensation before the
23 government body or agency of which the individual was an
24 officer or member for a period of 2 years following vacation
25 of office. No member of the Legislature shall personally
26 represent another person or entity for compensation during his
27 or her term of office before any state agency other than
28 judicial tribunals or in settlement negotiations after the
29 filing of a lawsuit.

30 4. No agency employee shall personally represent
31 another person or entity for compensation before the agency

1 with which he or she was employed for a period of 2 years
2 following vacation of position, unless employed by another
3 agency of state government.

4 5. Any person violating this paragraph shall be
5 subject to the penalties provided in s. 112.317 and a civil
6 penalty of an amount equal to the compensation which the
7 person receives for the prohibited conduct.

8 6. This paragraph is not applicable to:

9 a. A person employed by the Legislature or other
10 agency prior to July 1, 1989;

11 b. A person who was employed by the Legislature or
12 other agency on July 1, 1989, whether or not the person was a
13 defined employee on July 1, 1989;

14 c. A person who was a defined employee of the State
15 University System or the Public Service Commission who held
16 such employment on December 31, 1994;

17 d. A person who has reached normal retirement age as
18 defined in s. 121.021(29), and who has retired under the
19 provisions of part I of chapter 121 by July 1, 1991; or

20 e. Any appointed state officer whose term of office
21 began before January 1, 1995, unless reappointed to that
22 office on or after January 1, 1995.

23 Section 17. Paragraph (e) of subsection (1) of section
24 112.665, Florida Statutes, is amended to read:

25 112.665 Duties of Department of Management Services.--

26 (1) The Department of Management Services shall:

27 (e) Issue, by January 1 annually, a report to the
28 Special District Information Program of the Department of
29 Community Affairs that includes the participation in and
30 compliance of special districts with the local government
31 retirement system provisions in s. 112.63 and the

1 state-administered retirement system provisions as specified
2 in part I of chapter 121; and

3 Section 18. Subsection (5) of section 154.10, Florida
4 Statutes, is amended to read:

5 154.10 Relationship with board of county
6 commissioners.--At such time as the governing body of a county
7 shall declare the need for a public health trust to function
8 in such county, appoint a board of trustees, and designate
9 health care facilities pursuant to the provisions of this
10 part, said governing body shall be authorized to transfer to
11 the public health trust any or all of the ownership,
12 operation, governance, or maintenance of such designated
13 facilities. The county governing body shall, by ordinance, by
14 contract or lease with the public health trust, or by a
15 combination of the foregoing, provide for each of the
16 following:

17 (5) The preservation and continuation of the benefits
18 of county employees who became employees of the public health
19 trust, including, but not limited to, participation by such
20 employees in the State and County Officers and Employees'
21 Retirement System and the Florida Retirement System. The
22 trust may provide social security for its employees pursuant
23 to the provisions of chapter 650 and may bring its employees
24 under the provisions of the Florida Retirement System as
25 authorized by part I of chapter 121.

26 Section 19. Subsection (1) of section 154.12, Florida
27 Statutes, is amended to read:

28 154.12 Legal status of public health trusts.--

29 (1) Employees of a public health trust created
30 pursuant to this part shall be considered to come within the
31 terms of chapter 122 for purposes of inclusion in the State

1 and County Officers and Employees' Retirement System and
2 within the terms of part I of chapter 121, for purposes of
3 inclusion in the Florida Retirement System.

4 Section 20. Section 175.361, Florida Statutes, is
5 amended to read:

6 175.361 Termination of plan and distribution of
7 fund.--For any municipality, special fire control district,
8 chapter plan, local law municipality, local law special fire
9 control district, or local law plan under this chapter, the
10 plan may be terminated by the municipality or special fire
11 control district. Upon termination of the plan by the
12 municipality or special fire control district for any reason
13 or because of a transfer, merger, or consolidation of
14 governmental units, services, or functions as provided in part
15 I of chapter 121, or upon written notice by the municipality
16 or special fire control district to the board of trustees that
17 contributions under the plan are being permanently
18 discontinued, the rights of all employees to benefits accrued
19 to the date of such termination and the amounts credited to
20 the employees' accounts are nonforfeitable. The fund shall be
21 apportioned and distributed in accordance with the following
22 procedures:

23 (1) The board of trustees shall determine the date of
24 distribution and the asset value to be distributed, after
25 taking into account the expenses of such distribution.

26 (2) The board of trustees shall determine the method
27 of distribution of the asset value, that is, whether
28 distribution shall be by payment in cash, by the maintenance
29 of another or substituted trust fund, by the purchase of
30 insured annuities, or otherwise, for each firefighter entitled
31 to benefits under the plan as specified in subsection (3).

1 (3) The board of trustees shall apportion the asset
2 value as of the date of termination in the manner set forth in
3 this subsection, on the basis that the amount required to
4 provide any given retirement income shall mean the actuarially
5 computed single-sum value of such retirement income, except
6 that if the method of distribution determined under subsection
7 (2) involves the purchase of an insured annuity, the amount
8 required to provide the given retirement income shall mean the
9 single premium payable for such annuity.

10 (a) Apportionment shall first be made in respect of
11 each retired firefighter receiving a retirement income
12 hereunder on such date, each person receiving a retirement
13 income on such date on account of a retired (but since
14 deceased) firefighter, and each firefighter who has, by such
15 date, become eligible for normal retirement but has not yet
16 retired, in the amount required to provide such retirement
17 income, provided that, if such asset value is less than the
18 aggregate of such amounts, such amounts shall be
19 proportionately reduced so that the aggregate of such reduced
20 amounts will be equal to such asset value.

21 (b) If there is any asset value remaining after the
22 apportionment under paragraph (a), apportionment shall next be
23 made in respect of each firefighter in the service of the
24 municipality or special fire control district on such date who
25 has completed at least 10 years of credited service, in the
26 firefighters' pension trust fund for at least 10 years, and
27 who is not entitled to an apportionment under paragraph (a),
28 in the amount required to provide the actuarial equivalent of
29 the accrued normal retirement income, based on the
30 firefighter's credited service and earnings to such date, and
31 each former participant then entitled to a benefit under the

1 provisions of s. 175.211 who has not by such date reached his
2 or her normal retirement date, in the amount required to
3 provide the actuarial equivalent of the accrued normal
4 retirement income to which he or she is entitled under s.
5 175.211; provided that, if such remaining asset value is less
6 than the aggregate of the amounts apportioned hereunder, such
7 latter amounts shall be proportionately reduced so that the
8 aggregate of such reduced amounts will be equal to such
9 remaining asset value.

10 (c) If there is any asset value after the
11 apportionments under paragraphs (a) and (b), apportionment
12 shall lastly be made in respect of each firefighter in the
13 service of the municipality or special fire control district
14 on such date who is not entitled to an apportionment under
15 paragraphs (a) and (b) in the amount equal to the
16 firefighter's total contributions to the plan to date of
17 termination; provided that, if such remaining asset value is
18 less than the aggregate of the amounts apportioned hereunder,
19 such latter amounts shall be proportionately reduced so that
20 the aggregate of such reduced amounts will be equal to such
21 remaining asset value.

22 (d) In the event that there is asset value remaining
23 after the full apportionment specified in paragraphs (a), (b),
24 and (c), such excess shall be returned to the municipality or
25 special fire control district, less return to the state of the
26 state's contributions, provided that, if the excess is less
27 than the total contributions made by the municipality or
28 special fire control district and the state to date of
29 termination of the plan, such excess shall be divided
30 proportionately to the total contributions made by the
31 municipality or special fire control district and the state.

1 (4) The board of trustees shall distribute, in
2 accordance with the manner of distribution determined under
3 subsection (2), the amounts apportioned under subsection (3).
4

5 If, after a period of 24 months after the date on which the
6 plan terminated or the date on which the board received
7 written notice that the contributions thereunder were being
8 permanently discontinued, the municipality or special fire
9 control district or the board of trustees of the firefighters'
10 pension trust fund affected has not complied with all the
11 provisions in this section, the division shall effect the
12 termination of the fund in accordance with this section.

13 Section 21. Section 185.37, Florida Statutes, is
14 amended to read:

15 185.37 Termination of plan and distribution of
16 fund.--For any municipality, chapter plan, local law
17 municipality, or local law plan under this chapter, the plan
18 may be terminated by the municipality. Upon termination of the
19 plan by the municipality for any reason, or because of a
20 transfer, merger, or consolidation of governmental units,
21 services, or functions as provided in part I of chapter 121,
22 or upon written notice to the board of trustees by the
23 municipality that contributions under the plan are being
24 permanently discontinued, the rights of all employees to
25 benefits accrued to the date of such termination or
26 discontinuance and the amounts credited to the employees'
27 accounts are nonforfeitable. The fund shall be apportioned and
28 distributed in accordance with the following procedures:

29 (1) The board of trustees shall determine the date of
30 distribution and the asset value to be distributed, after
31 taking into account the expenses of such distribution.

1 (2) The board of trustees shall determine the method
2 of distribution of the asset value, that is, whether
3 distribution shall be by payment in cash, by the maintenance
4 of another or substituted trust fund, by the purchase of
5 insured annuities, or otherwise, for each police officer
6 entitled to benefits under the plan, as specified in
7 subsection (3).

8 (3) The board of trustees shall apportion the asset
9 value as of the date of termination in the manner set forth in
10 this subsection, on the basis that the amount required to
11 provide any given retirement income shall mean the actuarially
12 computed single-sum value of such retirement income, except
13 that if the method of distribution determined under subsection
14 (2) involves the purchase of an insured annuity, the amount
15 required to provide the given retirement income shall mean the
16 single premium payable for such annuity.

17 (a) Apportionment shall first be made in respect of
18 each retired police officer receiving a retirement income
19 hereunder on such date, each person receiving a retirement
20 income on such date on account of a retired (but since
21 deceased) police officer, and each police officer who has, by
22 such date, become eligible for normal retirement but has not
23 yet retired, in the amount required to provide such retirement
24 income, provided that, if such asset value is less than the
25 aggregate of such amounts, such amounts shall be
26 proportionately reduced so that the aggregate of such reduced
27 amounts will be equal to such asset value.

28 (b) If there is any asset value remaining after the
29 apportionment under paragraph (a), apportionment shall next be
30 made in respect of each police officer in the service of the
31 municipality on such date who has completed at least 10 years

1 of credited service, in the municipal police officers'
2 retirement trust fund for at least 10 years, and who is not
3 entitled to an apportionment under paragraph (a), in the
4 amount required to provide the actuarial equivalent of the
5 accrued normal retirement income, based on the police
6 officer's credited service and earnings to such date, and each
7 former participant then entitled to a benefit under the
8 provisions of s. 185.19 who has not by such date reached his
9 or her normal retirement date, in the amount required to
10 provide the actuarial equivalent of the accrued normal
11 retirement income to which he or she is entitled under s.
12 185.19, provided that, if such remaining asset value is less
13 than the aggregate of the amounts apportioned hereunder, such
14 latter amounts shall be proportionately reduced so that the
15 aggregate of such reduced amounts will be equal to such
16 remaining asset value.

17 (c) If there is an asset value after the
18 apportionments under paragraphs (a) and (b), apportionment
19 shall lastly be made in respect of each police officer in the
20 service of the municipality on such date who is not entitled
21 to an apportionment under paragraphs (a) and (b) in the amount
22 equal to the police officer's total contributions to the plan
23 to date of termination, provided that, if such remaining asset
24 value is less than the aggregate of the amounts apportioned
25 hereunder, such latter amounts shall be proportionately
26 reduced so that the aggregate of such reduced amounts will be
27 equal to such remaining asset value.

28 (d) In the event that there is asset value remaining
29 after the full apportionment specified in paragraphs (a), (b),
30 and (c), such excess shall be returned to the municipality,
31 less return to the state of the state's contributions,

1 provided that, if the excess is less than the total
2 contributions made by the municipality and the state to date
3 of termination of the plan, such excess shall be divided
4 proportionately to the total contributions made by the
5 municipality and the state.

6 (4) The board of trustees shall distribute, in
7 accordance with the manner of distribution determined under
8 subsection (2), the amounts apportioned under subsection (3).

9
10 If, after a period of 24 months after the date on which the
11 plan terminated or the date on which the board received
12 written notice that the contributions thereunder were being
13 permanently discontinued, the municipality or the board of
14 trustees of the municipal police officers' retirement trust
15 fund affected has not complied with all the provisions in this
16 section, the division shall effect the termination of the fund
17 in accordance with this section.

18 Section 22. Subsection (1) of section 189.412, Florida
19 Statutes, is amended to read:

20 189.412 Special District Information Program; duties
21 and responsibilities.--The Special District Information
22 Program of the Department of Community Affairs is created and
23 has the following special duties:

24 (1) The collection and maintenance of special district
25 compliance status reports from the Auditor General, the
26 Department of Banking and Finance, the Division of Bond
27 Finance of the State Board of Administration, the Department
28 of Management Services, the Department of Revenue, and the
29 Commission on Ethics for the reporting required in ss. 11.45,
30 112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068,
31 218.32, 218.34, 218.38, and 280.17 and part I of chapter 121

1 and from state agencies administering programs that distribute
2 money to special districts. The special district compliance
3 status reports must consist of a list of special districts
4 used in that state agency and a list of which special
5 districts did not comply with the reporting statutorily
6 required by that agency.

7 Section 23. Subsection (2) of section 216.262, Florida
8 Statutes, is amended to read:

9 216.262 Authorized positions.--

10 (2) The provisions of paragraphs (1)(d) and (e) do not
11 apply to an individual filling a position the salary of which
12 has been specifically fixed or limited by law. Unless
13 specifically authorized by law, an individual filling or
14 performing the duties of a position the salary of which has
15 been specifically fixed or limited by law may not receive
16 compensation from more than one appropriation, or in excess of
17 the amount so fixed or limited by law, regardless of any
18 additional duties performed by that individual in any capacity
19 or position. However, this subsection does not prohibit
20 additional compensation from an educational appropriation to
21 any person holding a position the salary of which is
22 specifically fixed or limited by law, provided such
23 compensation does not exceed payment for more than one course
24 of instruction during any one academic term and that such
25 compensation is approved as provided in paragraphs (1)(d) and
26 (e). Any compensation received by any person pursuant to the
27 provisions of this subsection shall not be computed as a part
28 of average final compensation for retirement purposes under
29 the provisions of part I of chapter 121.

30 Section 24. Subsection (8) of section 231.36, Florida
31 Statutes, is amended to read:

1 231.36 Contracts with instructional staff,
2 supervisors, and principals.--

3 (8) Notwithstanding any other provision of law, any
4 member who has retired may interrupt retirement and be
5 reemployed in any public school. Any member so reemployed by
6 the same district from which he or she retired may be employed
7 on a probationary contractual basis as provided in subsection
8 (1); however, no regular retirement employee shall be eligible
9 to renew membership under a retirement system created by part
10 I of chapter 121 or chapter 238.

11 Section 25. Section 238.072, Florida Statutes, is
12 amended to read:

13 238.072 Special service provisions for extension
14 personnel.--All state and county cooperative extension
15 personnel holding appointments by the United States Department
16 of Agriculture for extension work in agriculture and home
17 economics in this state who are joint representatives of the
18 University of Florida and the United States Department of
19 Agriculture, as provided in s. 121.051(7), who are members of
20 the Teachers' Retirement System, chapter 238, and who are
21 prohibited from transferring to and participating in the
22 Florida Retirement System, part I of chapter 121, may retire
23 with full benefits upon completion of 30 years of creditable
24 service and shall be considered to have attained normal
25 retirement age under this chapter, any law to the contrary
26 notwithstanding. In order to comply with the provisions of s.
27 14, Art. X of the State Constitution, any liability accruing
28 to the Florida Retirement System Trust Fund as a result of the
29 provisions of this section shall be paid on an annual basis
30 from the General Revenue Fund.

31

1 Section 26. Paragraph (a) of subsection (3) of section
2 238.171, Florida Statutes, is amended to read:

3 238.171 Monthly allowance; when made.--

4 (3)(a) On July 1, 1974, the director of the Division
5 of Retirement shall adjust the monthly allowance provided for
6 incapacitated teachers under this section by increasing said
7 allowance by a percentage which shall be equal to the
8 percentage change in the average cost-of-living index, as
9 defined in part I of chapter 121, over the period between
10 April 1, 1967, and March 31, 1973. The percent of increase, as
11 of July 1, 1974, shall be 25.4 percent, which is the average
12 cost-of-living increase percentage from April 1, 1967, through
13 March 31, 1973.

14 Section 27. Subsection (1) of section 238.175, Florida
15 Statutes, is amended to read:

16 238.175 Members with prior service in federally
17 operated state schools; eligibility for special credits.--

18 (1) Any member of the Teachers' Retirement System or
19 the Florida Retirement System established respectively by this
20 chapter and part I of chapter 121 who taught in a public
21 school in Florida which was taken over and operated by the
22 United States Government pursuant to Pub. L. No. 81-874 or
23 other Federal Law, may claim and receive credit in the
24 retirement system in which he or she is participating for the
25 time he or she taught in such schools, while they were
26 operated by the United States Government under the following
27 conditions, provided credit for such teaching time has not
28 been granted in any other state or federal retirement system.

29 (a) If the member was a member of the Teachers'
30 Retirement System prior to the time he or she began teaching
31 in the public schools operated by the United States

1 Government, he or she may claim and receive credit for such
2 teaching time in the retirement system in which he or she is
3 participating as prior service upon the payment of the amounts
4 required to obtain credit for such prior service pursuant to
5 the laws and rules governing the administration of his or her
6 retirement system.

7 (b) If the member was not a member of the Teachers'
8 Retirement System prior to the time he or she began teaching
9 in the public schools operated by the United States
10 Government, he or she may claim and receive retirement credit
11 for such teaching time in the following manner:

12 1. A member of the Teachers' Retirement System may
13 receive retirement credit for the time he or she taught in
14 such federally operated schools as prior teaching service
15 outside the state pursuant to the provisions of s. 238.06(4).

16 2. A member of the Florida Retirement System may
17 receive retirement credit for the time he or she taught in
18 such federally operated schools as past service pursuant to
19 the provisions of, and following the payment of the amounts
20 specified in, s. 121.081(1), notwithstanding any contrary
21 provisions in said s. 121.021(18), or other provisions of law.

22 Section 28. Paragraph (i) of subsection (3) of section
23 240.3195, Florida Statutes, is amended to read:

24 240.3195 State Community College System Optional
25 Retirement Program.--Each community college may implement an
26 optional retirement program, if such program is established
27 therefor pursuant to s. 240.319(4)(r), under which annuity
28 contracts providing retirement and death benefits may be
29 purchased by, and on behalf of, eligible employees who
30 participate in the program. Except as otherwise provided
31 herein, this retirement program, which shall be known as the

1 State Community College System Optional Retirement Program,
2 may be implemented and administered only by an individual
3 community college or by a consortium of community colleges.

4 (3)

5 (i) Except as provided in s. 121.052(6)(d), a program
6 participant who is or who becomes dually employed in two or
7 more positions covered by the Florida Retirement System, one
8 of which is eligible for an optional retirement program
9 pursuant to this section and one of which is not, is subject
10 to the dual employment provisions of part I of chapter 121.

11 Section 29. Subsection (5) of section 650.05, Florida
12 Statutes, is amended to read:

13 650.05 Plans for coverage of employees of political
14 subdivisions.--

15 (5) Each political subdivision as to which a plan has
16 been approved shall be liable to the state agency for a
17 proportionate part of the cost of administering this chapter.
18 Such proportionate cost shall be computed and paid in
19 accordance with such regulations relating thereto as may be
20 adopted by the state agency and shall be deposited in the
21 Social Security Administration Trust Fund; and, if any such
22 payment is not made when due, the amount thereof, with
23 interest of 0.5 percent for each calendar month or part
24 thereof past the due date, shall, upon request of the state
25 agency, be deducted from any other moneys payable to such
26 political subdivision by any officer, department, or agency of
27 the state, and forthwith paid to the state agency.
28 Withdrawals from the Social Security Administration Trust Fund
29 shall be made solely for the payment of costs of administering
30 this chapter, and any balance in excess of the amount
31 necessary for administering this chapter shall be transferred

1 to the state retirement system trust funds established
2 pursuant to part I of chapter 121 to make up the actuarial
3 deficit in any of the state retirement systems consolidated
4 thereunder, and the necessary amounts are hereby appropriated
5 from said funds for these purposes.

6 Section 30. Effective July 1, 2001, subsections (2)
7 and (3) of section 112.363, Florida Statutes, are amended to
8 read:

9 112.363 Retiree health insurance subsidy.--

10 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
11 SUBSIDY.--

12 (a) A person who is retired under a state-administered
13 retirement system, or a beneficiary who is a spouse or
14 financial dependent entitled to receive benefits under a
15 state-administered retirement system, is eligible for health
16 insurance subsidy payments provided under this section; except
17 that pension recipients under ss. 121.40, 238.07(16)(a), and
18 250.22, recipients of health insurance coverage under s.
19 110.1232, or any other special pension or relief act shall not
20 be eligible for such payments.

21 (b) For purposes of this section, a person is deemed
22 retired from a state-administered retirement system when he or
23 she terminates employment with all employers participating in
24 the Florida Retirement System as described in s. 121.021(39)
25 and:

26 1. For a participant of the Public Employee Optional
27 Retirement Program established under part II of chapter 121,
28 the participant meets the age or service requirements to
29 qualify for normal retirement as set forth in s. 121.021(29).

30 2. For a member of the Florida Retirement System
31 defined benefit program, or any employee who maintains

1 creditable service under both the defined benefit program and
2 the Public Employee Optional Retirement Program, the member
3 begins drawing retirement benefits from the system.

4 (c)1. Effective July 1, 2001, any person retiring on
5 or after such date as a member of the Florida Retirement
6 System, including any participant of the defined contribution
7 program administered pursuant to part II of chapter 121, must
8 have satisfied the vesting requirements for his or her
9 membership class under the Florida Retirement System defined
10 benefit program as administered under part I of chapter 121.

11 2. Notwithstanding the provisions of subparagraph 1.,
12 a person retiring due to disability must either qualify for a
13 regular or in-line-of-duty disability benefit as provided in
14 s. 121.091(4) or qualify for a disability benefit under a
15 disability plan established under part II of chapter 121, as
16 appropriate.

17 (d) Payment of the retiree health insurance subsidy
18 shall be made only after coverage for health insurance for the
19 retiree or beneficiary has been certified in writing to the
20 Department of Management Services. Participation in a former
21 employer's group health insurance program is not a requirement
22 for eligibility under this section.

23 (e) ~~However,~~ Participants in the Senior Management
24 Service Optional Annuity Program as provided in s. 121.055(6)
25 and the State University System Optional Retirement Program as
26 provided in s. 121.35 shall not receive the retiree health
27 insurance subsidy provided in this section. The employer of
28 such participant shall pay the contributions required in
29 subsection (8) to the annuity program provided in s.
30 121.055(6)(d) or s. 121.35(4)(a), as applicable.

31 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

1 (a) Beginning January 1, 1988, each eligible retiree
2 or a beneficiary who is a spouse or financial dependent
3 thereof shall receive a monthly retiree health insurance
4 subsidy payment equal to the number of years of creditable
5 service, as defined in s. 121.021(17), completed at the time
6 of retirement multiplied by \$1; however, no retiree may
7 receive a subsidy payment of more than \$30 or less than \$10.

8 (b) Beginning January 1, 1989, each eligible retiree
9 or a beneficiary who is a spouse or financial dependent shall
10 receive a monthly retiree health insurance subsidy payment
11 equal to the number of years of creditable service, as defined
12 in s. 121.021(17), completed at the time of retirement
13 multiplied by \$2; however, no retiree may receive a subsidy
14 payment of more than \$60 or less than \$20.

15 (c) Beginning January 1, 1991, each eligible retiree
16 or a beneficiary who is a spouse or financial dependent shall
17 receive a monthly retiree health insurance subsidy payment
18 equal to the number of years of creditable service, as defined
19 in s. 121.021(17), completed at the time of retirement
20 multiplied by \$3; however, no retiree may receive a subsidy
21 payment of more than \$90 or less than \$30.

22 (d) Beginning January 1, 1999, each eligible retiree
23 or, if the retiree is deceased, his or her beneficiary who is
24 receiving a monthly benefit from such retiree's account and
25 who is a spouse, or a person who meets the definition of joint
26 annuitant in s. 121.021(28), shall receive a monthly retiree
27 health insurance subsidy payment equal to the number of years
28 of creditable service, as defined in s. 121.021(17), completed
29 at the time of retirement multiplied by \$5; however, no
30 eligible retiree or such beneficiary may receive a subsidy
31 payment of more than \$150 or less than \$50. If there are

1 multiple beneficiaries, the total payment must not be greater
2 than the payment to which the retiree was entitled.

3 (e)1. Beginning July 1, 2001, each eligible retiree of
4 the defined benefit program of the Florida Retirement System,
5 or, if the retiree is deceased, his or her beneficiary who is
6 receiving a monthly benefit from such retiree's account and
7 who is a spouse, or a person who meets the definition of joint
8 annuitant in s. 121.021(28), shall receive a monthly retiree
9 health insurance subsidy payment equal to the number of years
10 of creditable service, as defined in s. 121.021(17), completed
11 at the time of retirement multiplied by \$5; however, no
12 eligible retiree or beneficiary may receive a subsidy payment
13 of more than \$150 or less than \$40. If there are multiple
14 beneficiaries, the total payment must not be greater than the
15 payment to which the retiree was entitled. Notwithstanding
16 the provisions of this paragraph, the health insurance subsidy
17 amount payable to any person receiving the retiree health
18 insurance subsidy payment on July 1, 2002, shall not be
19 reduced.

20 2. Beginning July 1, 2001, each eligible participant
21 of the Public Employee Optional Retirement Program of the
22 Florida Retirement System who has met the requirements of this
23 section, or, if the participant is deceased, his or her spouse
24 who is the participant's designated beneficiary, shall receive
25 a monthly retiree health insurance subsidy payment equal to
26 the number of years of creditable service, as provided in this
27 subparagraph, completed at the time of retirement, multiplied
28 by \$5; however, no eligible retiree or beneficiary may receive
29 a subsidy payment of more than \$150 or less than \$40. For
30 purposes of determining a participant's creditable service
31 used to calculate the health insurance subsidy, a

1 participant's years of service credit or fraction thereof
2 shall be based on the participant's work year as defined in s.
3 121.021(54). Credit shall be awarded for a full work year
4 whenever health insurance subsidy contributions have been made
5 as required by law for each month in the participant's work
6 year. In addition, all years of creditable service retained
7 under the Florida Retirement System defined benefit program
8 shall be included as creditable service for purposes of this
9 section.

10 Section 31. Paragraph (b) of subsection (1) and
11 paragraph (e) of subsection (6) of section 121.055, Florida
12 Statutes, are amended to read:

13 121.055 Senior Management Service Class.--There is
14 hereby established a separate class of membership within the
15 Florida Retirement System to be known as the "Senior
16 Management Service Class," which shall become effective
17 February 1, 1987.

18 (1)

19 (b)1. Except as provided in subparagraph 2., effective
20 January 1, 1990, participation in the Senior Management
21 Service Class shall be compulsory for the president of each
22 community college, the manager of each participating city or
23 county, and all appointed district school superintendents.
24 Effective January 1, 1994, additional positions may be
25 designated for inclusion in the Senior Management Service
26 Class of the Florida Retirement System, provided that:

27 a. Positions to be included in the class shall be
28 designated by the local agency employer. Notice of intent to
29 designate positions for inclusion in the class shall be
30 published once a week for 2 consecutive weeks in a newspaper

31

1 of general circulation published in the county or counties
2 affected, as provided in chapter 50.

3 b. Up to 10 ~~One~~ nonelective full-time positions
4 ~~position~~ may be designated for each local agency employer
5 reporting to the Department of Management Services; for local
6 agencies with 100 or more regularly established positions,
7 additional nonelective full-time positions may be designated,
8 not to exceed 1 percent of the regularly established positions
9 within the agency.

10 c. Each position added to the class must be a
11 managerial or policymaking position filled by an employee who
12 is not subject to continuing contract and serves at the
13 pleasure of the local agency employer without civil service
14 protection, and who:

15 (I) Heads an organizational unit; or

16 (II) Has responsibility to effect or recommend
17 personnel, budget, expenditure, or policy decisions in his or
18 her areas of responsibility.

19 2. In lieu of participation in the Senior Management
20 Service Class, members of the Senior Management Service Class
21 pursuant to the provisions of subparagraph 1. may withdraw
22 from the Florida Retirement System altogether. The decision to
23 withdraw from the Florida Retirement System shall be
24 irrevocable for as long as the employee holds such a position.
25 Any service creditable under the Senior Management Service
26 Class shall be retained after the member withdraws from the
27 Florida Retirement System; however, additional service credit
28 in the Senior Management Service Class shall not be earned
29 after such withdrawal. Such members shall not be eligible to
30 participate in the Senior Management Service Optional Annuity
31 Program.

1 (6)
2 (e) Benefits.--
3 1. Benefits shall be payable under the Senior
4 Management Service Optional Annuity Program only to
5 participants in the program, or their beneficiaries as
6 designated by the participant in the contract with a provider
7 company, and such benefits shall be paid by the designated
8 company in accordance with the terms of the annuity contract
9 or contracts applicable to the participant. A participant must
10 be terminated from all employment with all Florida Retirement
11 System employers as provided in s. 121.021(39) to begin
12 receiving the employer-funded benefit. Benefits funded by
13 employer contributions shall be payable only as a lifetime
14 annuity to the participant, his or her beneficiary, or his or
15 her estate, except for:
16 a. A lump-sum payment to the beneficiary upon the
17 death of the participant; ~~or~~
18 b. A cash-out of a de minimis account upon the request
19 of a former participant who has been terminated for a minimum
20 of 6 months from the employment that entitled him or her to
21 optional annuity program participation. A de minimis account
22 is an account with a provider company containing employer
23 contributions and accumulated earnings of not more than \$5,000
24 made under the provisions of this chapter. Such cash-out must
25 be a complete liquidation of the account balance with that
26 company and is subject to the provisions of the Internal
27 Revenue Code; or
28 c. A lump-sum direct rollover distribution whereby all
29 accrued benefits, plus interest and investment earnings, are
30 paid from the participant's account directly to the custodian
31

1 of an eligible retirement plan, as defined in s. 402(c)(8)(B)
2 of the Internal Revenue Code, on behalf of the participant.

3 2. The benefits payable to any person under the Senior
4 Management Service Optional Annuity Program, and any
5 contribution accumulated under such program, shall not be
6 subject to assignment, execution, or attachment or to any
7 legal process whatsoever.

8 3. A participant who receives optional annuity program
9 benefits funded by employer contributions shall be deemed to
10 be retired from a state-administered retirement system in the
11 event of subsequent employment with any employer that
12 participates in the Florida Retirement System.

13 Section 32. Effective July 1, 2001, in order to fund
14 the normal cost for changes in the vesting requirements under
15 the Florida Retirement System, as provided in this act:

16 (1) The contribution rate that applies to the Regular
17 Class of the Florida Retirement System shall be increased by
18 0.20 percentage point.

19 (2) The contribution rate that applies to the Special
20 Risk Class of the Florida Retirement System shall be increased
21 by 0.33 percentage point.

22 (3) The contribution rate that applies to the Special
23 Risk Administrative Support Class of the Florida Retirement
24 System shall be increased by 0.18 percentage point.

25 (4) The contribution rate that applies to the Judicial
26 sub-class of the Elected Officers' Class of the Florida
27 Retirement System shall be increased by 0.15 percentage point.

28 (5) The contribution rate that applies to the
29 legislative-attorney-Cabinet sub-class of the Elected
30 Officers' Class of the Florida Retirement System shall be
31 increased by 0.04 percentage point.

1 (6) The contribution rate that applies to the County
2 Officers' sub-class of the Elected Officers' Class of the
3 Florida Retirement System shall be increased by 0.05
4 percentage point.

5 (7) The contribution rate that applies to the Senior
6 Management Service Class of the Florida Retirement System
7 shall be increased by 0.03 percentage point.

8
9 These increases shall be in addition to all other changes to
10 such contribution rates which may be enacted into law to take
11 effect on that date. The Division of Statutory Revision is
12 directed to adjust the contribution rates set forth in ss.
13 121.052, 121.055, and 121.071, Florida Statutes.

14 Section 33. (1) Effective July 1, 2001, in order to
15 fund the normal cost increases attributable to the 1999
16 actuarial experience study:

17 (a) The contribution rate that applies to the Regular
18 Class of the Florida Retirement System shall be increased by
19 0.28 percentage point.

20 (b) The contribution rate that applies to the Special
21 Risk Class of the Florida Retirement System shall be increased
22 by 1.13 percentage points.

23 (c) The contribution rate that applies to the Special
24 Risk Administrative Support Class of the Florida Retirement
25 System shall be increased by 0.65 percentage point.

26 (d) The contribution rate that applies to the Judicial
27 sub-class of the Elected Officers' Class of the Florida
28 Retirement System shall be increased by 0.00 percentage
29 points.

30 (e) The contribution rate that applies to the
31 legislative-attorney-Cabinet sub-class of the Elected

1 Officers' Class of the Florida Retirement System shall be
2 increased by 0.00 percentage points.

3 (f) The contribution rate that applies to the County
4 Officers' sub-class of the Elected Officers' Class of the
5 Florida Retirement System shall be increased by 0.11
6 percentage point.

7 (g) The contribution rate that applies to the Senior
8 Management Service Class of the Florida Retirement System
9 shall be increased by 0.36 percentage point.

10

11 These increases shall be in addition to all other changes to
12 such contribution rates which may be enacted into law to take
13 effect on that date. The Division of Statutory Revision is
14 directed to adjust the contribution rates set forth in ss.
15 121.052, 121.055, and 121.071, Florida Statutes.

16 (2) It is the intent of the Legislature that the
17 increased costs attributable to the 1999 actuarial experience
18 study for the 2000-2001 fiscal year shall be funded by a
19 one-time recognition of a lump sum from the excess actuarial
20 assets of the Florida Retirement System Trust Fund.

21 Section 34. Effective July 1, 2002, in order to fund
22 the changes in normal cost for the defined benefit retirement
23 program resulting from the implementation of the Public
24 Employee Optional Retirement Program, as created by this act:

25 (1) The contribution rate that applies to the Regular
26 Class of the Florida Retirement System shall be increased by
27 0.21 percentage point.

28 (2) The contribution rate that applies to the Special
29 Risk Class of the Florida Retirement System shall be increased
30 by 0.01 percentage point.

31

1 (3) The contribution rate that applies to the Special
2 Risk Administrative Support Class of the Florida Retirement
3 System shall be decreased by 0.02 percentage point.

4 (4) The contribution rate that applies to the Judicial
5 sub-class of the Elected Officers' Class of the Florida
6 Retirement System shall be increased by 0.00 percentage
7 points.

8 (5) The contribution rate that applies to the
9 legislative-attorney-Cabinet sub-class of the Elected
10 Officers' Class of the Florida Retirement System shall be
11 increased by 0.07 percentage point.

12 (6) The contribution rate that applies to the County
13 Officers' sub-class of the Elected Officers' Class of the
14 Florida Retirement System shall be increased by 0.00
15 percentage points.

16 (7) The contribution rate that applies to the Senior
17 Management Service Class of the Florida Retirement System
18 shall be increased by 0.00 percentage points.

19
20 These increases shall be in addition to all other changes to
21 such contribution rates which may be enacted into law to take
22 effect on that date. The Division of Statutory Revision is
23 directed to adjust the contribution rates set forth in ss.
24 121.052, 121.055, and 121.071, Florida Statutes.

25 Section 35. (1) Effective July 1, 2000, for fiscal
26 years 2000-2001 and 2001-2002, the contribution rates for the
27 Regular Class, Special Risk Class, Special Risk Administrative
28 Support Class, each sub-class of the Elected Officers' Class,
29 and the Senior Management Service Class each shall be reduced
30 by 0.1 percentage point. These reductions shall be in addition
31

1 to all other changes to such contribution rates which may be
2 enacted into law to take effect on that date.

3 (2)(a) For fiscal years 2000-2001 and 2001-2002, each
4 employer participating in the Florida Retirement System
5 administered pursuant to chapter 121, Florida Statutes, shall
6 pay an additional contribution to the Division of Retirement
7 equal to 0.1 percent of each member's gross compensation for
8 deposit in the division's Operating Trust Fund. The
9 contributions shall be made for each pay period and are in
10 addition to all contributions required for the Florida
11 Retirement System, social security, and the Retiree Health
12 Insurance Subsidy Trust Fund.

13 (b) Such contributions shall be transferred
14 immediately from the division's Operating Trust Fund to the
15 State Board of Administration's Administrative Expense Trust
16 Fund to offset the costs of implementing the Public Employee
17 Optional Retirement Program as created by this act. Such
18 funds are appropriated to the State Board of Administration to
19 offset reasonable expenses incurred by the board and the
20 Public Employee Optional Retirement Program Advisory Council.
21 The board may transfer such funds as are necessary to the
22 Division of Retirement in order to carry out the provisions of
23 this act.

24 (3) There are hereby authorized 20 FTEs in the State
25 Board of Administration for the trustees to establish a
26 separate staff to implement the Public Employee Optional
27 Retirement Program.

28 Section 36. The Legislature finds that a proper and
29 legitimate state purpose is served when employees and retirees
30 of the state and of its political subdivisions, and the
31 dependents, survivors, and beneficiaries of such employees and

1 retirees, are extended the basic protections afforded by
2 governmental retirement systems that provide fair and adequate
3 benefits that are managed, administered, and funded in an
4 actuarially sound manner, as required by s. 14, Art. X of the
5 State Constitution and part VII of chapter 112, Florida
6 Statutes. Therefore, the Legislature determines and declares
7 that this act fulfills an important state interest.

8 Section 37. Except as otherwise provided herein, this
9 act shall take effect July 1, 2000, and the Public Employee
10 Optional Retirement Program created by this act shall be
11 contingent upon:

12 1. The Department of Management Services receiving a
13 favorable determination letter and a favorable private-letter
14 ruling from the Internal Revenue Service by May 1, 2002.

15 2. The State Board of Administration having selected
16 and contracted with the third-party administrator.

17 3. The third-party administrator having successfully
18 established data links with the employers participating in the
19 Florida Retirement System.

20 4. The education component of the Public Employee
21 Optional Retirement Program having been available for at least
22 90 days.

23 5. A diversified portfolio of financial instruments
24 having become available to participants of the Public Employee
25 Optional Retirement Program.

26
27 *****

28 HOUSE SUMMARY

29 Directs the State Board of Administration to establish an
30 optional defined contribution retirement program for
31 members of the Florida Retirement System. See bill for
details.