

By Senator Argenziano

3-1218A-06

1 A bill to be entitled

2 An act relating to the Florida Retirement

3 System; amending s. 121.011, F.S.; deleting

4 provisions consolidating the former state and

5 county officers and employees' retirement

6 system, the retirement system for school

7 teachers, and the highway patrol pensions and

8 pension trust fund; renumbering s. 121.181,

9 F.S., relating to the effective date of the

10 former Florida Retirement System; amending s.

11 121.021, F.S.; revising and providing

12 definitions applicable to the Florida

13 Retirement System; renumbering s. 121.1905,

14 F.S., relating to the Division of Retirement

15 within the Department of Management Services;

16 creating s. 121.023, F.S.; consolidating

17 specified retirement systems under the Florida

18 Retirement System; providing for the assumption

19 of liabilities and assets by the Florida

20 Retirement System; renumbering s. 121.191,

21 F.S., relating to a prohibition against special

22 acts or general laws of local application which

23 amend, alter, or contravene the provisions of a

24 state-administered or state-supported

25 retirement system; providing an effective date.

26

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

28

29 Section 1. Section 121.011, Florida Statutes, is

30 amended to read:

31 121.011 Florida Retirement System.--

1 ~~(1) SHORT TITLE.—~~This chapter may be ~~shall be known~~
2 ~~and~~ cited as the "Florida Retirement System Act."

3 ~~(2) CONSOLIDATION OF EXISTING SYSTEMS AND LAWS.—~~

4 ~~(a) Any officer or employee who is elected, appointed,~~
5 ~~or employed by the state or any subdivision thereof on or~~
6 ~~after December 1, 1970, shall not be eligible for membership,~~
7 ~~rights, or any privileges under chapters 122 (State and County~~
8 ~~Officers and Employees' Retirement System) and 238 (retirement~~
9 ~~system for school teachers) and those sections of chapter 321~~
10 ~~pertaining to highway patrol pensions and pension trust fund.~~

11 ~~(b) The chapters or retirement system laws named in~~
12 ~~paragraph (a) are hereby consolidated as separate instruments~~
13 ~~appended to the "Florida Retirement System Act" established by~~
14 ~~this chapter, and the administration of said chapters or~~
15 ~~retirement systems shall be consolidated with the~~
16 ~~administration of the Florida Retirement System established by~~
17 ~~this chapter, and the Florida Retirement System shall assume~~
18 ~~all liabilities related to the payment of benefits to members~~
19 ~~and their beneficiaries under the respective retirement~~
20 ~~systems of the members and their beneficiaries.~~

21 ~~(3) PRESERVATION OF RIGHTS.—~~

22 ~~(a) The rights of members of the retirement systems~~
23 ~~established by chapters 122, 238, and 321 shall not be~~
24 ~~impaired, nor shall their benefits be reduced by virtue of any~~
25 ~~part of this chapter, except that if an eligible member of a~~
26 ~~retirement system established by chapter 122, chapter 238, or~~
27 ~~chapter 321, elects between April 15, 1971, and June 1, 1971,~~
28 ~~inclusive, to transfer to the Florida Retirement System, he or~~
29 ~~she shall be transferred to the Florida Retirement System on~~
30 ~~June 1, 1971, and shall be subject to the provisions of the~~
31 ~~Florida Retirement System established by this chapter and at~~

1 ~~retirement have his or her benefits calculated in accordance~~
2 ~~with the provisions of s. 121.091.~~

3 ~~(b) The rights of members of any retirement system~~
4 ~~established by local or special act or municipal ordinance~~
5 ~~shall not be impaired, nor shall their benefits be reduced by~~
6 ~~virtue of any part of this chapter.~~

7 ~~1. If an eligible member of any such retirement system~~
8 ~~elects to transfer to the Florida Retirement System in a~~
9 ~~referendum held in accordance with this chapter by the~~
10 ~~governing body administering such local retirement system, he~~
11 ~~or she shall be transferred to the Florida Retirement System~~
12 ~~on the date that his or her unit is accepted for membership~~
13 ~~therein and shall be subject to the provisions of the Florida~~
14 ~~Retirement System established by this chapter and at~~
15 ~~retirement have his or her benefits calculated in accordance~~
16 ~~with the provisions of s. 121.091. However, the governing~~
17 ~~body shall preserve the rights of employees of any existing~~
18 ~~local retirement system not electing to transfer to the~~
19 ~~Florida Retirement System.~~

20 ~~2. Whenever any employee of a governmental entity~~
21 ~~which has a local retirement system becomes eligible to~~
22 ~~participate in the Florida Retirement System by virtue of the~~
23 ~~consolidation or merger of governments or the transfer of~~
24 ~~functions between units of government, such employee shall~~
25 ~~elect either to continue to participate in the local~~
26 ~~retirement system or to become a member of the Florida~~
27 ~~Retirement System. For any such employee who elects to~~
28 ~~continue to be a member of the local retirement system, the~~
29 ~~Florida Retirement System employer is authorized to make the~~
30 ~~required employer contributions to the local retirement system~~
31 ~~and may make appropriate deductions from the employee's salary~~

1 ~~as required by the local plan to preserve his or her~~
2 ~~retirement benefits.~~

3 ~~(c) Any member of the Supreme Court Justices, District~~
4 ~~Courts of Appeal Judges, and Circuit Judges' Retirement~~
5 ~~System, former chapter 123, who terminates his or her service~~
6 ~~as a justice or judge and accepts employment covered under~~
7 ~~this chapter and elects to transfer to the Florida Retirement~~
8 ~~System rather than retain his or her vested rights under~~
9 ~~former chapter 123 may transfer to the Florida Retirement~~
10 ~~System. All contributions of such member, including matching~~
11 ~~contributions, shall be transferred from the judicial~~
12 ~~retirement trust fund to the system trust fund, and his or her~~
13 ~~normal retirement benefit shall conform with s. 121.091 from~~
14 ~~November 30, 1970, or from date of transfer thereafter. Any~~
15 ~~justice or judge electing to transfer to the Florida~~
16 ~~Retirement System pursuant to the provisions of this paragraph~~
17 ~~may, at any time prior to retirement, pay for and receive~~
18 ~~credit for any service performed in any position covered by~~
19 ~~the existing systems as defined in this chapter for which he~~
20 ~~or she has not already received credit. The amount of such~~
21 ~~payments and the credit received for such service shall be the~~
22 ~~same as required for a member to obtain credit for prior~~
23 ~~service pursuant to s. 8(2), chapter 70-112, Laws of Florida,~~
24 ~~appearing as s. 121.081(2). Any justice or judge who elects to~~
25 ~~transfer to the Florida Retirement System as provided herein~~
26 ~~and who retires under the provisions of this chapter shall be~~
27 ~~eligible for judicial service pursuant to the applicable~~
28 ~~provisions of law if he or she has had no less than 5 years of~~
29 ~~judicial service at the time of retirement.~~

30 ~~(d) The rights of members of the retirement system~~
31 ~~established by this chapter shall not be impaired by virtue of~~

1 ~~the conversion of the Florida Retirement System to an employee~~
2 ~~noncontributory system. As of July 1, 1974, the rights of~~
3 ~~members of the retirement system established by this chapter~~
4 ~~are declared to be of a contractual nature, entered into~~
5 ~~between the member and the state, and such rights shall be~~
6 ~~legally enforceable as valid contract rights and shall not be~~
7 ~~abridged in any way.~~

8 ~~(c) Any member of the Florida Retirement System or any~~
9 ~~member of an existing system under this chapter on July 1,~~
10 ~~1975, who is not retired and who is, has been, or shall be,~~
11 ~~suspended and reinstated without compensation shall receive~~
12 ~~retirement service credit for the period of time from the date~~
13 ~~of suspension to the date of reinstatement, provided:~~

14 ~~1. The creditable service claimed for the period of~~
15 ~~suspension does not exceed 24 months;~~

16 ~~2. The member returns to active employment and remains~~
17 ~~on the employer's payroll for at least 1 calendar month; and~~

18 ~~3. The member pays into the Retirement System Trust~~
19 ~~Fund the total required employer contributions plus the total~~
20 ~~employee contributions, if applicable, based on the member's~~
21 ~~monthly compensation in effect for the pay period immediately~~
22 ~~preceding the period of suspension, prorated for the said~~
23 ~~period of suspension, plus interest thereon at a rate of 4~~
24 ~~percent per annum compounded annually until July 1, 1975, and~~
25 ~~6.5 percent interest thereafter until paid. If permitted by~~
26 ~~federal law, the member may pay to the Internal Revenue~~
27 ~~Service the total cost, if any, of providing social security~~
28 ~~coverage for the period of suspension if any social security~~
29 ~~payments have been made by the employer for the benefit of the~~
30 ~~member during such period. Should there be any conflict as to~~
31 ~~payment for social security coverage, the payment for~~

1 ~~retirement service credit shall be made and retirement service~~
2 ~~credit granted regardless of such conflict.~~

3 ~~(f) The rights under an existing system of any former~~
4 ~~member of such system who has become a member of the Florida~~
5 ~~Retirement System, either by affirmative choice made during~~
6 ~~the initial transfer period of October 15, 1970, through~~
7 ~~November 30, 1970, or at any time on or after December 1,~~
8 ~~1970, or by operation of the compulsory participation~~
9 ~~provisions of s. 121.051(1), are limited to those rights that~~
10 ~~existed and were exercised in such system at the time~~
11 ~~participation in the system ceased. The rights of such member~~
12 ~~after transfer shall be subject to the provisions of the~~
13 ~~Florida Retirement System established by this chapter, and at~~
14 ~~retirement the member shall have his or her benefit calculated~~
15 ~~in accordance with s. 121.091. The provisions of this~~
16 ~~paragraph are declaratory of the legislative intent upon the~~
17 ~~original enactment of this chapter and are hereby deemed to~~
18 ~~have been in effect from such date.~~

19 ~~(g) Any member of the Florida Retirement System or any~~
20 ~~member of an existing system under this chapter who is not~~
21 ~~retired and who is, has been, or shall be dismissed from~~
22 ~~employment shall be considered terminated from active~~
23 ~~membership in such system.~~

24 ~~1. If such dismissal is rescinded by proper authority~~
25 ~~or through legal proceedings, the member is eligible to~~
26 ~~receive retirement service credit for such period of dismissal~~
27 ~~provided:~~

28 ~~a. The dismissal action taken against the member is~~
29 ~~determined to be incorrect and is negated, the employee is~~
30 ~~made whole for the period of the dismissal or any portion~~
31 ~~thereof, and employment is reinstated; and~~

1 ~~b. The employer pays into the Retirement System Trust~~
2 ~~Fund the total required employer contributions for the period~~
3 ~~for which the employee is made whole, plus interest at 6.5~~
4 ~~percent compounded annually until full payment is made. The~~
5 ~~employee shall pay the total employee contributions, plus~~
6 ~~interest, if applicable.~~

7 ~~2. If the dismissal action is subsequently changed to~~
8 ~~a suspension by proper authority or through legal proceedings,~~
9 ~~the member is eligible to receive retirement service credit,~~
10 ~~provided the member's employment is reinstated, restoring the~~
11 ~~employee employer relationship, and the employee pays the~~
12 ~~total required employer and employee contributions and~~
13 ~~complies with all requirements in paragraph (c).~~

14 Section 2. Section 121.181, Florida Statutes, is
15 renumbered as section 121.012, Florida Statutes, to read:

16 121.012 ~~121.181~~ Effective date.--For the purpose of
17 activating and implementing the Florida Retirement System this
18 chapter shall take effect on December 1, 1970, but for all
19 other purposes it shall take effect July 1, 1970.

20 Section 3. Section 121.021, Florida Statutes, is
21 amended to read:

22 (Substantial rewording of section. See
23 s. 121.021, F.S., for present text.)

24 121.021 Definitions.--As used in this chapter, the
25 term:

26 (1) "Accumulated annual leave payment" means any
27 payment, made either during an employee's employment or at
28 termination or retirement, for leave accrued during such
29 employee's career, which leave was intended for, but never
30 used by the employee for, his or her personal use. General
31

1 leave, which may be used for both sickness and vacation, is
2 considered accumulated annual leave.

3 (2) "Accumulated contributions" means the sum of:

4 (a) A member's contributions, without interest,
5 subsequent to December 1, 1970; and

6 (b) The single-sum amount that the member would have
7 received if he or she were covered by an existing system
8 before December 1, 1970, and had terminated membership in such
9 system on November 30, 1970, subject to reduction on account
10 of benefit payments as provided under certain options.

11 (3) "Accumulated sick leave payment" means leave
12 accrued during an employee's career which was intended for use
13 in the event of sickness, injury, or other health problems of
14 a member or his or her family. General leave that may be used
15 for both sickness and vacation is not considered sick leave.

16 (4) "Actuarial equivalent" means a benefit of equal
17 value when computed at regular interest upon the basis of the
18 mortality tables adopted by the administrator.

19 (5) "Actuary" or "state retirement actuary" means a
20 fellow of the Society of Actuaries or a member of the American
21 Academy of Actuaries, or an organization of which one or more
22 members is a fellow of the Society of Actuaries or a member of
23 the American Academy of Actuaries or both.

24 (6) "Administrator" means the Secretary of Management
25 Services.

26 (7) "Agreement," for the purpose of implementing the
27 procedure to provide social security coverage under chapter
28 650, means a Section 218 Agreement entered into between the
29 Department of Management Services and the Social Security
30 Administration.

31

1 (8) "Annual compensation" means the total compensation
2 paid to a member during a year. A "year" is 12 continuous
3 months.

4 (9) "Average final compensation" means the average of
5 the 5 highest fiscal years of compensation for creditable
6 service prior to retirement, termination, or death. For
7 in-line-of-duty disability benefits, if less than 5 years of
8 creditable service have been completed, the term "average
9 final compensation" means the average annual compensation of
10 the total number of years of creditable service. Each year
11 used in the calculation of average final compensation shall
12 commence on July 1.

13 (10) "Average monthly compensation" means one-twelfth
14 of average final compensation.

15 (11) "Beneficiary" means the joint annuitant or any
16 other person, organization, estate, or trust fund designated
17 by the member to receive a retirement benefit, if any, which
18 may be payable upon the member's death.

19 (12) "Benefit" means any payment, lump-sum or
20 periodic, to a member, retiree, or beneficiary, based
21 partially or entirely on employer contributions.

22 (13) "Bonus" means a payment made in addition to an
23 employee's regular or overtime salary. A bonus is usually
24 nonrecurring, does not increase the employee's base rate of
25 pay, and includes no commitment for payment in a subsequent
26 year. Such payments are not considered compensation. Effective
27 July 1, 1989, employers may not report such payments to the
28 division as salary, and may not make retirement contributions
29 on such payments.

1 (14) "Calendar month" means one of the 12 divisions of
2 a year as determined by the Gregorian calendar, e.g., January,
3 April, etc.

4 (15) "Calendar year" means a period of time beginning
5 January 1 and ending on the following December 31.

6 (16) "City" means any municipality duly incorporated
7 under the laws of the state.

8 (17) "Compensation" means the monthly salary paid to a
9 member by his or her employer for work performed arising from
10 that employment.

11 (18) "Continuous service" means creditable service as
12 a member, beginning with the first day of employment with an
13 employer covered under a state-administered retirement system
14 consolidated under this chapter and continuing for as long as
15 the member remains in an employer-employee relationship with
16 an employer covered under this chapter. An absence of 1
17 calendar month or more from an employer's payroll shall be
18 considered a break in continuous service, except for periods
19 of absence during which an employer-employee relationship
20 continues to exist and such period of absence is creditable
21 under this chapter or under one of the existing systems
22 consolidated under this chapter. However, a law enforcement
23 officer as defined in s. 121.0515(2)(a) who was a member of a
24 state-administered retirement system under chapter 122 or
25 chapter 321 and who resigned and was subsequently reemployed
26 in a law enforcement position within 12 calendar months after
27 such resignation by an employer under such state-administered
28 retirement system shall be deemed to have not experienced a
29 break in service. In addition, with respect to a
30 state-employed law enforcement officer who meets the criteria
31 specified in s. 121.0515(2)(a), if the absence from the

1 employer's payroll is the result of a layoff as defined in s.
2 110.107 or a resignation to run for an elected office that
3 meets the criteria specified in s. 121.0515(2)(a), no break in
4 continuous service shall be deemed to have occurred if the
5 member is reemployed as a state law enforcement officer or is
6 elected to an office that meets the criteria specified in s.
7 121.0515(2)(a) within 12 calendar months after the date of the
8 layoff or resignation, notwithstanding the fact that such
9 period of layoff or resignation is not creditable service
10 under this chapter. A withdrawal of contributions constitutes
11 a break in service. Continuous service also includes past
12 service purchased under this chapter, if such service is
13 continuous within this definition and the rules established by
14 the administrator. The administrator may establish
15 administrative rules and procedures for applying this
16 definition to creditable service authorized under this
17 chapter. Any correctional officer, as defined in s. 943.10,
18 whose participation in the state-administered retirement
19 system is terminated due to the transfer of a county detention
20 facility through a contractual agreement with a private entity
21 pursuant to s. 951.062, shall be deemed an employee having
22 continuous service in the Special Risk Class, if return to
23 employment with the former employer takes place within 3 years
24 due to contract termination or the officer is employed by a
25 covered employer in a special-risk position within 1 year
26 after his or her initial termination of employment by such
27 transfer of its detention facilities to the private entity.

28 (19) "Covered group" means the officers and employees
29 of an employer who become members under this chapter. The term
30 applies also when the employer is a charter technical career
31 center, charter school, special district, or city for which

1 coverage under this chapter is sought by the employer and
2 approved for social security coverage by the United States
3 Secretary of Health and Human Services and approved by the
4 administrator for membership under this chapter.

5 (20) "Creditable service" of any member means the sum
6 of his or her past service, prior service, military service,
7 out-of-state or non-FRS in-state service, workers'
8 compensation credit, leave-of-absence credit, and future
9 service allowed within the provisions of this chapter if all
10 required contributions have been paid and all other
11 requirements of this chapter have been met. However, in no
12 case shall a member receive credit for more than a year's
13 service during any 12-month period. Service by a teacher, a
14 nonacademic employee of a school board, or an employee of a
15 participating employer other than a school board whose total
16 employment is to provide services to a school board for the
17 school year only shall be based on contract years of
18 employment or school term years of employment, as provided in
19 chapters 122 and 238, rather than 12-month periods of
20 employment.

21 (21) "Date of participation" means the date on which
22 the officer or employee becomes a member.

23 (22) "Death in the line of duty" means death arising
24 out of and in the actual performance of duty required by a
25 member's employment during his or her regularly scheduled
26 working hours or irregular working hours as required by the
27 employer.

28 (23) "Department" means the Department of Management
29 Services.

30 (24) "Disability in line of duty" means an injury or
31 illness arising out of and in the actual performance of duty

1 required by a member's employment during his or her regularly
2 scheduled working hours or irregular working hours as required
3 by the employer.

4 (25) "DROP participant" means any member who elects to
5 retire and participate in the Deferred Retirement Option
6 Program as provided in s. 121.091(13).

7 (26) "Early retirement date" means the first day of
8 the month following the date a member becomes vested and
9 elects to receive retirement benefits in accordance with s.
10 121.091(3).

11 (27) "Effective date of retirement" means the first
12 day of the month in which benefit payments begin to accrue
13 pursuant to s. 121.091.

14 (28) "Employer" means any agency, branch, department,
15 institution, university, institution of higher education, or
16 board of the state, or any county agency, branch, department,
17 board, district school board, or special district of the
18 state, or any city of the state which participates in the
19 system for the benefit of certain of its employees, or a
20 charter school or charter technical career center that
21 participates as provided in s. 121.051(2)(d).

22 (29) "Existing systems" means the State and County
23 Officers and Employees' Retirement System, the Teacher's
24 Retirement System, and the Highway Patrol Pensions and Pension
25 Trust Fund, which are consolidated in s. 121.011(2), and the
26 Judicial Retirement System.

27 (30) "Future service" of any member means service
28 subsequent to the date of the member's participation and may
29 include authorized leaves of absence as provided in s.
30 121.121.

31

1 (31) "Independent contractor" means an individual who
2 is not subject to the control and direction of the employer
3 for whom work is being performed, with respect not only to
4 what shall be done but to how it shall be done. If the
5 employer has the right to exert such control, an
6 employee-employer relationship exists, and, for purposes of
7 this chapter, the person is an employee and not an independent
8 contractor. The division shall adopt rules providing criteria
9 for determining whether an individual is an employee or an
10 independent contractor.

11 (32) "Joint annuitant" means any person designated by
12 the member to receive a retirement benefit upon the member's
13 death who is:

14 (a) The spouse of the member;

15 (b) The member's natural or adopted child who is under
16 age 25, or is physically or mentally disabled and incapable of
17 self-support, regardless of age; or any person other than the
18 spouse for whom the member is the legal guardian, if such
19 person is under age 25 and is financially dependent for not
20 less than one-half of his or her support from the member at
21 retirement or at the time of death of such member, whichever
22 occurs first; or

23 (c) A parent or grandparent, or a person age 25 or
24 older for whom the member is the legal guardian, if such
25 parent, grandparent, or other person is financially dependent
26 for not less than one-half of his or her support from the
27 member at retirement or at the time of the death of such
28 member, whichever occurs first.

29 (33) "Leave of absence" means a leave of absence from
30 employment under the Florida Retirement System, subsequent to
31

1 November 30, 1970, for which retirement credit may be received
2 in accordance with s. 121.121.

3 (34)(a) "Local agency employer" means the board of
4 county commissioners or other legislative governing body of a
5 county, however styled, including that of a consolidated or
6 metropolitan government; a clerk of the circuit court,
7 sheriff, property appraiser, tax collector, or supervisor of
8 elections, if such officer is elected or has been appointed to
9 fill a vacancy in an elective office; a community college
10 board of trustees or district school board; or the governing
11 body of any city or special district of the state which
12 participates in the system for the benefit of certain of its
13 employees.

14 (b) The term "local agency employer" also includes the
15 governing body of any council, commission, authority, or other
16 governmental entity created or authorized by general or
17 special law which participates in the Florida Retirement
18 System for the benefit of its employees and which is
19 independent of any local agency employer as defined under
20 paragraph (a).

21 (35) "Member" means any officer or employee who is
22 covered or who becomes covered under this system in accordance
23 with this chapter. On and after December 1, 1970, all new
24 members and those members transferring from existing systems
25 shall be divided into the following classes: "Special Risk
26 Class," as provided in s. 121.0515(2); "Special Risk
27 Administrative Support Class," as provided in s. 121.0515(7);
28 "Elected Officers' Class," as provided in s. 121.052; "Senior
29 Management Service Class," as provided in s. 121.055; and
30 "Regular Class," which consists of all members who are not in
31 the Special Risk Class, Special Risk Administrative Support

1 Class, Elected Officers' Class, or Senior Management Service
2 Class.

3 (36) "Military service" of any member means:

4 (a) Service in the Armed Forces of the United States
5 under the conditions set forth in s. 121.111(1); or

6 (b) Actual wartime service in the Armed Forces of the
7 United States, as defined by s. 1.01(14), or wartime service
8 in the Allied Forces, not to exceed 4 years, if credit for
9 such service has not been granted under any other federal or
10 state system, and if such service is not used in any other
11 retirement system; however, this paragraph does not prohibit
12 the use of such service as creditable service if granted and
13 used in a pension system under chapter 67 of Title 10 of the
14 United States Code.

15 (37) "Normal retirement age" is attained on the normal
16 retirement date.

17 (38) "Normal retirement date" means the first day of
18 any month a member becomes eligible for an unreduced benefit
19 as set forth in s. 121.091(1).

20 (39) "Officer or employee" means any person receiving
21 salary payments for work performed in a regularly established
22 position and, if employed by a city or special district,
23 employed in a covered group.

24 (40) "Past service" of any member, as provided in s.
25 121.081(1), means the number of years and complete months and
26 any fractional part of a month, recognized and credited by an
27 employer and approved by the administrator, during which the
28 member was in the active employ of an employer before his or
29 her date of participation.

30 (41) "Payee" means a retiree or beneficiary of a
31 retiree who is receiving a retirement benefit payment.

1 (42) "Pension" means monthly payments to a retiree
2 derived as provided in this chapter.

3 (43) "Phased retirement program" means a program
4 contracted by the governing board of a university or community
5 college participating under this chapter in which a retiree
6 may be reemployed in a faculty position if:

7 (a) The member retired and met the definition of
8 termination under this section;

9 (b) The retired member is reemployed for not more than
10 780 hours during the first 12 months of his or her retirement;
11 and

12 (c) The retired member is reemployed with the
13 university or community college from which he or she retired.

14
15 Renewed membership for a retiree participating in a phased
16 retirement program shall be determined in accordance with s.
17 121.053 or s. 121.122.

18 (44) "Plan year" means the period of time beginning
19 July 1 and ending on the following June 30, both dates
20 inclusive, for all state-administered retirement systems.

21 (45) "Previous service" means the number of years,
22 complete months, and any fractional part of a month, as
23 recognized and credited by an employer and approved by the
24 administrator, of service under one of the retirement systems
25 established by this chapter, chapter 122, former chapter 123,
26 chapter 238, or chapter 321, on which the required
27 contributions were paid at the member's termination of
28 employment, and for which the member has received no refund of
29 contributions.

30 (46) "Prior service" means the number of years,
31 complete months, and any fractional part of a month in which

1 the member received a refund or service on which no
2 contributions were made and made the required contributions
3 pursuant to s. 121.081(2).

4 (47) "Regularly established position" is defined as
5 follows:

6 (a) In a state agency, the term means a position that
7 is authorized and established pursuant to law and is
8 compensated from a salaries appropriation pursuant to s.
9 216.011(1)(dd), or an established position that is authorized
10 pursuant to s. 216.262(1)(a) and (b) and is compensated from a
11 salaries account as provided by rule.

12 (b) In a local agency such as a district school board,
13 county agency, community college, city, or special district,
14 the term means a regularly established position that will be
15 in existence for a period beyond 6 consecutive months, except
16 as provided by rule.

17 (48) "Retiree" means a former member of the Florida
18 Retirement System or of an existing system who has terminated
19 employment and is receiving benefit payments from the system
20 in which he or she was a member. This term also includes a
21 person who retired and is receiving benefits under s. 112.05.

22 (49) "Signature" means the name or mark of a person as
23 written by that person. When an "X" is used as a signature on
24 a document, the document must include the printed names,
25 signatures, and addresses of two persons who witnessed the
26 signing, or the document must be notarized.

27 (50) "Social security coverage" means old-age,
28 survivors, disability, and health insurance, as provided by
29 the federal Social Security Act.

30 (51) "Social Security Trust Fund" means the trust fund
31 established in the State Treasury by this chapter for the

1 purpose of receiving the contributions paid by members and
2 employers for payment to the Secretary of the Treasury. Other
3 trust funds may be established to administer the Social
4 Security Trust Fund.

5 (52) "Special district" means an independent special
6 district as defined in s. 189.403(3).

7 (53) "Special risk member" means any officer or
8 employee who meets criteria of Special Risk Class membership
9 as set forth in s. 121.0515.

10 (54) "System" means the general retirement system
11 established by this chapter to be known and cited as the
12 "Florida Retirement System," including, but not limited to,
13 the defined benefit retirement program administered under the
14 provisions of part I of this chapter and the defined
15 contribution retirement program known as the Public Employee
16 Optional Retirement Program and administered under the
17 provisions of part II of this chapter.

18 (55) "System trust fund" means the trust fund
19 established in the State Treasury by this chapter for the
20 purpose of holding and investing the contributions paid by
21 members and employers and paying the benefits to which members
22 or their beneficiaries may become entitled. Other trust funds
23 may be established in the State Treasury to administer the
24 system trust fund.

25 (56) "Temporary position" means:

26 (a) In a state agency, an employment position that is
27 compensated from an other personal services (OPS) account, as
28 provided for in s. 216.011(1)(dd).

29 (b) In a local agency, an employment position that
30 will exist for less than 6 consecutive months, or other
31 employment position as determined by rule of the division,

1 regardless of whether it will exist for 6 consecutive months
2 or longer.

3 (57)(a) "Termination" occurs, except as provided in
4 paragraph (b), when a member ceases all employment
5 relationships with employers under this system, as defined in
6 subsection (10), but if a member is employed by any such
7 employer within the next calendar month, termination shall be
8 deemed not to have occurred. A leave of absence constitutes a
9 continuation of the employment relationship, except that a
10 leave of absence without pay due to disability may constitute
11 termination for a member if such member makes application for
12 and is approved for disability retirement in accordance with
13 s. 121.091(4). The department or board may require other
14 evidence of termination as deemed necessary.

15 (b) "Termination" for a member electing to participate
16 under the Deferred Retirement Option Program occurs when the
17 participant in the Deferred Retirement Option Program ceases
18 all employment relationships with employers under this system
19 in accordance with s. 121.091(13), but if the participant in
20 the Deferred Retirement Option Program is employed by any such
21 employer within the next calendar month, termination will be
22 deemed not to have occurred, except as provided in s.
23 121.091(13)(b)4.c. A leave of absence constitutes a
24 continuation of the employment relationship.

25 (58) "Unit" means any department, division, or
26 subdivision of a city or any classification of city employees
27 approved for social security coverage, as such, by the United
28 States Department of Health and Human Services, not based on
29 age, sex, or other classification resulting in
30 higher-than-average costs for retirement benefits.

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1 (59) "Vested" or "vesting" means the guarantee that a
2 member is eligible to receive a future retirement benefit upon
3 completion of the required years of creditable service for the
4 employee's class of membership, even though the member may
5 have terminated covered employment before reaching his or her
6 normal or early retirement date.

7 (60) "Work year" means the period of time an employee
8 is required to work during the plan year to receive a full
9 year of retirement credit, as provided by rule.

10 Section 4. Section 121.1905, Florida Statutes, is
11 renumbered as section 121.022, Florida Statutes, to read:

12 121.022 ~~121.1905~~ Division of Retirement; creation.--

13 (1) There is created the Division of Retirement within
14 the Department of Management Services.

15 (2) The mission of the Division of Retirement is to
16 provide quality and cost-effective retirement services as
17 measured by member satisfaction and by comparison with
18 administrative costs of comparable retirement systems.

19 Section 5. Section 121.023, Florida Statutes, is
20 created to read:

21 121.023 Consolidation of existing systems under the
22 Florida Retirement System; liabilities and assets.--

23 (1) Effective December 1, 1970, the State and County
24 Officers and Employees' Retirement System established by
25 chapter 122, the Teachers Retirement System established by
26 chapter 238, and the Highway Patrol Pensions and Pension Trust
27 Fund established by former chapter 321 shall be merged into
28 the Florida Retirement System.

29 (2) Effective July 1, 1972, the Judicial Retirement
30 System established by former chapter 123 shall be merged into
31 the Florida Retirement System.

1 (3)(a) With respect to systems consolidated under this
2 section, the Florida Retirement System shall assume:

3 1. All liabilities related to the payment of benefits
4 to members and their beneficiaries;

5 2. All obligations in regard to funding and
6 administering benefits now accrued or which may accrue in the
7 future for the benefit of members, beneficiaries, and
8 survivors; and

9 3. All obligations in regard to funding, including any
10 actuarial deficit that may exist on or after October 1, 2006.

11 (b) The administrator of the retirement systems hereby
12 merged shall cause to be transferred to the Florida Retirement
13 System all assets, including money, securities, and other
14 property accumulated as of October 1, 2006, and held for these
15 systems, as well as all liabilities and obligations of those
16 systems. Upon such transfer of assets, liabilities, and
17 obligations, the administrator shall become the trustee of any
18 trust fund or funds transferred to the Florida Retirement
19 System.

20 Section 6. Section 121.191, Florida Statutes, is
21 renumbered as section 121.0231, Florida Statutes, to read:

22 121.0231 ~~121.191~~ Special acts prohibited.--After July
23 1, 1972, there shall not be enacted any special act or general
24 law of local application which proposes to amend, alter, or
25 contravene the provisions of any state-administered retirement
26 system or any state-supported retirement system established by
27 general law.

28 Section 7. This act shall take effect October 1, 2006.
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SENATE SUMMARY

Revises and provides additional definitions applicable to the Florida Retirement System. Consolidates various state retirement systems under the Florida Retirement System and provides for assumption of liabilities and assets. (See bill for details.)