

Amendment No.

CHAMBER ACTION

Senate

House

.

1 Representative Workman offered the following:

2
3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause and insert:

5
6 Section 1. Paragraph (g) of subsection (2) of section
7 110.123, Florida Statutes, is amended to read:

8 110.123 State group insurance program.—

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

10 (g) "Retired state officer or employee" or "retiree" means
11 any state or state university officer or employee who retires
12 under a state retirement system or a state optional annuity or
13 retirement program or is placed on disability retirement, and
14 who was insured under the state group insurance program at the
15 time of retirement, and who begins receiving retirement benefits
16 immediately after retirement from state or state university

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17 office or employment. The term also includes ~~In addition to~~
18 ~~these requirements,~~ any state officer or state employee who
19 retires under the Florida Retirement System Investment Plan
20 ~~Public Employee Optional Retirement Program~~ established under
21 part II of chapter 121 ~~shall be considered a "retired state~~
22 ~~officer or employee" or "retiree" as used in this section~~ if he
23 or she:

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

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

28 Section 2. Paragraph (b) of subsection (2) and paragraph
29 (e) of subsection (3) of section 112.363, Florida Statutes, are
30 amended to read:

31 112.363 Retiree health insurance subsidy.—

32 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—

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

38 1. For a member participant of the investment plan ~~Public~~
39 ~~Employee Optional Retirement Program~~ established under part II
40 of chapter 121, the participant meets the age or service
41 requirements to qualify for normal retirement as set forth in s.
42 121.021(29) and meets the definition of retiree in s.
43 121.4501(2).

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44 2. For a member of the Florida Retirement System Pension
45 Plan ~~defined benefit program~~, or any employee who maintains
46 creditable service under ~~both the~~ pension plan ~~defined benefit~~
47 ~~program~~ and the investment plan ~~Public Employee Optional~~
48 ~~Retirement Program~~, the member begins drawing retirement
49 benefits from the pension plan ~~defined benefit program of the~~
50 ~~Florida Retirement System~~.

51 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—

52 (e)1. Beginning July 1, 2001, each eligible retiree of the
53 pension plan ~~defined benefit program~~ of the Florida Retirement
54 System, or, if the retiree is deceased, his or her beneficiary
55 who is receiving a monthly benefit from such retiree's account
56 and who is a spouse, or a person who meets the definition of
57 joint annuitant in s. 121.021(28), shall receive a monthly
58 retiree health insurance subsidy payment equal to the number of
59 years of creditable service, as defined in s. 121.021(17),
60 completed at the time of retirement multiplied by \$5; however,
61 no eligible retiree or beneficiary may receive a subsidy payment
62 of more than \$150 or less than \$30. If there are multiple
63 beneficiaries, the total payment may ~~must~~ not be greater than
64 the payment to which the retiree was entitled. The health
65 insurance subsidy amount payable to any person receiving the
66 retiree health insurance subsidy payment on July 1, 2001, may
67 ~~shall~~ not be reduced solely by operation of this subparagraph.

68 2. Beginning July 1, 2002, each eligible participant of
69 the investment plan ~~Public Employee Optional Retirement Program~~
70 of the Florida Retirement System who has met the requirements of
71 this section, or, if the participant is deceased, his or her
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72 spouse who is the participant's designated beneficiary, shall
73 receive a monthly retiree health insurance subsidy payment equal
74 to the number of years of creditable service, as provided in
75 this subparagraph, completed at the time of retirement,
76 multiplied by \$5; however, an ~~no~~ eligible retiree or beneficiary
77 may not receive a subsidy payment of more than \$150 or less than
78 \$30. For purposes of determining a participant's creditable
79 service used to calculate the health insurance subsidy, a
80 participant's years of service credit or fraction thereof shall
81 be based on the participant's work year as defined in s.
82 121.021(54). Credit must ~~shall~~ be awarded for a full work year
83 if ~~whenever~~ health insurance subsidy contributions have been
84 made ~~as required by law~~ for each month in the participant's work
85 year. In addition, all years of creditable service retained
86 under the Florida Retirement System Pension Plan must ~~defined~~
87 ~~benefit program shall~~ be included as creditable service for
88 purposes of this section. Notwithstanding any other provision in
89 this section ~~to the contrary~~, the spouse at the time of death is
90 ~~shall be~~ the participant's beneficiary unless such participant
91 has designated a different beneficiary subsequent to the
92 participant's most recent marriage.

93 Section 3. Subsection (1) of section 112.65, Florida
94 Statutes, is amended to read:

95 112.65 Limitation of benefits.—

96 (1) ESTABLISHMENT OF PROGRAM.—The normal retirement
97 benefit or pension payable to a retiree who becomes a member of
98 any retirement system or plan and who has not previously
99 participated in such plan, on or after January 1, 1980, may
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100 shall not exceed 100 percent of his or her average final
101 compensation. However, ~~nothing contained in this section~~ does
102 not shall apply to supplemental retirement benefits or to
103 pension increases attributable to cost-of-living increases or
104 adjustments. For the purposes of this section, benefits accruing
105 in individual member participant accounts established under the
106 investment plan Public Employee Optional Retirement Program
107 established in part II of chapter 121 are considered
108 supplemental benefits. As used in this section, the term
109 "average final compensation" means the average of the member's
110 earnings over a period of time which the governmental entity has
111 established by statute, charter, or ordinance.

112 Section 4. Subsections (3) and (15), paragraph (a) of
113 subsection (19), paragraph (b) of subsection (22), and
114 subsections (29), (38), (39), (55), and (59) of section 121.021,
115 Florida Statutes, are amended to read:

116 121.021 Definitions.—The following words and phrases as
117 used in this chapter have the respective meanings set forth
118 unless a different meaning is plainly required by the context:

119 (3) "System" means the general retirement system
120 established by this chapter to be known and cited as the
121 "Florida Retirement System," including, but not limited to, the
122 defined benefit ~~retirement~~ program administered under ~~the~~
123 provisions of part I of this part, referred to as the "Florida
124 Retirement System Pension Plan" or "pension plan" chapter and
125 the defined contribution ~~retirement~~ program ~~known as the Public~~
126 ~~Employee Optional Retirement Program~~ and administered under ~~the~~
127 provisions of part II of this chapter, referred to as the
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128 "Florida Retirement System Investment Plan" or "investment
129 plan".

130 (15) "Special risk member" or "Special Risk Class member"
131 means a member of the Florida Retirement System who meets the
132 eligibility and criteria in s. 121.0515 to participate in the
133 Special Risk Class.

134 ~~(a) Until October 1, 1978, "special risk member" means any~~
135 ~~officer or employee whose application is approved by the~~
136 ~~administrator and who receives salary payments for work~~
137 ~~performed as a peace officer; law enforcement officer; police~~
138 ~~officer; highway patrol officer; custodial employee at a~~
139 ~~correctional or detention facility; correctional agency employee~~
140 ~~whose duties and responsibilities involve direct contact with~~
141 ~~inmates, but excluding secretarial and clerical employees;~~
142 ~~firefighter; or an employee in any other job in the field of law~~
143 ~~enforcement or fire protection if the duties of such person are~~
144 ~~certified as hazardous by his or her employer.~~

145 ~~(b) Effective October 1, 1978, "special risk member" means~~
146 ~~a member of the Florida Retirement System who is designated as a~~
147 ~~special risk member by the division in accordance with s.~~
148 ~~121.0515. Such member must be employed as a law enforcement~~
149 ~~officer, a firefighter, or a correctional officer and must meet~~
150 ~~certain other special criteria as set forth in s. 121.0515.~~

151 ~~(c) Effective October 1, 1999, "special risk member" means~~
152 ~~a member of the Florida Retirement System who is designated as a~~
153 ~~special risk member by the division in accordance with s.~~
154 ~~121.0515. Such member must be employed as a law enforcement~~
155 ~~officer, a firefighter, a correctional officer, an emergency~~

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156 ~~medical technician, or a paramedic and must meet certain other~~
157 ~~special criteria as set forth in s. 121.0515.~~

158 ~~(d)1. Effective January 1, 2001, "special risk member"~~
159 ~~includes any member who is employed as a community-based~~
160 ~~correctional probation officer and meets the special criteria~~
161 ~~set forth in s. 121.0515(2)(e).~~

162 ~~2. Effective January 1, 2001, "special risk member"~~
163 ~~includes any professional health care bargaining unit or non-~~
164 ~~unit member who is employed by the Department of Corrections or~~
165 ~~the Department of Children and Family Services and meets the~~
166 ~~special criteria set forth in s. 121.0515(2)(f).~~

167 ~~(e) Effective July 1, 2001, the term "special risk member"~~
168 ~~includes any member who is employed as a youth custody officer~~
169 ~~by the Department of Juvenile Justice and meets the special~~
170 ~~criteria set forth in s. 121.0515(2)(g).~~

171 ~~(f) Effective August 1, 2008, "special risk member"~~
172 ~~includes any member who meets the special criteria for continued~~
173 ~~membership set forth in s. 121.0515(2)(k).~~

174 (19) "Prior service" under part I of this chapter means:

175 (a) Service for which the member had credit under one of
176 the existing systems and received a refund of his or her
177 contributions upon termination of employment. Prior service
178 shall also include ~~include~~ that service ~~between December 1,~~
179 ~~1970, and the date the system becomes noncontributory~~ for which
180 the member had credit under the Florida Retirement System and
181 received a refund of his or her contributions upon termination
182 of employment.

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183 (22) "Compensation" means the monthly salary paid a member
184 by his or her employer for work performed arising from that
185 employment.

186 (b) ~~Under no circumstances shall~~ Compensation for a member
187 participating in the pension plan ~~defined benefit retirement~~
188 ~~program~~ or the investment plan ~~Public Employee Optional~~
189 ~~Retirement Program~~ of the Florida Retirement System may not
190 include:

191 1. Fees paid professional persons for special or
192 particular services or ~~include~~ salary payments made from a
193 faculty practice plan authorized by the Board of Governors of
194 the State University System for eligible clinical faculty at a
195 college in a state university that has a faculty practice plan;
196 or

197 2. Any bonuses or other payments prohibited from inclusion
198 in the member's average final compensation ~~and defined in~~
199 ~~subsection (47)~~.

200 (29) "Normal retirement date" means the date a member
201 attains normal retirement age and is vested, which is determined
202 as follows:

203 (a) 1. If a Regular Class member, a Senior Management
204 Service Class member, or an Elected Officers' Class member
205 initially enrolled before July 1, 2011:

206 a.1. The first day of the month the member completes 6 or
207 more years of creditable service and attains age 62; or

208 b.2. The first day of the month following the date the
209 member completes 30 years of creditable service, regardless of
210 age.

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211 2. If a Regular Class member, a Senior Management Service
212 Class member, or an Elected Officers' Class member initially
213 enrolled on or after July 1, 2011:

214 a. The first day of the month the member completes 6 or
215 more years of creditable service and attains age 65; or

216 b. The first day of the month following the date the
217 member completes 33 years of creditable service, regardless of
218 age.

219 (b)1. If a Special Risk Class member initially enrolled
220 before July 1, 2011:

221 a.1. The first day of the month the member completes 6 or
222 more years of creditable service in the Special Risk Class and
223 attains age 55;

224 b.2. The first day of the month following the date the
225 member completes 25 years of creditable service in the Special
226 Risk Class, regardless of age; or

227 c.3. The first day of the month following the date the
228 member completes 25 years of creditable service and attains age
229 52, which service may include a maximum of 4 years of military
230 service credit as long as such credit is not claimed under any
231 other system and the remaining years are in the Special Risk
232 Class.

233 2. If a Special Risk Class member initially enrolled on or
234 after July 1, 2011:

235 a. The first day of the month the member completes 6 or
236 more years of creditable service in the Special Risk Class and
237 attains age 60;

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238 b. The first day of the month following the date the
239 member completes 30 years of creditable service in the Special
240 Risk Class, regardless of age; or

241 c. The first day of the month following the date the
242 member completes 30 years of creditable service and attains age
243 57, which service may include a maximum of 4 years of military
244 service credit as long as such credit is not claimed under any
245 other system and the remaining years are in the Special Risk
246 Class.

247
248 "Normal retirement age" is attained on the "normal retirement
249 date."

250 (38) "Continuous service" means creditable service as a
251 member, beginning with the first day of employment with an
252 employer covered under a state-administered retirement system
253 consolidated herein and continuing for as long as the member
254 remains in an employer-employee relationship with an employer
255 covered under this chapter. An absence of 1 calendar month or
256 more from an employer's payroll shall be considered a break in
257 continuous service, except for periods of absence during which
258 an employer-employee relationship continues to exist and such
259 period of absence is creditable under this chapter or under one
260 of the existing systems consolidated herein. However, a law
261 enforcement officer as defined in s. 121.0515(3)~~(2)~~(a) who was a
262 member of a state-administered retirement system under chapter
263 122 or chapter 321 and who resigned and was subsequently
264 reemployed in a law enforcement position within 12 calendar
265 months of such resignation by an employer under such state-
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266 administered retirement system shall be deemed to have not
267 experienced a break in service. Further, with respect to a
268 state-employed law enforcement officer who meets the criteria
269 specified in s. 121.0515(3)~~(2)~~(a), if the absence from the
270 employer's payroll is the result of a "layoff" as defined in s.
271 110.107 or a resignation to run for an elected office that meets
272 the criteria specified in s. 121.0515(3)~~(2)~~(a), no break in
273 continuous service shall be deemed to have occurred if the
274 member is reemployed as a state law enforcement officer or is
275 elected to an office which meets the criteria specified in s.
276 121.0515(3)~~(2)~~(a) within 12 calendar months after the date of
277 the layoff or resignation, notwithstanding the fact that such
278 period of layoff or resignation is not creditable service under
279 this chapter. A withdrawal of contributions will constitute a
280 break in service. Continuous service also includes past service
281 purchased under this chapter, provided such service is
282 continuous within this definition and the rules established by
283 the administrator. The administrator may establish
284 administrative rules and procedures for applying this definition
285 to creditable service authorized under this chapter. Any
286 correctional officer, as defined in s. 943.10, whose
287 participation in the state-administered retirement system is
288 terminated due to the transfer of a county detention facility
289 through a contractual agreement with a private entity pursuant
290 to s. 951.062, shall be deemed an employee with continuous
291 service in the Special Risk Class, provided return to employment
292 with the former employer takes place within 3 years due to
293 contract termination or the officer is employed by a covered
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294 employer in a special risk position within 1 year after his or
295 her initial termination of employment by such transfer of its
296 detention facilities to the private entity.

297 (39) (a) "Termination" occurs, except as provided in
298 paragraph (b), when a member ceases all employment relationships
299 with participating employers ~~an employer~~, however:

300 1. For retirements effective before July 1, 2010, if a
301 member is employed by any such employer within the next calendar
302 month, termination shall be deemed not to have occurred. A leave
303 of absence constitutes a continuation of the employment
304 relationship, except that a leave of absence without pay due to
305 disability may constitute termination if such member makes
306 application for and is approved for disability retirement in
307 accordance with s. 121.091(4). The department or state board may
308 require other evidence of termination as it deems necessary.

309 2. For retirements effective on or after July 1, 2010, if
310 a member is employed by any such employer within the next 6
311 calendar months, termination shall be deemed not to have
312 occurred. A leave of absence constitutes a continuation of the
313 employment relationship, except that a leave of absence without
314 pay due to disability may constitute termination if such member
315 makes application for and is approved for disability retirement
316 in accordance with s. 121.091(4). The department or state board
317 may require other evidence of termination as it deems necessary.

318 (b) "Termination" for a member electing to participate in
319 the Deferred Retirement Option Program occurs when the program
320 participant ceases all employment relationships with

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321 participating employers ~~an employer~~ in accordance with s.

322 121.091(13), however:

323 1. For termination dates occurring before July 1, 2010, if
324 the member ~~participant~~ is employed by any such employer within
325 the next calendar month, termination will be deemed not to have
326 occurred, except as provided in s. 121.091(13)(b)4.c. A leave of
327 absence shall constitute a continuation of the employment
328 relationship.

329 2. For termination dates occurring on or after July 1,
330 2010, if the member ~~participant~~ becomes employed by any such
331 employer within the next 6 calendar months, termination will be
332 deemed not to have occurred, except as provided in s.
333 121.091(13)(b)4.c. A leave of absence constitutes a continuation
334 of the employment relationship.

335 (c) Effective July 1, 2011, "termination" for a member
336 receiving a refund of employee contributions occurs when a
337 member ceases all employment relationships with participating
338 employers for 3 calendar months. A leave of absence constitutes
339 a continuation of the employment relationship.

340 (55) "Benefit" means any pension payment, lump-sum or
341 periodic, to a member, retiree, or beneficiary, based partially
342 or entirely on employer contributions or employee contributions,
343 if applicable.

344 (59) "Payee" means a retiree or beneficiary of a retiree
345 who has received or is receiving a retirement benefit payment.

346 Section 5. Paragraphs (b) and (c) of subsection (2) and
347 subsection (3) of section 121.051, Florida Statutes, are amended
348 to read:

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349 121.051 Participation in the system.—

350 (2) OPTIONAL PARTICIPATION.—

351 (b)1. The governing body of any municipality, metropolitan
352 planning organization, or special district in the state may
353 elect to participate in the system upon proper application to
354 the administrator and may cover all or any of its units as
355 approved by the Secretary of Health and Human Services and the
356 administrator. The department shall adopt rules establishing
357 procedures ~~provisions~~ for the submission of documents necessary
358 for such application. Prior to being approved for participation
359 in the Florida Retirement System, the governing body of a ~~any~~
360 ~~such~~ municipality, metropolitan planning organization, or
361 special district that has a local retirement system must ~~shall~~
362 submit to the administrator a certified financial statement
363 showing the condition of the local retirement system as of a
364 date within 3 months prior to the proposed effective date of
365 membership in the Florida Retirement System. The statement must
366 be certified by a recognized accounting firm that is independent
367 of the local retirement system. All required documents necessary
368 for extending Florida Retirement System coverage must be
369 received by the department for consideration at least 15 days
370 prior to the proposed effective date of coverage. If the
371 municipality, metropolitan planning organization, or special
372 district does not comply with this requirement, the department
373 may require that the effective date of coverage be changed.

374 2. Any city, metropolitan planning organization, or
375 special district that has an existing retirement system covering
376 the employees in the units that are to be brought under the
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377 Florida Retirement System may participate only after holding a
378 referendum in which all employees in the affected units have the
379 right to participate. Only those employees electing coverage
380 under the Florida Retirement System by affirmative vote in said
381 referendum shall be eligible for coverage under this chapter,
382 and those not participating or electing not to be covered by the
383 Florida Retirement System shall remain in their present systems
384 and shall not be eligible for coverage under this chapter. After
385 the referendum is held, all future employees shall be compulsory
386 members of the Florida Retirement System.

387 3. At the time of joining the Florida Retirement System,
388 the governing body of any city, metropolitan planning
389 organization, or special district complying with subparagraph 1.
390 may elect to provide, or not provide, benefits based on past
391 service of officers and employees as described in s. 121.081(1).
392 However, if such employer elects to provide past service
393 benefits, such benefits must be provided for all officers and
394 employees of its covered group.

395 4. Once this election is made and approved it may not be
396 revoked, except pursuant to subparagraphs 5. and 6., and all
397 present officers and employees electing coverage under this
398 chapter and all future officers and employees shall be
399 compulsory members of the Florida Retirement System.

400 5. Subject to the conditions set forth in subparagraph 6.,
401 the governing body of a ~~any~~ hospital licensed under chapter 395
402 which is governed by the board of a special district as defined
403 in s. 189.403(1) or by the board of trustees of a public health
404 trust created under s. 154.07, hereinafter referred to as

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405 "hospital district," and which participates in the system, may
406 elect to cease participation in the system with regard to future
407 employees in accordance with the following procedure:

408 a. No more than 30 days and at least 7 days before
409 adopting a resolution to partially withdraw from the Florida
410 Retirement System and establish an alternative retirement plan
411 for future employees, a public hearing must be held on the
412 proposed withdrawal and proposed alternative plan.

413 b. From 7 to 15 days before such hearing, notice of intent
414 to withdraw, specifying the time and place of the hearing, must
415 be provided in writing to employees of the hospital district
416 proposing partial withdrawal and must be published in a
417 newspaper of general circulation in the area affected, as
418 provided by ss. 50.011-50.031. Proof of publication of such
419 notice shall be submitted to the Department of Management
420 Services.

421 c. The governing body of a ~~any~~ hospital district seeking
422 to partially withdraw from the system must, before such hearing,
423 have an actuarial report prepared and certified by an enrolled
424 actuary, as defined in s. 112.625(3), illustrating the cost to
425 the hospital district of providing, through the retirement plan
426 that the hospital district is to adopt, benefits for new
427 employees comparable to those provided under the Florida
428 Retirement System.

429 d. Upon meeting all applicable requirements of this
430 subparagraph, and subject to the conditions set forth in
431 subparagraph 6., partial withdrawal from the system and adoption
432 of the alternative retirement plan may be accomplished by

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433 resolution duly adopted by the hospital district board. The
434 hospital district board must provide written notice of such
435 withdrawal to the division by mailing a copy of the resolution
436 to the division, postmarked by ~~no later than~~ December 15, 1995.
437 The withdrawal shall take effect January 1, 1996.

438 6. Following the adoption of a resolution under sub-
439 subparagraph 5.d., all employees of the withdrawing hospital
440 district who were participants in the Florida Retirement System
441 before ~~prior to~~ January 1, 1996, shall remain as participants in
442 the system for as long as they are employees of the hospital
443 district, and all rights, duties, and obligations between the
444 hospital district, the system, and the employees shall remain in
445 full force and effect. Any employee who is hired or appointed on
446 or after January 1, 1996, may not participate in the Florida
447 Retirement System, and the withdrawing hospital district shall
448 have no obligation to the system with respect to such employees.

449 (c) Employees of public community colleges or charter
450 technical career centers sponsored by public community colleges,
451 designated in s. 1000.21(3), who are members of the Regular
452 Class of the Florida Retirement System and who comply with the
453 criteria set forth in this paragraph and s. 1012.875 may, in
454 lieu of participating in the Florida Retirement System, elect to
455 withdraw from the system altogether and participate in the State
456 Community College System Optional Retirement Program provided by
457 the employing agency under s. 1012.875.

458 1. Through June 30, 2001, the cost to the employer for
459 benefits under the optional retirement program ~~such annuity~~
460 equals the normal cost portion of the employer retirement

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461 contribution which would be required if the employee were a
462 member of the pension plan's Regular Class ~~defined benefit~~
463 ~~program~~, plus the portion of the contribution rate required by
464 s. 112.363(8) which would otherwise be assigned to the Retiree
465 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
466 each employer shall contribute on behalf of each participant in
467 the optional program an amount equal to 10.43 percent of the
468 participant's gross monthly compensation. The employer shall
469 deduct an amount for the administration of the program. The
470 employer shall contribute an additional amount to the Florida
471 Retirement System Trust Fund equal to the unfunded actuarial
472 accrued liability portion of the Regular Class contribution
473 rate.

474 2. The decision to participate in the ~~an~~ optional
475 retirement program is irrevocable as long as the employee holds
476 a position eligible for participation, except as provided in
477 subparagraph 3. Any service creditable under the Florida
478 Retirement System is retained after the member withdraws from
479 the system; however, additional service credit in the system may
480 not be earned while a member of the optional retirement program.

481 3. An employee who has elected to participate in the
482 optional retirement program shall have one opportunity, at the
483 employee's discretion, to transfer from the optional retirement
484 program to the pension plan ~~defined benefit program~~ of the
485 Florida Retirement System or to the investment plan established
486 under part II of this chapter ~~Public Employee Optional~~
487 ~~Retirement Program~~, subject to the terms of the applicable
488 optional retirement program contracts.

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489 a. If the employee chooses to move to the investment plan
490 ~~Public Employee Optional Retirement Program~~, any contributions,
491 interest, and earnings creditable to the employee under the
492 ~~State Community College System~~ optional retirement program are
493 retained by the employee in the ~~State Community College System~~
494 optional retirement program, and the applicable provisions of s.
495 121.4501(4) govern the election.

496 b. If the employee chooses to move to the pension plan
497 ~~defined benefit program~~ of the Florida Retirement System, the
498 employee shall receive service credit equal to his or her years
499 of service under the ~~State Community College System~~ optional
500 retirement program.

501 (I) The cost for such credit is the amount representing
502 the present value of the employee's accumulated benefit
503 obligation for the affected period of service. The cost shall be
504 calculated as if the benefit commencement occurs on the first
505 date the employee becomes eligible for unreduced benefits, using
506 the discount rate and other relevant actuarial assumptions that
507 were used to value the Florida Retirement System pension ~~defined~~
508 ~~benefit~~ plan liabilities in the most recent actuarial valuation.
509 The calculation must include any service already maintained
510 under the pension ~~defined benefit~~ plan in addition to the years
511 under the ~~State Community College System~~ optional retirement
512 program. The present value of any service already maintained
513 must be applied as a credit to total cost resulting from the
514 calculation. The division shall ensure that the transfer sum is
515 prepared using a formula and methodology certified by an
516 enrolled actuary.

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517 (II) The employee must transfer from his or her ~~State~~
518 ~~Community College System~~ optional retirement program account and
519 from other employee moneys as necessary, a sum representing the
520 present value of the employee's accumulated benefit obligation
521 immediately following the time of such movement, determined
522 assuming that attained service equals the sum of service in the
523 pension plan defined benefit program and service in the ~~State~~
524 ~~Community College System~~ optional retirement program.

525 4. Participation in the optional retirement program is
526 limited to employees who satisfy the following eligibility
527 criteria:

528 a. The employee is ~~must be~~ otherwise eligible for
529 membership or renewed membership in the Regular Class of the
530 Florida Retirement System, as provided in s. 121.021(11) and
531 (12) or s. 121.122.

532 b. The employee is ~~must be~~ employed in a full-time
533 position classified in the Accounting Manual for Florida's
534 Public Community Colleges as:

535 (I) Instructional; or

536 (II) Executive Management, Instructional Management, or
537 Institutional Management and the, ~~if a~~ community college
538 determines that recruiting to fill a vacancy in the position is
539 to be conducted in the national or regional market, and the
540 duties and responsibilities of the position include the
541 formulation, interpretation, or implementation of policies, or
542 the performance of functions that are unique or specialized
543 within higher education and that frequently support the mission
544 of the community college.

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545 c. The employee is ~~must be~~ employed in a position not
546 included in the Senior Management Service Class of the Florida
547 Retirement System, as described in s. 121.055.

548 5. Participants in the program are subject to the same
549 reemployment limitations, renewed membership provisions, and
550 forfeiture provisions as are applicable to regular members of
551 the Florida Retirement System under ss. 121.091(9), 121.122, and
552 121.091(5), respectively. A participant who receives a program
553 distribution funded by employer contributions shall be deemed to
554 be retired from a state-administered retirement system if the
555 participant is subsequently employed with an employer that
556 participates in the Florida Retirement System.

557 6. Eligible community college employees are compulsory
558 members of the Florida Retirement System until, pursuant to s.
559 1012.875, a written election to withdraw from the system and
560 participate in the ~~State Community College System~~ optional
561 retirement program is filed with the program administrator and
562 received by the division.

563 a. A community college employee whose program eligibility
564 results from initial employment shall ~~must~~ be enrolled in the
565 ~~State Community College System~~ optional retirement program
566 retroactive to the first day of eligible employment. The
567 employer retirement contributions paid through the month of the
568 employee plan change shall be transferred to the community
569 college to the employee's optional program account, and,
570 effective the first day of the next month, the employer shall
571 pay the applicable contributions based upon subparagraph 1.

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572 b. A community college employee whose program eligibility
573 is due to the subsequent designation of the employee's position
574 as one of those specified in subparagraph 4., or due to the
575 employee's appointment, promotion, transfer, or reclassification
576 to a position specified in subparagraph 4., must be enrolled in
577 the program on the first day of the first full calendar month
578 that such change in status becomes effective. The employer
579 retirement contributions paid from the effective date through
580 the month of the employee plan change must be transferred to the
581 community college to the employee's optional program account,
582 and, effective the first day of the next month, the employer
583 shall pay the applicable contributions based upon subparagraph
584 1.

585 7. Effective July 1, 2003, through December 31, 2008, any
586 participant in ~~of the State Community College System~~ optional
587 retirement program who has service credit in the pension ~~defined~~
588 ~~benefit~~ plan of the Florida Retirement System for the period
589 between his or her first eligibility to transfer from the
590 pension ~~defined benefit~~ plan to the optional retirement program
591 and the actual date of transfer may, during employment, transfer
592 to the optional retirement program a sum representing the
593 present value of the accumulated benefit obligation under the
594 defined benefit retirement program for the period of service
595 credit. Upon transfer, all service credit previously earned
596 under the pension plan ~~defined benefit program of the Florida~~
597 ~~Retirement System~~ during this period is nullified for purposes
598 of entitlement to a future benefit under the pension plan
599 ~~defined benefit program of the Florida Retirement System.~~

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600 (3) SOCIAL SECURITY COVERAGE.—Social security coverage
 601 shall be provided for all officers and employees who become
 602 members under the provisions of subsection (1) or subsection
 603 (2). Any modification of the present agreement with the Social
 604 Security Administration, or referendum required under the Social
 605 Security Act, for the purpose of providing social security
 606 coverage for any member shall be requested by the state agency
 607 in compliance with the applicable provisions of the Social
 608 Security Act governing such coverage. However, retroactive
 609 social security coverage for service prior to December 1, 1970,
 610 with the employer shall not be provided for a any member who was
 611 not covered under the agreement as of November 30, 1970. The
 612 employer-paid employee contributions specified in s. 121.71(2)
 613 are subject to taxes imposed under the Federal Insurance
 614 Contributions Act, 26 U.S.C. ss. 3101-3128.

615 Section 6. Section 121.0515, Florida Statutes, is amended
 616 to read:

617 121.0515 Special Risk Class ~~membership~~.—

618 (1) ESTABLISHMENT OF CLASS ~~LEGISLATIVE INTENT~~.—There is
 619 established a separate ~~In creating the Special Risk~~ class of
 620 membership within the Florida Retirement System, to be known as
 621 the "Special Risk Class," ~~it is the intent and purpose of the~~
 622 ~~Legislature~~ to recognize that persons employed in certain
 623 categories of law enforcement, firefighting, criminal detention,
 624 and emergency medical care positions are required as one of the
 625 essential functions of their positions to perform work that is
 626 physically demanding or arduous, or work that requires
 627 extraordinary agility and mental acuity, and that such persons,

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628 because of diminishing physical and mental faculties, may find
629 that they are not able, without risk to the health and safety of
630 themselves, the public, or their coworkers, to continue
631 performing such duties and thus enjoy the full career and
632 retirement benefits enjoyed by persons employed in other
633 membership classes ~~positions~~ and that, if they find it
634 necessary, due to the physical and mental limitations of their
635 age, to retire at an earlier age and usually with less service,
636 they will suffer an economic deprivation therefrom. To address
637 ~~Therefore, as a means of recognizing~~ the peculiar and special
638 problems of this class of employees, ~~it is the intent and~~
639 ~~purpose of the Legislature to establish~~ a class of retirement
640 membership is established that awards more retirement credit per
641 year of service than that awarded to other employees; however,
642 nothing contained herein shall require ineligibility for Special
643 Risk Class membership upon reaching age 55.

644 (2) MEMBERSHIP.-

645 (a) Until October 1, 1978, "special risk member" means any
646 officer or employee whose application is approved by the
647 administrator and who receives salary payments for work
648 performed as a peace officer; law enforcement officer; police
649 officer; highway patrol officer; custodial employee at a
650 correctional or detention facility; correctional agency employee
651 whose duties and responsibilities involve direct contact with
652 inmates, but excluding secretarial and clerical employees;
653 firefighter; or an employee in any other job in the field of law
654 enforcement or fire protection if the duties of such person are
655 certified as hazardous by his or her employer.

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656 (b) Effective October 1, 1978, through September 30, 1999,
657 "special risk member" means a member of the Florida Retirement
658 System who is designated as a special risk member by the
659 division in accordance with this section. Such member must be
660 employed as a law enforcement officer, a firefighter, or a
661 correctional officer and must meet certain other special
662 criteria as set forth in this section.

663 (c) Effective October 1, 1999, "special risk member" means
664 a member of the Florida Retirement System who is designated as a
665 special risk member by the division in accordance with this
666 section. Such member must be employed as a law enforcement
667 officer, a firefighter, a correctional officer, an emergency
668 medical technician, or a paramedic and must meet certain other
669 special criteria as set forth in this section.

670 (d)1. Effective January 1, 2001, "special risk member"
671 includes any member who is employed as a community-based
672 correctional probation officer and meets the special criteria
673 set forth in paragraph (3) (e).

674 2. Effective January 1, 2001, "special risk member"
675 includes any professional health care bargaining unit or non-
676 unit member who is employed by the Department of Corrections or
677 the Department of Children and Family Services and meets the
678 special criteria set forth in paragraph (3) (f).

679 (e) Effective July 1, 2001, the term "special risk member"
680 includes any member who is employed as a youth custody officer
681 by the Department of Juvenile Justice and meets the special
682 criteria set forth in paragraph (3) (g).

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683 (f) Effective August 1, 2008, "special risk member"
684 includes any member who meets the special criteria for continued
685 membership set forth in paragraph (3) (k).

686 (3)(2) CRITERIA.—A member, to be designated as a special
687 risk member, must meet the following criteria:

688 (a) Effective October 1, 1978, the member must be employed
689 as a law enforcement officer and be certified, or required to be
690 certified, in compliance with s. 943.1395; however, sheriffs and
691 elected police chiefs shall be excluded from meeting the
692 certification requirements of this paragraph. In addition, the
693 member's duties and responsibilities must include the pursuit,
694 apprehension, and arrest of law violators or suspected law
695 violators; or as of July 1, 1982, the member must be an active
696 member of a bomb disposal unit whose primary responsibility is
697 the location, handling, and disposal of explosive devices; or
698 the member must be the supervisor or command officer of a member
699 or members who have such responsibilities; provided, however,
700 administrative support personnel, including, but not limited to,
701 those whose primary duties and responsibilities are in
702 accounting, purchasing, legal, and personnel, shall not be
703 included;

704 (b) Effective October 1, 1978, the member must be employed
705 as a firefighter and be certified, or required to be certified,
706 in compliance with s. 633.35 and be employed solely within the
707 fire department of a local government employer or an agency of
708 state government with firefighting responsibilities. In
709 addition, the member's duties and responsibilities must include
710 on-the-scene fighting of fires; as of October 1, 2001, fire
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711 prevention, or firefighter training; as of October 1, 2001,
712 direct supervision of firefighting units, fire prevention, or
713 firefighter training; or as of July 1, 2001, aerial firefighting
714 surveillance performed by fixed-wing aircraft pilots employed by
715 the Division of Forestry of the Department of Agriculture and
716 Consumer Services; or the member must be the supervisor or
717 command officer of a member or members who have such
718 responsibilities; provided, however, administrative support
719 personnel, including, but not limited to, those whose primary
720 duties and responsibilities are in accounting, purchasing,
721 legal, and personnel, shall not be included and further provided
722 that all periods of creditable service in fire prevention or
723 firefighter training, or as the supervisor or command officer of
724 a member or members who have such responsibilities, and for
725 which the employer paid the special risk contribution rate,
726 shall be included;

727 (c) Effective October 1, 1978, the member must be employed
728 as a correctional officer and be certified, or required to be
729 certified, in compliance with s. 943.1395. In addition, the
730 member's primary duties and responsibilities must be the
731 custody, and physical restraint when necessary, of prisoners or
732 inmates within a prison, jail, or other criminal detention
733 facility, or while on work detail outside the facility, or while
734 being transported; or as of July 1, 1984, the member must be the
735 supervisor or command officer of a member or members who have
736 such responsibilities; provided, however, administrative support
737 personnel, including, but not limited to, those whose primary
738 duties and responsibilities are in accounting, purchasing,

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739 legal, and personnel, shall not be included; however, wardens
740 and assistant wardens, as defined by rule, shall participate in
741 the Special Risk Class;

742 (d) Effective October 1, 1999, the member must be employed
743 by a licensed Advance Life Support (ALS) or Basic Life Support
744 (BLS) employer as an emergency medical technician or a paramedic
745 and be certified in compliance with s. 401.27. In addition, the
746 member's primary duties and responsibilities must include on-
747 the-scene emergency medical care or as of October 1, 2001,
748 direct supervision of emergency medical technicians or
749 paramedics, or the member must be the supervisor or command
750 officer of one or more members who have such responsibility.
751 However, administrative support personnel, including, but not
752 limited to, those whose primary responsibilities are in
753 accounting, purchasing, legal, and personnel, shall not be
754 included;

755 (e) Effective January 1, 2001, the member must be employed
756 as a community-based correctional probation officer and be
757 certified, or required to be certified, in compliance with s.
758 943.1395. In addition, the member's primary duties and
759 responsibilities must be the supervised custody, surveillance,
760 control, investigation, and counseling of assigned inmates,
761 probationers, parolees, or community controllees within the
762 community; or the member must be the supervisor of a member or
763 members who have such responsibilities. Administrative support
764 personnel, including, but not limited to, those whose primary
765 duties and responsibilities are in accounting, purchasing, legal
766 services, and personnel management, shall not be included;

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767 however, probation and parole circuit and deputy circuit
768 administrators shall participate in the Special Risk Class;

769 (f) Effective January 1, 2001, the member must be employed
770 in one of the following classes and must spend at least 75
771 percent of his or her time performing duties which involve
772 contact with patients or inmates in a correctional or forensic
773 facility or institution:

- 774 1. Dietitian (class codes 5203 and 5204);
- 775 2. Public health nutrition consultant (class code 5224);
- 776 3. Psychological specialist (class codes 5230 and 5231);
- 777 4. Psychologist (class code 5234);
- 778 5. Senior psychologist (class codes 5237 and 5238);
- 779 6. Regional mental health consultant (class code 5240);
- 780 7. Psychological Services Director—DCF (class code 5242);
- 781 8. Pharmacist (class codes 5245 and 5246);
- 782 9. Senior pharmacist (class codes 5248 and 5249);
- 783 10. Dentist (class code 5266);
- 784 11. Senior dentist (class code 5269);
- 785 12. Registered nurse (class codes 5290 and 5291);
- 786 13. Senior registered nurse (class codes 5292 and 5293);
- 787 14. Registered nurse specialist (class codes 5294 and
788 5295);
- 789 15. Clinical associate (class codes 5298 and 5299);
- 790 16. Advanced registered nurse practitioner (class codes
791 5297 and 5300);
- 792 17. Advanced registered nurse practitioner specialist
793 (class codes 5304 and 5305);

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- 794 18. Registered nurse supervisor (class codes 5306 and
795 5307);
- 796 19. Senior registered nurse supervisor (class codes 5308
797 and 5309);
- 798 20. Registered nursing consultant (class codes 5312 and
799 5313);
- 800 21. Quality management program supervisor (class code
801 5314);
- 802 22. Executive nursing director (class codes 5320 and
803 5321);
- 804 23. Speech and hearing therapist (class code 5406); or
805 24. Pharmacy manager (class code 5251);
- 806 (g) Effective July 1, 2001, the member must be employed as
807 a youth custody officer and be certified, or required to be
808 certified, in compliance with s. 943.1395. In addition, the
809 member's primary duties and responsibilities must be the
810 supervised custody, surveillance, control, investigation,
811 apprehension, arrest, and counseling of assigned juveniles
812 within the community;
- 813 (h) Effective October 1, 2005, through June 30, 2008, the
814 member must be employed by a law enforcement agency or medical
815 examiner's office in a forensic discipline recognized by the
816 International Association for Identification and must qualify
817 for active membership in the International Association for
818 Identification. The member's primary duties and responsibilities
819 must include the collection, examination, preservation,
820 documentation, preparation, or analysis of physical evidence or
821 testimony, or both, or the member must be the direct supervisor,
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822 quality management supervisor, or command officer of one or more
823 individuals with such responsibility. Administrative support
824 personnel, including, but not limited to, those whose primary
825 responsibilities are clerical or in accounting, purchasing,
826 legal, and personnel, shall not be included;

827 (i) Effective July 1, 2008, the member must be employed by
828 the Department of Law Enforcement in the crime laboratory or by
829 the Division of State Fire Marshal in the forensic laboratory in
830 one of the following classes:

- 831 1. Forensic technologist (class code 8459);
- 832 2. Crime laboratory technician (class code 8461);
- 833 3. Crime laboratory analyst (class code 8463);
- 834 4. Senior crime laboratory analyst (class code 8464);
- 835 5. Crime laboratory analyst supervisor (class code 8466);
- 836 6. Forensic chief (class code 9602); or
- 837 7. Forensic services quality manager (class code 9603);

838 (j) Effective July 1, 2008, the member must be employed by
839 a local government law enforcement agency or medical examiner's
840 office and must spend at least 65 percent of his or her time
841 performing duties that involve the collection, examination,
842 preservation, documentation, preparation, or analysis of human
843 tissues or fluids or physical evidence having potential
844 biological, chemical, or radiological hazard or contamination,
845 or use chemicals, processes, or materials that may have
846 carcinogenic or health-damaging properties in the analysis of
847 such evidence, or the member must be the direct supervisor of
848 one or more individuals having such responsibility. If a special
849 risk member changes to another position within the same agency,

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850 he or she must submit a complete application as provided in
851 paragraph (4)~~(3)~~(a); or

852 (k) The member must have already qualified for and be
853 actively participating in special risk membership under
854 paragraph (a), paragraph (b), or paragraph (c), must have
855 suffered a qualifying injury as defined in this paragraph, must
856 not be receiving disability retirement benefits as provided in
857 s. 121.091(4), and must satisfy the requirements of this
858 paragraph.

859 1. The ability to qualify for the class of membership
860 defined in paragraph (2) (f) ~~s. 121.021(15)(f)~~ shall occur when
861 two licensed medical physicians, one of whom is a primary
862 treating physician of the member, certify the existence of the
863 physical injury and medical condition that constitute a
864 qualifying injury as defined in this paragraph and that the
865 member has reached maximum medical improvement after August 1,
866 2008. The certifications from the licensed medical physicians
867 must include, at a minimum, that the injury to the special risk
868 member has resulted in a physical loss, or loss of use, of at
869 least two of the following: left arm, right arm, left leg, or
870 right leg; and:

871 a. That this physical loss or loss of use is total and
872 permanent, except in the event that the loss of use is due to a
873 physical injury to the member's brain, in which event the loss
874 of use is permanent with at least 75-percent loss of motor
875 function with respect to each arm or leg affected.

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876 b. That this physical loss or loss of use renders the
877 member physically unable to perform the essential job functions
878 of his or her special risk position.

879 c. That, notwithstanding this physical loss or loss of
880 use, the individual is able to perform the essential job
881 functions required by the member's new position, as provided in
882 subparagraph 3.

883 d. That use of artificial limbs is either not possible or
884 does not alter the member's ability to perform the essential job
885 functions of the member's position.

886 e. That the physical loss or loss of use is a direct
887 result of a physical injury and not a result of any mental,
888 psychological, or emotional injury.

889 2. For the purposes of this paragraph, "qualifying injury"
890 means an injury sustained in the line of duty, as certified by
891 the member's employing agency, by a special risk member that
892 does not result in total and permanent disability as defined in
893 s. 121.091(4)(b). An injury is a qualifying injury when the
894 injury is a physical injury to the member's physical body
895 resulting in a physical loss, or loss of use, of at least two of
896 the following: left arm, right arm, left leg, or right leg.
897 Notwithstanding anything in this section to the contrary, an
898 injury that would otherwise qualify as a qualifying injury shall
899 not be considered a qualifying injury if and when the member
900 ceases employment with the employer for whom he or she was
901 providing special risk services on the date the injury occurred.

902 3. The new position, as described in sub-subparagraph
903 1.c., that is required for qualification as a special risk
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904 member under this paragraph is not required to be a position
905 with essential job functions that entitle an individual to
906 special risk membership. Whether a new position as described in
907 sub-subparagraph 1.c. exists and is available to the special
908 risk member is a decision to be made solely by the employer in
909 accordance with its hiring practices and applicable law.

910 4. This paragraph does not grant or create additional
911 rights for any individual to continued employment or to be hired
912 or rehired by his or her employer that are not already provided
913 within the Florida Statutes, the State Constitution, the
914 Americans with Disabilities Act, if applicable, or any other
915 applicable state or federal law.

916 ~~(4)~~(3) PROCEDURE FOR DESIGNATING.—

917 (a)1. Any Regular Class member of the Florida Retirement
918 System employed by a county, city, or special district who feels
919 that his or her position ~~he or she~~ meets the criteria set forth
920 in this section for membership in the Special Risk Class may
921 request that his or her employer submit an application to the
922 department requesting that the department designate him or her
923 as a Special Risk Class member. Such Regular Class member shall
924 complete the appropriate portions of an Application for Special
925 Risk Membership provided in Form FRS-400 or Form FRS-405. If the
926 employer agrees that the member meets the requirements for
927 Special Risk Class membership, the employer shall certify and
928 submit an application as set forth in this section and submit a
929 copy of the current official job description of the member's
930 duties showing the percentage of time spent performing each duty
931 and a copy of a personnel action form showing the effective date

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932 of membership in that position to the department on ~~in~~ behalf of
933 the employee ~~containing a certification that the member meets~~
934 ~~the criteria for special risk membership set forth in this~~
935 ~~section and such other supporting documentation as may be~~
936 ~~required by administrative rule. The department shall, within 90~~
937 ~~days, either designate or refuse to designate the member as a~~
938 ~~special risk member.~~

939 2. Upon receipt of the completed application, proof of
940 certification, and supporting documentation, the department
941 shall determine if the member meets the requirements for Special
942 Risk Class membership. If the requirements are met, the
943 department shall approve the member for Special Risk Class
944 membership. The employer shall certify to the department any
945 changes to the duties and responsibilities of a Special Risk
946 Class member. The department shall review the documentation for
947 changes to duties and responsibilities and either continue the
948 approval of Special Risk Class membership or reclassify the
949 member to Regular Class membership.

950 3. If the employer refuses to certify the member's
951 application for Special Risk Class membership, the employer
952 shall notify the member of the employer's refusal to certify and
953 the reasons for the refusal. If the employer declines to submit
954 the member's application to the department, ~~or if~~ the department
955 does not designate the member to the ~~as a~~ Special Risk Class, or
956 the department removes the member from the Special Risk Class
957 member, the member or the employer may appeal to the State
958 Retirement Commission, as provided in s. 121.23, for designation
959 as a Special Risk Class member. A member who receives a final

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960 affirmative ruling pursuant to such appeal for Special Risk
961 Class membership shall have Special Risk Class membership
962 retroactive to the date such member would have had Special Risk
963 Class membership had such membership been approved by the
964 employer and the department, as determined by the department,
965 and the employer contributions shall be paid in full within 1
966 year after such final ruling.

967 (b)1. Applying the criteria set forth in this section, the
968 Department of Management Services shall specify which current
969 and newly created classes of positions under the uniform
970 classification plan established pursuant to chapter 110 entitle
971 the incumbents of positions in those classes to membership in
972 the Special Risk Class. Only employees employed in the classes
973 so specified shall be special risk members.

974 2. When a class is not specified by the department as
975 provided in subparagraph 1., the employing agency may petition
976 the State Retirement Commission for approval in accordance with
977 s. 121.23.

978 ~~(5)~~(4) REMOVAL OF SPECIAL RISK CLASS MEMBERSHIP.—

979 (a) Any member who is a special risk member on October 1,
980 1978, and who fails to meet the criteria for special risk
981 membership established by this section shall have his or her
982 special risk designation removed and thereafter shall be a
983 regular member and shall earn only regular membership credit.
984 The department shall have the authority to review the special
985 risk designation of members to determine whether or not those
986 members continue to meet the criteria for special risk
987 membership.

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988 (b) Any member who is a special risk member on July 1,
989 2008, and who became eligible to participate under paragraph
990 (3)-(2)(h) but fails to meet the criteria for special risk
991 membership established by paragraph (3)-(2)(i) or paragraph
992 (3)-(2)(j) shall have his or her special risk designation removed
993 and thereafter shall be a Regular Class member and earn only
994 Regular Class membership credit. The department may review the
995 special risk designation of members to determine whether or not
996 those members continue to meet the criteria for special risk
997 membership.

998 (c) Any member who is a Special Risk Class member and who
999 fails to meet the criteria for the Special Risk Class shall have
1000 his or her special risk class designation removed and thereafter
1001 shall be a Regular Class member and earn only Regular Class
1002 membership service credit. The department may review the Special
1003 Risk Class designation of members to determine whether or not
1004 those members continue to meet the criteria for Special Risk
1005 Class membership.

1006 (6)-(5) CREDIT FOR PAST SERVICE.—A special risk member may
1007 purchase retirement credit in the Special Risk Class based upon
1008 past service, and may upgrade retirement credit for such past
1009 service, to the extent of 2 percent of the member's average
1010 monthly compensation as specified in s. 121.091(1)(a) for such
1011 service as follows:

1012 (a) The member may purchase special risk credit for past
1013 service with a city or special district which has elected to
1014 join the Florida Retirement System, or with a participating
1015 agency to which a member's governmental unit was transferred,
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1016 merged, or consolidated as provided in s. 121.081(1)(f), if the
1017 member was employed with the city or special district at the
1018 time it commenced participating in the Florida Retirement System
1019 or with the governmental unit at the time of its transfer,
1020 merger, or consolidation with the participating agency. The
1021 service must satisfy the criteria set forth in subsection (3)
1022 ~~(2)~~ for special risk membership as a law enforcement officer,
1023 firefighter, or correctional officer; however, no certificate or
1024 waiver of certificate of compliance with s. 943.1395 or s.
1025 633.35 shall be required for such service.

1026 (b) Contributions for upgrading the additional special
1027 risk credit pursuant to this subsection shall be equal to the
1028 difference in the employer and, if applicable, employee
1029 contributions paid and the special risk percentage rate of gross
1030 salary in effect at the time of purchase for the period being
1031 claimed, plus interest thereon at the rate of 4 percent a year
1032 compounded annually from the date of such service until July 1,
1033 1975, and 6.5 percent a year thereafter until the date of
1034 payment. This past service may be purchased by the member or by
1035 the employer on behalf of the member.

1036 (7)~~(6)~~ CREDIT FOR PRIOR SERVICE.—A special risk member who
1037 has creditable service with an employer under chapter 122 or
1038 chapter 321, or was employed as a correctional counselor with
1039 the Department of Corrections between December 1, 1970, and
1040 September 30, 1979, in a position which satisfies the criteria
1041 provided for in subsection (3) ~~(2)~~ for special risk membership
1042 except the requirement for a certificate or waiver of
1043 certificate, shall have those years of service counted towards
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1044 the attainment of the normal retirement date as a special risk
1045 member under this chapter. The percentage value of each such
1046 year of creditable service under chapter 122, chapter 321, or as
1047 a correctional counselor shall not change as a result of the
1048 application of this subsection. A special risk member who has
1049 taken a refund of contributions for such creditable service
1050 under chapter 122 or chapter 321 and has reclaimed it as prior
1051 service credit under this chapter shall be permitted to have
1052 such creditable service counted towards the attainment of the
1053 normal retirement date for the Special Risk Class of membership
1054 under this chapter.

1055 ~~(8) (7) SPECIAL RISK ADMINISTRATIVE SUPPORT CLASS RETENTION~~
1056 ~~OF SPECIAL RISK NORMAL RETIREMENT DATE.~~—

1057 (a) A special risk member who is moved or reassigned to a
1058 nonspecial risk law enforcement, firefighting, correctional, or
1059 emergency medical care administrative support position with the
1060 same agency, or who is subsequently employed in such a position
1061 with any law enforcement, firefighting, correctional, or
1062 emergency medical care agency under the Florida Retirement
1063 System, shall participate in the Special Risk Administrative
1064 Support Class and shall earn credit for such service at the same
1065 percentage rate as that earned by a regular member.

1066 Notwithstanding the provisions of subsection (5) (4), service in
1067 such an administrative support position shall, for purposes of
1068 s. 121.091, apply toward satisfaction of the special risk normal
1069 retirement date, as defined in s. 121.021(29) (b), provided that,
1070 while in such position, the member remains certified as a law
1071 enforcement officer, firefighter, correctional officer,

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1072 emergency medical technician, or paramedic; remains subject to
1073 reassignment at any time to a position qualifying for special
1074 risk membership; and completes an aggregate of 6 or more years
1075 of service as a designated special risk member prior to
1076 retirement.

1077 (b) Upon application by a member, the provisions of this
1078 subsection shall apply, with respect to such member,
1079 retroactively to October 1, 1978, provided that the member was
1080 removed from the Special Risk Class effective October 1, 1978,
1081 due to a change in special risk criteria as a result of the
1082 enactment of chapter 78-308, Laws of Florida, or was reassigned
1083 or employed for training or career development or to fill a
1084 critical agency need.

1085 (c) The department shall adopt such rules as are required
1086 to administer this subsection.

1087 (d) Notwithstanding any provision of this subsection to
1088 the contrary, this subsection does not apply to any special risk
1089 member who qualifies for continued membership pursuant to the
1090 provisions of paragraph (3)~~(2)~~(k).

1091 (9)~~(8)~~ RESTORATION OF SPECIAL RISK CREDIT FOR SPECIFIED
1092 PERIOD OF EMPLOYMENT.—A special risk member who was removed from
1093 the Special Risk Class effective October 1978, for the sole
1094 reason that he or she did not possess the required certificate
1095 or temporary waiver of certificate, and who obtained
1096 certification and was approved for special risk membership on or
1097 before June 30, 1982, shall be permitted to have special risk
1098 credit restored for that period upon:

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1099 (a) Certification by his or her employer that all
1100 requirements for special risk membership except the requirement
1101 for certification or temporary waiver of certification were met;
1102 and

1103 (b) Payment of contributions equal to the difference in
1104 the contributions that were paid during the period and the
1105 contributions required for special risk members during that
1106 period, plus 6.5 percent interest thereon, compounded each June
1107 30 from date of service until date of payment.

1108

1109 This credit may be purchased by the member or by the employer on
1110 behalf of the member.

1111 ~~(10)-(9)~~ CREDIT FOR UPGRADED SERVICE.-

1112 (a) Any member of the Special Risk Class who has earned
1113 creditable service through September 30, 1999, in another
1114 membership class of the Florida Retirement System as an
1115 emergency medical technician or paramedic, which service is
1116 within the purview of the Special Risk Class, may purchase
1117 additional retirement credit to upgrade such service to Special
1118 Risk Class service, to the extent of the percentages of the
1119 member's average final compensation provided in s.

1120 121.091(1)(a)2. Contributions for upgrading such service to
1121 Special Risk Class credit under this subsection shall be equal
1122 to the difference in the contributions paid and the Special Risk
1123 Class contribution rate as a percentage of gross salary in
1124 effect for the period being claimed, plus interest thereon at
1125 the rate of 6.5 percent a year, compounded annually until the

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1126 date of payment. This service credit may be purchased by the
1127 employer on behalf of the member.

1128 (b) Any member of the Special Risk Class who has earned
1129 creditable service through September 30, 2001, in another
1130 membership class of the Florida Retirement System whose
1131 responsibilities included fire prevention or firefighter
1132 training, which service is within the purview of the Special
1133 Risk Class, may purchase additional retirement credit to upgrade
1134 such service to Special Risk Class service, to the extent of the
1135 percentages of the member's average final compensation provided
1136 in s. 121.091(1)(a)2. Contributions for upgrading such service
1137 to Special Risk Class credit under this subsection shall be
1138 equal to the difference in the contributions paid and the
1139 Special Risk Class contribution rate as a percentage of gross
1140 salary in effect for the period being claimed, plus interest
1141 thereon at the rate of 6.5 percent a year, compounded annually
1142 until the date of payment. This service credit may be purchased
1143 by the employer on behalf of the member.

1144 (c) Any member of the Special Risk Class who has earned
1145 creditable service through June 30, 2005, in another membership
1146 class of the Florida Retirement System in a position with the
1147 Department of Law Enforcement or the Division of State Fire
1148 Marshal and became covered by the Special Risk Class as
1149 described in paragraph (3)-(2)(i), or with a local government law
1150 enforcement agency or medical examiner's office and became
1151 covered by the Special Risk Class as described in paragraph
1152 (3)-(2)(j), which service is within the purview of the Special
1153 Risk Class, and is employed in such position on or after July 1,
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1154 2008, may purchase additional retirement credit to upgrade such
1155 service to Special Risk Class service, to the extent of the
1156 percentages of the member's average final compensation provided
1157 in s. 121.091(1)(a)2. The cost for such credit shall be an
1158 amount representing the actuarial accrued liability for the
1159 difference in accrual value during the affected period of
1160 service. The cost shall be calculated using the discount rate
1161 and other relevant actuarial assumptions that were used to value
1162 the Florida Retirement System Pension ~~defined benefit~~ Plan
1163 liabilities in the most recent actuarial valuation. The division
1164 shall ensure that the transfer sum is prepared using a formula
1165 and methodology certified by an enrolled actuary. The cost must
1166 be paid immediately upon notification by the division. The local
1167 government employer may purchase the upgraded service credit on
1168 behalf of the member if the member has been employed by that
1169 employer for at least 3 years.

1170 Section 7. Paragraphs (a) and (d) of subsection (4),
1171 paragraph (b) of subsection (7), and subsection (10) of section
1172 121.052, Florida Statutes, are amended, present paragraph (c) of
1173 subsection (7) of that section is redesignated as paragraph (d),
1174 and a new paragraph (c) is added to that subsection, to read:

1175 121.052 Membership class of elected officers.—

1176 (4) PARTICIPATION BY ELECTED OFFICERS SERVING A SHORTENED
1177 TERM DUE TO APPORTIONMENT, FEDERAL INTERVENTION, ETC.—

1178 (a) Any duly elected officer whose term of office was
1179 shortened by legislative or judicial apportionment pursuant to
1180 the provisions of s. 16, Art. III of the State Constitution may,
1181 after the term of office to which he or she was elected is

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1182 completed, pay into the System Trust Fund the amount of
1183 contributions that would have been made by the officer or the
1184 officer's employer on his or her behalf, plus 4 percent interest
1185 compounded annually from the date he or she left office until
1186 July 1, 1975, and 6.5 percent interest compounded annually
1187 thereafter, and may receive service credit for the length of
1188 time the officer would have served if such term had not been
1189 shortened by apportionment.

1190 (d)1. Any justice or judge, or any retired justice or
1191 judge who retired before July 1, 1993, who has attained the age
1192 of 70 years and who is prevented under s. 8, Art. V of the State
1193 Constitution from completing his or her term of office because
1194 of age may elect to purchase credit for all or a portion of the
1195 months he or she would have served during the remainder of the
1196 term of office, but he or she may claim those months only after
1197 the date the service would have occurred. The justice or judge
1198 must pay into the System Trust Fund the amount of contributions
1199 that would have been made by the employer on his or her behalf
1200 for the period of time being claimed, plus 6.5 percent interest
1201 thereon compounded each June 30 from the date he or she left
1202 office, in order to receive service credit in this class for the
1203 period of time being claimed. After the date the service would
1204 have occurred, and upon payment of the required contributions,
1205 the retirement benefit of a retired justice or judge shall ~~will~~
1206 be adjusted prospectively to include the ~~this~~ additional
1207 creditable service; however, such adjustment may be made only
1208 once.

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1209 2. Any justice or judge who does not seek election to a
1210 subsequent term of office because he or she would be prevented
1211 under s. 8, Art. V of the State Constitution from completing
1212 such term of office upon attaining the age of 70 years may elect
1213 to purchase service credit for service as a temporary judge as
1214 assigned by the court if the temporary assignment follows
1215 immediately the last full term of office served and the purchase
1216 is limited to the number of months of service needed to vest
1217 retirement benefits. To receive retirement credit for such
1218 temporary service beyond termination, the justice or judge must
1219 pay into the System Trust Fund the amount of contributions that
1220 would have been made by the justice or judge and the employer on
1221 his or her behalf had he or she continued in office for the
1222 period of time being claimed, plus 6.5 percent interest thereon
1223 compounded each June 30 from the date he or she left office.

1224 (7) CONTRIBUTIONS.—

1225 (b) The employer paying the salary of a member of the
1226 Elected Officers' Class shall contribute an amount as specified
1227 in this subsection or s. 121.71, as appropriate, which shall
1228 constitute the ~~entire~~ employer retirement contribution with
1229 respect to such member. The employer shall also withhold one-
1230 half of the entire contribution of the member required for
1231 social security coverage. Effective July 1, 2011, each member of
1232 the Elected Officers' Class shall pay employee contributions as
1233 specified in s. 121.71.

1234 (c) If a member of the Elected Officers' Class ceases to
1235 fill an office covered by this class for 3 calendar months for
1236 any reason other than retirement and has not been employed in

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1237 any capacity with any participating employer for 3 calendar
1238 months, the member may receive a refund of all contributions he
1239 or she has made to the pension plan, subject to the restrictions
1240 otherwise provided in this chapter. Partial refunds are not
1241 permitted. The refund shall not include any interest earnings on
1242 the contributions for a member of the pension plan. Employer
1243 contributions made on behalf of the member are not refundable. A
1244 member may not receive a refund of employee contributions if a
1245 pending or an approved qualified domestic relations order is
1246 filed against the member's retirement account. By obtaining a
1247 refund of contributions, a member waives all rights under the
1248 Florida Retirement System and the health insurance subsidy
1249 provided under s. 112.363 to the service credit represented by
1250 the refunded contributions, except the right to purchase his or
1251 her prior service credit in accordance with s. 121.081(2).

1252 (10) ACCRUED SERVICE VALUE.—A member of the Elected
1253 Officers' Class who is a Supreme Court justice, district court
1254 of appeal judge, circuit judge, or county court judge shall
1255 receive judicial retirement credit of 3 1/3 percent of average
1256 final compensation, and all other members shall receive elected
1257 officer accrual value ~~retirement credit~~ of 3 percent of average
1258 final compensation, for each year of creditable service in such
1259 class.

1260 Section 8. Paragraph (a) of subsection (7) of section
1261 121.053, Florida Statutes, is amended to read:

1262 121.053 Participation in the Elected Officers' Class for
1263 retired members.—

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1264 (7) A member who is elected or appointed to an elective
1265 office and who is participating in the Deferred Retirement
1266 Option Program is not subject to termination as defined in s.
1267 121.021, or reemployment limitations as provided in s.
1268 121.091(9), until the end of his or her current term of office
1269 or, if the officer is consecutively elected or reelected to an
1270 elective office eligible for coverage under the Florida
1271 Retirement System, until he or she no longer holds an elective
1272 office, as follows:

1273 (a) At the end of the 60-month DROP period:

1274 1. The officer's DROP account may not accrue additional
1275 monthly benefits, but does continue to earn interest as provided
1276 in s. 121.091(13). However, an officer whose DROP participation
1277 begins on or after July 1, 2010, may not continue to earn such
1278 interest.

1279 2. Retirement contributions, except for unfunded actuarial
1280 liability and health insurance subsidy contributions required in
1281 ss. 121.71(5) and 121.76, are not required of the employer of
1282 the elected officer and additional retirement credit may not be
1283 earned under the Florida Retirement System.

1284 Section 9. Paragraphs (b) and (j) of subsection (1),
1285 paragraph (b) of subsection (3), and paragraphs (d) and (e) of
1286 subsection (6) of section 121.055, Florida Statutes, are
1287 amended, present paragraph (c) of subsection (3) of that section
1288 is redesignated as paragraph (d), and a new paragraph (c) is
1289 added to that subsection, to read:

1290 121.055 Senior Management Service Class.—There is hereby
1291 established a separate class of membership within the Florida
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1292 Retirement System to be known as the "Senior Management Service
1293 Class," which shall become effective February 1, 1987.

1294 (1)

1295 (b)1. Except as provided in subparagraph 2., effective
1296 January 1, 1990, participation in the Senior Management Service
1297 Class is ~~shall be~~ compulsory for the president of each community
1298 college, the manager of each participating city or county, and
1299 all appointed district school superintendents. Effective January
1300 1, 1994, additional positions may be designated for inclusion in
1301 the Senior Management Service Class of the Florida Retirement
1302 System, provided that:

1303 a. Positions to be included in the class are ~~shall be~~
1304 designated by the local agency employer. Notice of intent to
1305 designate positions for inclusion in the class must ~~shall~~ be
1306 published once a week for 2 consecutive weeks in a newspaper of
1307 general circulation published in the county or counties
1308 affected, as provided in chapter 50.

1309 b. Up to 10 nonelective full-time positions may be
1310 designated for each local agency employer reporting to the
1311 department ~~of Management Services~~; for local agencies with 100
1312 or more regularly established positions, additional nonelective
1313 full-time positions may be designated, not to exceed 1 percent
1314 of the regularly established positions within the agency.

1315 c. Each position added to the class must be a managerial
1316 or policymaking position filled by an employee who is not
1317 subject to continuing contract and serves at the pleasure of the
1318 local agency employer without civil service protection, and who:

1319 (I) Heads an organizational unit; or

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1320 (II) Has responsibility to effect or recommend personnel,
1321 budget, expenditure, or policy decisions in his or her areas of
1322 responsibility.

1323 2. In lieu of participation in the Senior Management
1324 Service Class, members of the Senior Management Service Class,
1325 pursuant to the provisions of subparagraph 1., may withdraw from
1326 the Florida Retirement System altogether. The decision to
1327 withdraw from the Florida Retirement System is ~~shall be~~
1328 irrevocable ~~for~~ as long as the employee holds the ~~such a~~
1329 position. Any service creditable under the Senior Management
1330 Service Class shall be retained after the member withdraws from
1331 the Florida Retirement System; however, additional service
1332 credit in the Senior Management Service Class may ~~shall~~ not be
1333 earned after such withdrawal. Such members are ~~shall~~ not be
1334 eligible to participate in the Senior Management Service
1335 Optional Annuity Program.

1336 3. Effective January 1, 2006, through June 30, 2006, an
1337 employee who has withdrawn from the Florida Retirement System
1338 under subparagraph 2. has one opportunity to elect to
1339 participate in either the pension plan ~~defined benefit program~~
1340 or the investment plan ~~Public Employee Optional Retirement~~
1341 ~~Program of the Florida Retirement System.~~

1342 a. If the employee elects to participate in the investment
1343 plan ~~Public Employee Optional Retirement Program~~, membership
1344 shall be prospective, and the applicable provisions of s.
1345 121.4501(4) shall govern the election.

1346 b. If the employee elects to participate in the pension
1347 plan ~~defined benefit program of the Florida Retirement System,~~
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1348 the employee shall, upon payment to the system trust fund of the
1349 amount calculated under sub-sub-subparagraph (I), receive
1350 service credit for prior service based upon the time during
1351 which the employee had withdrawn from the system.

1352 (I) The cost for such credit shall be an amount
1353 representing the actuarial accrued liability for the affected
1354 period of service. The cost shall be calculated using the
1355 discount rate and other relevant actuarial assumptions that were
1356 used to value the pension ~~Florida Retirement System defined~~
1357 ~~benefit~~ plan liabilities in the most recent actuarial valuation.
1358 The calculation must ~~shall~~ include any service already
1359 maintained under the pension ~~defined benefit~~ plan in addition to
1360 the period of withdrawal. The actuarial accrued liability
1361 attributable to any service already maintained under the pension
1362 ~~defined benefit~~ plan shall be applied as a credit to the total
1363 cost resulting from the calculation. The division must ~~shall~~
1364 ensure that the transfer sum is prepared using a formula and
1365 methodology certified by an actuary.

1366 (II) The employee must transfer a sum representing the net
1367 cost owed for the actuarial accrued liability in sub-sub-
1368 subparagraph (I) immediately following the time of such
1369 movement, determined assuming that attained service equals the
1370 sum of service in the pension plan ~~defined benefit program~~ and
1371 the period of withdrawal.

1372 (j) Except as may otherwise be provided, a ~~any~~ member of
1373 the Senior Management Service Class may purchase additional
1374 retirement credit in such class for creditable service within
1375 the purview of the Senior Management Service Class retroactive
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1376 to February 1, 1987, and may upgrade retirement credit for such
1377 service, to the extent of 2 percent of the member's average
1378 monthly compensation as specified in paragraph (4) (d) for such
1379 service. Contributions for upgrading the additional Senior
1380 Management Service credit pursuant to this paragraph shall be
1381 equal to the difference in the employer and, if applicable,
1382 employee contributions paid and the Senior Management Service
1383 Class contribution rate as a percentage of gross salary in
1384 effect for the period being claimed, plus interest thereon at
1385 the rate of 6.5 percent a year, compounded annually until the
1386 date of payment. This service credit may be purchased by the
1387 employer on behalf of the member.

1388 (3)

1389 (b) The employer paying the salary of a member of the
1390 Senior Management Service Class shall contribute an amount as
1391 specified in this section or s. 121.71, as appropriate, which
1392 shall constitute the entire employer retirement contribution
1393 with respect to such member. The employer shall also withhold
1394 one-half of the entire contribution of the member required for
1395 social security coverage. Effective July 1, 2011, each member
1396 shall pay employee contributions as specified in s. 121.71.

1397 (c) Upon termination of employment from all participating
1398 employers for 3 calendar months for any reason other than
1399 retirement pursuant to s. 121.021(39) (c), a member may receive a
1400 refund of all contributions he or she has made to the pension
1401 plan, subject to the restrictions otherwise provided in this
1402 chapter. Partial refunds are not permitted. The refund shall not
1403 include any interest earnings on the contributions for a member

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1404 of the pension plan. Employer contributions made on behalf of
1405 the member are not refundable. A member may not receive a refund
1406 of employee contributions if a pending or an approved qualified
1407 domestic relations order is filed against the member's
1408 retirement account. By obtaining a refund of contributions, a
1409 member waives all rights under the Florida Retirement System and
1410 the health insurance subsidy provided under s. 112.363 to the
1411 service credit represented by the refunded contributions, except
1412 the right to purchase his or her prior service credit in
1413 accordance with s. 121.081(2).

1414 (6)

1415 (d) Contributions.—

1416 1. Through June 30, 2001, each employer shall contribute
1417 on behalf of each participant in the Senior Management Service
1418 Optional Annuity Program an amount equal to the normal cost
1419 portion of the employer retirement contribution which would be
1420 required if the participant were a Senior Management Service
1421 Class member of the Florida Retirement System pension plan
1422 ~~defined benefit program~~, plus the portion of the contribution
1423 rate required in s. 112.363(8) that would otherwise be assigned
1424 to the Retiree Health Insurance Subsidy Trust Fund. Effective
1425 July 1, 2001, each employer shall contribute on behalf of each
1426 participant in the optional program an amount equal to 12.49
1427 percent of the participant's gross monthly compensation. The
1428 department shall deduct an amount approved by the Legislature to
1429 provide for the administration of this program. The payment of
1430 the contributions to the optional program which is required by
1431 this subparagraph for each participant shall be made by the
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1432 employer to the department, which shall forward the
1433 contributions to the designated company or companies contracting
1434 for payment of benefits for the participant under the program.

1435 2. Each employer shall contribute on behalf of each
1436 participant in the Senior Management Service Optional Annuity
1437 Program an amount equal to the unfunded actuarial accrued
1438 liability portion of the employer contribution which would be
1439 required for members of the Senior Management Service Class in
1440 the Florida Retirement System. This contribution shall be paid
1441 to the department for transfer to the Florida Retirement System
1442 Trust Fund.

1443 3. An Optional Annuity Program Trust Fund shall be
1444 established in the State Treasury and administered by the
1445 department to make payments to provider companies on behalf of
1446 the optional annuity program participants, and to transfer the
1447 unfunded liability portion of the state optional annuity program
1448 contributions to the Florida Retirement System Trust Fund.

1449 4. Contributions required for social security by each
1450 employer and each participant, in the amount required for social
1451 security coverage as now or hereafter may be provided by the
1452 federal Social Security Act shall be maintained for each
1453 participant in the Senior Management Service retirement program
1454 and shall be in addition to the retirement contributions
1455 specified in this paragraph.

1456 5. Each participant in the Senior Management Service
1457 Optional Annuity Program may contribute by way of salary
1458 reduction or deduction a percentage amount of the participant's
1459 gross compensation not to exceed the percentage amount

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1460 contributed by the employer to the optional annuity program.
1461 Payment of the participant's contributions shall be made by the
1462 employer to the department, which shall forward the
1463 contributions to the designated company or companies contracting
1464 for payment of benefits for the participant under the program.

1465 (e) Benefits.—

1466 1. Benefits under the Senior Management Service Optional
1467 Annuity Program are payable only to participants in the program,
1468 or their beneficiaries as designated by the participant in the
1469 contract with the provider company, and must be paid by the
1470 designated company in accordance with the terms of the annuity
1471 contract applicable to the participant. A participant must be
1472 terminated from all employment relationships with Florida
1473 Retirement System employers as provided in s. 121.021(39) to
1474 begin receiving the employee-funded and employer-funded benefit.
1475 Benefits funded by employee and employer contributions are
1476 payable under the terms of the contract to the participant, his
1477 or her beneficiary, or his or her estate, in addition to:

1478 a. A lump-sum payment to the beneficiary upon the death of
1479 the participant;

1480 b. A cash-out of a de minimis account upon the request of
1481 a former participant who has been terminated for a minimum of 6
1482 calendar months from the employment that entitled him or her to
1483 optional annuity program participation. Such cash-out must be a
1484 complete liquidation of the account balance with that company
1485 and is subject to the Internal Revenue Code;

1486 c. A mandatory distribution of a de minimis account of a
1487 former participant who has been terminated for a minimum of 6
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1488 calendar months from the employment that entitled him or her to
1489 optional annuity program participation as authorized by the
1490 department; or

1491 d. A lump-sum direct rollover distribution whereby all
1492 accrued benefits, plus interest and investment earnings, are
1493 paid from the participant's account directly to the custodian of
1494 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
1495 the Internal Revenue Code, on behalf of the participant.

1496 2. Under the Senior Management Service Optional Annuity
1497 Program, benefits are not payable for employee hardships,
1498 unforeseeable emergencies, loans, medical expenses, educational
1499 expenses, purchase of a principal residence, payments necessary
1500 to prevent eviction or foreclosure on an employee's principal
1501 residence, or any other reason prior to termination from all
1502 employment relationships with participating employers, as
1503 provided in s. 121.021(39).

1504 ~~3.2.~~ The benefits payable to any person under the Senior
1505 Management Service Optional Annuity Program, and any
1506 contribution accumulated under such program, are not subject to
1507 assignment, execution, or attachment or to any legal process
1508 whatsoever.

1509 ~~4.3.~~ Except as provided in subparagraph ~~5.~~ ~~4.~~, a
1510 participant who terminates employment and receives a
1511 distribution, including a rollover or trustee-to-trustee
1512 transfer, funded by employer contributions shall be deemed to be
1513 retired from a state-administered retirement system if the
1514 participant is subsequently employed with an employer that
1515 participates in the Florida Retirement System.

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1516 ~~5.4.~~ A participant who receives optional annuity program
1517 benefits funded by employee and employer contributions as a
1518 mandatory distribution of a de minimis account authorized by the
1519 department is not considered a retiree.

1520
1521 As used in this paragraph, a "de minimis account" means an
1522 account with a provider company containing employee and employer
1523 contributions and accumulated earnings of not more than \$5,000
1524 made under this chapter.

1525 Section 10. Subsections (2) and (5) and paragraph (c) of
1526 subsection (6) of section 121.071, Florida Statutes, are
1527 amended, present paragraph (d) of subsection (6) is redesignated
1528 as paragraph (e), and a new paragraph (d) is added to that
1529 subsection, to read:

1530 121.071 Contributions.—Contributions to the system shall
1531 be made as follows:

1532 (2) (a) Effective January 1, 1975, or October 1, 1975, as
1533 applicable, and through June 30, 2011, each employer shall
1534 accomplish the contribution required by subsection (1) by a
1535 procedure in which no employee's gross salary shall be reduced.
1536 Effective July 1, 2011, each employee and employer shall pay
1537 retirement contributions as specified in s. 121.71.

1538 (b) Upon termination of employment from all participating
1539 employers for 3 calendar months for any reason other than
1540 retirement pursuant to s. 121.021(39)(c), a member may receive
1541 ~~shall be entitled to a full~~ refund of all ~~the~~ contributions he
1542 or she has made to the pension prior or subsequent to
1543 ~~participation in the noncontributory~~ plan, subject to the

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1544 restrictions otherwise provided in this chapter. Partial refunds
1545 are not permitted. The refund shall not include any interest
1546 earnings on the contributions for a member of the pension plan.
1547 Employer contributions made on behalf of the member are not
1548 refundable. A member may not receive a refund of employee
1549 contributions if a pending or an approved qualified domestic
1550 relations order is filed against his or her retirement account.
1551 By obtaining a refund of contributions, a member waives all
1552 rights under the Florida Retirement System and the health
1553 insurance subsidy to the service credit represented by the
1554 refunded contributions, except the right to purchase his or her
1555 prior service credit in accordance with s. 121.081(2).

1556 (5) Contributions made in accordance with subsections (1),
1557 (2), (3), and (4), and s. 121.71 shall be paid ~~by the employer~~
1558 into the system trust funds in accordance with rules adopted by
1559 the administrator pursuant to chapter 120, except as may be
1560 otherwise specified herein. Effective July 1, 2002,
1561 contributions paid under subsections (1) and (4) and
1562 accompanying payroll data are due and payable no later than the
1563 5th working day of the month immediately following the month
1564 during which the payroll period ended.

1565 (6)

1566 (c) By obtaining a refund of contributions, a member
1567 waives all rights under the Florida Retirement System and the
1568 health insurance subsidy as provided in s. 112.363 to the
1569 service credit represented by the refunded contributions, except
1570 the right to purchase his or her prior service credit in
1571 accordance with s. 121.081(2).

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1572 (d) If a member or former member of the pension plan
1573 receives an invalid refund from the Florida Retirement System
1574 Trust Fund, such person must repay the full amount of the
1575 invalid refund, plus interest at 6.5 percent compounded annually
1576 on each June 30 from the date of refund until full payment is
1577 made to the trust fund. The invalid refund must be repaid before
1578 the member retires or, if applicable, transfers to the
1579 investment plan.

1580 Section 11. Paragraphs (b) and (c) of subsection (1) and
1581 subsection (2) of section 121.081, Florida Statutes, are amended
1582 to read:

1583 121.081 Past service; prior service; contributions.—
1584 Conditions under which past service or prior service may be
1585 claimed and credited are:

1586 (1)

1587 (b) Past service earned after January 1, 1975, may be
1588 claimed by officers or employees of a municipality, metropolitan
1589 planning organization, charter school, charter technical career
1590 center, or special district who become a covered group under
1591 this system. The governing body of a covered group may elect to
1592 provide benefits for past service earned after January 1, 1975,
1593 in accordance with this chapter, and the cost for such past
1594 service is established by applying the following formula: The
1595 employer shall contribute an amount equal to the employer
1596 contribution rate in effect at the time the service was earned
1597 and, if applicable, the employee contribution rate, multiplied
1598 by the employee's gross salary for each year of past service
1599 claimed, plus 6.5-percent interest thereon, compounded annually,
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1600 figured on each year of past service, with interest compounded
1601 from date of annual salary earned until date of payment.

1602 (c) If an employer joins the Florida Retirement System
1603 prior to July 1, 2011, and does ~~Should the employer~~ not elect to
1604 provide past service for the member at the time of joining, then
1605 the member may claim and pay for the service as provided in
1606 ~~same, based on~~ paragraphs (a) and (b).

1607 (2) Prior service, as defined in s. 121.021(19), may be
1608 claimed as creditable service under the Florida Retirement
1609 System after a member has been reemployed for 1 complete year of
1610 creditable service ~~within a period of 12 consecutive months,~~
1611 except as provided in paragraph (c). Service performed as a
1612 participant of the optional retirement program for the State
1613 University System under s. 121.35 or the Senior Management
1614 Service Optional Annuity Program under s. 121.055 may be used to
1615 satisfy the reemployment requirement of 1 complete year of
1616 creditable service. The member shall not be permitted to make
1617 any contributions for prior service until after completion of
1618 the 1 year of creditable service. If a member does not wish to
1619 claim credit for all of his or her prior service, the service
1620 the member claims must be the most recent period of service. The
1621 required contributions for claiming the various types of prior
1622 service are:

1623 (a) For prior service performed prior to the date the
1624 system becomes noncontributory for the member and for which the
1625 member had credit under one of the existing retirement systems
1626 and received a refund of contributions upon termination of
1627 employment, the member shall contribute 4 percent of all salary
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1628 received during the period being claimed, plus 4-percent
1629 interest compounded annually from date of refund until July 1,
1630 1975, and 6.5-percent interest compounded annually thereafter,
1631 until full payment is made to the Retirement Trust Fund, and
1632 shall receive credit in the Regular Class. A member who elected
1633 to transfer to the Florida Retirement System from an existing
1634 system may receive credit for prior service under the existing
1635 system if he or she was eligible under the existing system to
1636 claim the prior service at the time of the transfer.

1637 Contributions for such prior service shall be determined by the
1638 applicable provisions of the system under which the prior
1639 service is claimed and shall be paid by the member, with
1640 matching contributions paid by the employer at the time the
1641 service was performed. Effective July 1, 1978, the account of a
1642 person who terminated under s. 238.05(3) may not be charged
1643 interest for contributions that remained on deposit in the
1644 Annuity Savings Trust Fund established under chapter 238, upon
1645 retirement under this chapter or chapter 238.

1646 (b) For prior service performed prior to the date the
1647 system becomes noncontributory for the member and for which the
1648 member had credit under the Florida Retirement System and
1649 received a refund of contributions upon termination of
1650 employment, the member shall contribute at the rate that was
1651 required of him or her during the period of service being
1652 claimed, on all salary received during such period, plus 4-
1653 percent interest compounded annually from date of refund until
1654 July 1, 1975, and 6.5-percent interest compounded annually
1655 thereafter, until the full payment is made to the Retirement

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1656 Trust Fund, and shall receive credit in the membership class in
1657 which the member participated during the period claimed.

1658 (c) For prior service as defined in s. 121.021(19) (b) and
1659 (c) during which no contributions were made because the member
1660 did not participate in a retirement system, the member shall
1661 contribute 14.38 percent of all salary received during such
1662 period or 14.38 percent of \$100 per month during such period,
1663 whichever is greater, plus 4-percent interest compounded
1664 annually from the first year of service claimed until July 1,
1665 1975, and 6.5-percent interest compounded annually thereafter,
1666 until full payment is made to the Retirement Trust Fund, and
1667 shall receive credit in the Regular Class.

1668 (d) In order to claim credit for prior service as defined
1669 in s. 121.021(19) (d) for which no retirement contributions were
1670 paid during the period of such service, the member shall
1671 contribute the total employee and employer contributions which
1672 were required to be made to the Highway Patrol Pension Trust
1673 Fund, as provided in chapter 321, during the period claimed,
1674 plus 4-percent interest compounded annually from the first year
1675 of service until July 1, 1975, and 6.5-percent interest
1676 compounded annually thereafter, until full payment is made to
1677 the Retirement Trust Fund. However, any governmental entity that
1678 ~~which~~ employed such member may elect to pay up to 50 percent of
1679 the contributions and interest required to purchase the ~~this~~
1680 prior service credit. The service shall be credited in
1681 accordance with the provisions of the Highway Patrol Pension
1682 Plan in effect during the period claimed unless the member
1683 terminated and withdrew his or her retirement contributions and
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1684 was thereafter enrolled in the State and County Officers and
1685 Employees' Retirement System or the Florida Retirement System,
1686 in which case the service shall be credited as Regular Class
1687 service.

1688 (e) For service performed under the Florida Retirement
1689 System after December 1, 1970, that was never reported to the
1690 division or the department due to error, retirement credit may
1691 be claimed by a member of the Florida Retirement System. The
1692 department shall adopt rules establishing criteria for claiming
1693 such credit and detailing the documentation required to
1694 substantiate the error.

1695 (f) For prior service performed on or after July 1, 2011,
1696 for which the member had credit under the Florida Retirement
1697 System and received a refund of contributions upon termination
1698 of employment for 3 calendar months, the member shall contribute
1699 at the rate that was required of him or her during the period of
1700 service being claimed, plus 6.5 percent interest, compounded
1701 annually on each June 30 from date of refund until the full
1702 payment is made to the Florida Retirement System Trust Fund, and
1703 shall receive credit in the membership class in which the member
1704 participated during the period claimed.

1705 (g)~~(f)~~ The employer may not ~~be required to~~ make
1706 contributions for prior service credit for any member, except
1707 that the employer shall pay the employer portion of
1708 contributions for any legislator who elects to withdraw from the
1709 Florida Retirement System and later rejoins the system and pays
1710 any employee contributions required in accordance with s.
1711 121.052(3)(d).

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1712 Section 12. Subsection (1), paragraph (a) of subsection
1713 (3), paragraphs (a) and (c) of subsection (5), paragraph (d) of
1714 subsection (9), and paragraph (a) of subsection (13) of section
1715 121.091, Florida Statutes, are amended, and paragraph (1) is
1716 added to subsection (13) of that section, to read:

1717 121.091 Benefits payable under the system.—Benefits may
1718 not be paid under this section unless the member has terminated
1719 employment as provided in s. 121.021(39)(a) or begun
1720 participation in the Deferred Retirement Option Program as
1721 provided in subsection (13), and a proper application has been
1722 filed in the manner prescribed by the department. The department
1723 may cancel an application for retirement benefits when the
1724 member or beneficiary fails to timely provide the information
1725 and documents required by this chapter and the department's
1726 rules. The department shall adopt rules establishing procedures
1727 for application for retirement benefits and for the cancellation
1728 of such application when the required information or documents
1729 are not received.

1730 (1) NORMAL RETIREMENT BENEFIT.—Upon attaining his or her
1731 normal retirement date, the member, upon application to the
1732 administrator, shall receive a monthly benefit which shall begin
1733 to accrue on the first day of the month of retirement and be
1734 payable on the last day of that month and each month thereafter
1735 during his or her lifetime. The normal retirement benefit,
1736 including any past or additional retirement credit, may not
1737 exceed 100 percent of the average final compensation. The amount
1738 of monthly benefit shall be calculated as the product of A and

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1739 B, subject to the adjustment of C, if applicable, as set forth
1740 below:

1741 (a)1. For creditable years of Regular Class service, A is
1742 1.60 percent of the member's average final compensation, up to
1743 the member's normal retirement date. Upon completion of the
1744 first year after the normal retirement date, A is 1.63 percent
1745 of the member's average final compensation. Following the second
1746 year after the normal retirement date, A is 1.65 percent of the
1747 member's average final compensation. Following the third year
1748 after the normal retirement date, and for subsequent years, A is
1749 1.68 percent of the member's average final compensation.

1750 2. For creditable years of special risk service, A is:

1751 a. Two percent of the member's average final compensation
1752 for all creditable years prior to October 1, 1974.~~†~~

1753 b. Three percent of the member's average final
1754 compensation for all creditable years after September 30, 1974,
1755 and before October 1, 1978.~~†~~

1756 c. Two percent of the member's average final compensation
1757 for all creditable years after September 30, 1978, and before
1758 January 1, 1989.~~†~~

1759 d. Two and two-tenths percent of the member's final
1760 monthly compensation for all creditable years after December 31,
1761 1988, and before January 1, 1990.~~†~~

1762 e. Two and four-tenths percent of the member's average
1763 final compensation for all creditable years after December 31,
1764 1989, and before January 1, 1991.~~†~~

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1765 f. Two and six-tenths percent of the member's average
1766 final compensation for all creditable years after December 31,
1767 1990, and before January 1, 1992.~~†~~

1768 g. Two and eight-tenths percent of the member's average
1769 final compensation for all creditable years after December 31,
1770 1991, and before January 1, 1993.~~†~~

1771 h. Three percent of the member's average final
1772 compensation for all creditable years after December 31, 1992.~~†~~
1773 and

1774 i. Three percent of the member's average final
1775 compensation for all creditable years of service after September
1776 30, 1978, and before January 1, 1993, for any special risk
1777 member who retires after July 1, 2000, or any member of the
1778 Special Risk Administrative Support Class entitled to retain the
1779 special risk normal retirement date who was a member of the
1780 Special Risk Class during the time period and who retires after
1781 July 1, 2000.

1782 3. For creditable years of Senior Management Service Class
1783 service after January 31, 1987, A is 2 percent.~~†~~

1784 4. For creditable years of Elected Officers' Class service
1785 as a Supreme Court Justice, district court of appeal judge,
1786 circuit judge, or county court judge, A is 3 1/3 percent of the
1787 member's average final compensation, and for all other
1788 creditable service in such class, A is 3 percent of average
1789 final compensation.~~†~~

1790 (b) B is the number of the member's years and any
1791 fractional part of a year of creditable service earned
1792 subsequent to November 30, 1970.~~†~~ and

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1793 (c) C is the normal retirement benefit credit brought
1794 forward as of November 30, 1970, by a former member of an
1795 existing system. Such normal retirement benefit credit shall be
1796 determined as the product of X and Y when X is the percentage of
1797 average final compensation which the member would have been
1798 eligible to receive if the member had attained his or her normal
1799 retirement date as of November 30, 1970, all in accordance with
1800 the existing system under which the member is covered on
1801 November 30, 1970, and Y is average final compensation as
1802 defined in s. 121.021(24). However, any member of an existing
1803 retirement system who is eligible to retire and who does retire,
1804 become disabled, or die prior to April 15, 1971, may have his or
1805 her retirement benefits calculated on the basis of the best 5 of
1806 the last 10 years of service.

1807 (d) A member's average final compensation shall be
1808 determined by formula to obtain the coverage for the 5 highest
1809 fiscal years' salaries, calculated as provided by rule.

1810 (3) EARLY RETIREMENT BENEFIT.—Upon retirement on his or
1811 her early retirement date, the member shall receive an immediate
1812 monthly benefit that shall begin to accrue on the first day of
1813 the month of the retirement date and be payable on the last day
1814 of that month and each month thereafter during his or her
1815 lifetime. Such benefit shall be calculated as follows:

1816 (a) 1. For a member initially enrolled before July 1, 2011,
1817 the amount of each monthly payment shall be computed in the same
1818 manner as for a normal retirement benefit, in accordance with
1819 subsection (1), but shall be based on the member's average
1820 monthly compensation and creditable service as of the member's
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1821 early retirement date. The benefit so computed shall be reduced
1822 by five-twelfths of 1 percent for each complete month by which
1823 the early retirement date precedes the normal retirement date of
1824 age 62 for a member of the Regular Class, Senior Management
1825 Service Class, or the Elected Officers' Class, and age 55 for a
1826 member of the Special Risk Class, or age 52 if a Special Risk
1827 member has completed 25 years of creditable service in
1828 accordance with s. 121.021(29)(b)1.c. ~~121.021(29)(b)3.~~

1829 2. For a member initially enrolled on or after July 1,
1830 2011, the amount of each monthly payment shall be computed in
1831 the same manner as for a normal retirement benefit, in
1832 accordance with subsection (1), but shall be based on the
1833 member's average monthly compensation and creditable service as
1834 of the member's early retirement date. The benefit so computed
1835 shall be reduced by five-twelfths of 1 percent for each complete
1836 month by which the early retirement date precedes the normal
1837 retirement date of age 65 for a member of the Regular Class,
1838 Senior Management Service Class, or the Elected Officers' Class,
1839 and age 60 for a member of the Special Risk Class, or age 57 if
1840 a Special Risk member has completed 30 years of creditable
1841 service in accordance with s. 121.021(29)(b)2.c.

1842 (5) TERMINATION BENEFITS.—A member whose employment is
1843 terminated prior to retirement retains membership rights to
1844 previously earned member-noncontributory service credit, and to
1845 member-contributory service credit, if the member leaves the
1846 member contributions on deposit in his or her retirement
1847 account. If a terminated member receives a refund of member
1848 contributions, such member may reinstate membership rights to

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1849 the previously earned service credit represented by the refund
1850 by completing 1 year of creditable service and repaying the
1851 refunded member contributions, plus interest.

1852 (a) A member whose employment is terminated for any reason
1853 other than death or retirement prior to becoming vested is
1854 entitled to the return of his or her accumulated contributions
1855 as of the date of termination. Effective July 1, 2011, upon
1856 termination of employment from all participating employers for 3
1857 calendar months for any reason other than retirement pursuant to
1858 s. 121.021(39)(c), a member may receive a refund of all
1859 contributions he or she has made to the pension plan, subject to
1860 the restrictions otherwise provided in this chapter. Partial
1861 refunds are not permitted. The refund shall not include any
1862 interest earnings on the contributions for a member of the
1863 pension plan. Employer contributions made on behalf of the
1864 member are not refundable. A member may not receive a refund of
1865 employee contributions if a pending or an approved qualified
1866 domestic relations order is filed against his or her retirement
1867 account. By obtaining a refund of contributions, a member waives
1868 all rights under the Florida Retirement System and the health
1869 insurance subsidy to the service credit represented by the
1870 refunded contributions, except the right to purchase his or her
1871 prior service credit in accordance with s. 121.081(2).

1872 (c) In lieu of the deferred monthly benefit provided in
1873 paragraph (b), the terminated member may elect to receive a
1874 lump-sum amount equal to his or her accumulated contributions as
1875 of the date of termination. Effective July 1, 2011, upon
1876 termination of employment from all participating employers for 3

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1877 calendar months for any reason other than retirement pursuant to
1878 s. 121.021(39)(c), a member may receive a refund of all
1879 contributions he or she has made to the pension plan, subject to
1880 the restrictions otherwise provided in this chapter. Partial
1881 refunds are not permitted. The refund shall not include any
1882 interest earnings on the contributions for a member of the
1883 pension plan. Employer contributions made on behalf of the
1884 member are not refundable. A member may not receive a refund of
1885 employee contributions if a pending or an approved qualified
1886 domestic relations order is filed against his or her retirement
1887 account. By obtaining a refund of contributions, a member waives
1888 all rights under the Florida Retirement System and the health
1889 insurance subsidy to the service credit represented by the
1890 refunded contributions, except the right to purchase his or her
1891 prior service credit in accordance with s. 121.081(2).

1892 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

1893 (d) The provisions of this subsection apply to retirees,
1894 as defined in s. 121.4501(2), of the investment plan ~~Public~~
1895 ~~Employee Optional Retirement Program~~, subject to the following
1896 conditions:

1897 1. A retiree ~~The retirees~~ may not be reemployed with an
1898 employer participating in the Florida Retirement System until
1899 such person has been retired for 6 calendar months.

1900 2. A retiree employed in violation of this subsection and
1901 an employer that employs or appoints such person are jointly and
1902 severally liable for reimbursement of any benefits paid to the
1903 retirement trust fund from which the benefits were paid,
1904 including the Florida Retirement System Trust Fund and the
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1905 Florida Retirement System Investment Plan ~~Public Employee~~
1906 ~~Optional Retirement Program~~ Trust Fund, as appropriate. The
1907 employer must have a written statement from the retiree that he
1908 or she is not retired from a state-administered retirement
1909 system.

1910 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
1911 subject to this section, the Deferred Retirement Option Program,
1912 hereinafter referred to as DROP, is a program under which an
1913 eligible member of the Florida Retirement System may elect to
1914 participate, deferring receipt of retirement benefits while
1915 continuing employment with his or her Florida Retirement System
1916 employer. The deferred monthly benefits shall accrue in the
1917 Florida Retirement System on behalf of the participant, plus
1918 interest compounded monthly, for the specified period of the
1919 DROP participation, as provided in paragraph (c). Upon
1920 termination of employment, the participant shall receive the
1921 total DROP benefits and begin to receive the previously
1922 determined normal retirement benefits. Participation in the DROP
1923 does not guarantee employment for the specified period of DROP.
1924 Participation in DROP by an eligible member beyond the initial
1925 60-month period as authorized in this subsection shall be on an
1926 annual contractual basis for all participants.

1927 (a) Eligibility of member to participate in DROP.—All
1928 active Florida Retirement System members in a regularly
1929 established position, and all active members of the Teachers'
1930 Retirement System established in chapter 238 or the State and
1931 County Officers' and Employees' Retirement System established in
1932 chapter 122, which are consolidated within the Florida

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1933 Retirement System under s. 121.011, are eligible to elect
1934 participation in DROP if:

1935 1. The member is not a renewed member under s. 121.122 or
1936 a member of the State Community College System Optional
1937 Retirement Program under s. 121.051, the Senior Management
1938 Service Optional Annuity Program under s. 121.055, or the
1939 optional retirement program for the State University System
1940 under s. 121.35.

1941 2. Except as provided in subparagraph 6., election to
1942 participate is made within 12 months immediately following the
1943 date on which the member first reaches normal retirement date,
1944 or, for a member who reaches normal retirement date based on
1945 service before he or she reaches age 62, or age 55 for Special
1946 Risk Class members, election to participate may be deferred to
1947 the 12 months immediately following the date the member attains
1948 age 57, or age 52 for Special Risk Class members. A member who
1949 delays DROP participation during the 12-month period immediately
1950 following his or her maximum DROP deferral date, except as
1951 provided in subparagraph 6., loses a month of DROP participation
1952 for each month delayed. A member who fails to make an election
1953 within the 12-month limitation period forfeits all rights to
1954 participate in DROP. The member shall advise his or her employer
1955 and the division in writing of the date DROP begins. The
1956 beginning date may be subsequent to the 12-month election period
1957 but must be within the original 60-month participation period
1958 provided in subparagraph (b)1. When establishing eligibility of
1959 the member to participate in DROP, the member may elect to
1960 include or exclude any optional service credit purchased by the
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1961 member from the total service used to establish the normal
1962 retirement date. A member who has dual normal retirement dates
1963 is eligible to elect to participate in DROP after attaining
1964 normal retirement date in either class.

1965 3. The employer of a member electing to participate in
1966 DROP, or employers if dually employed, shall acknowledge in
1967 writing to the division the date the member's participation in
1968 DROP begins and the date the member's employment and DROP
1969 participation will terminate.

1970 4. Simultaneous employment of a participant by additional
1971 Florida Retirement System employers subsequent to the
1972 commencement of participation in DROP is permissible if such
1973 employers acknowledge in writing a DROP termination date no
1974 later than the participant's existing termination date or the
1975 maximum participation period provided in subparagraph (b)1.

1976 5. A DROP participant may change employers while
1977 participating in DROP, subject to the following:

1978 a. A change of employment must take place without a break
1979 in service so that the member receives salary for each month of
1980 continuous DROP participation. If a member receives no salary
1981 during a month, DROP participation shall cease unless the
1982 employer verifies a continuation of the employment relationship
1983 for such participant pursuant to s. 121.021(39)(b).

1984 b. Such participant and new employer shall notify the
1985 division of the identity of the new employer on forms required
1986 by the division.

1987 c. The new employer shall acknowledge, in writing, the
1988 participant's DROP termination date, which may be extended but
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1989 not beyond the maximum participation period provided in
1990 subparagraph (b)1., shall acknowledge liability for any
1991 additional retirement contributions and interest required if the
1992 participant fails to timely terminate employment, and is subject
1993 to the adjustment required in sub-subparagraph (c)5.d.

1994 6. Effective July 1, 2001, for instructional personnel as
1995 defined in s. 1012.01(2), election to participate in DROP may be
1996 made at any time following the date on which the member first
1997 reaches normal retirement date. The member shall advise his or
1998 her employer and the division in writing of the date on which
1999 DROP begins. When establishing eligibility of the member to
2000 participate in DROP for the 60-month participation period
2001 provided in subparagraph (b)1., the member may elect to include
2002 or exclude any optional service credit purchased by the member
2003 from the total service used to establish the normal retirement
2004 date. A member who has dual normal retirement dates is eligible
2005 to elect to participate in either class.

2006 7. The effective date of DROP participation of a DROP
2007 participant is prior to July 1, 2011.

2008 (1) Closure of program to new participants.-Effective July
2009 1, 2011, DROP is closed to new participants. Only members whose
2010 DROP effective date is prior to July 1, 2011, may participate in
2011 DROP.

2012 Section 13. Subsection (1) of section 121.121, Florida
2013 Statutes, is amended to read:

2014 121.121 Authorized leaves of absence.-

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2015 (1) A member may purchase creditable service for up to 2
2016 work years of authorized leaves of absence, including any leaves
2017 of absence covered under the Family Medical Leave Act, if:

2018 (a) The member has completed a minimum of 6 years of
2019 creditable service, excluding periods for which a leave of
2020 absence was authorized;

2021 (b) The leave of absence is authorized in writing by the
2022 employer of the member and approved by the administrator;

2023 (c) The member returns to active employment performing
2024 service with a Florida Retirement System employer in a regularly
2025 established position immediately upon termination of the leave
2026 of absence and remains on the employer's payroll for 1 calendar
2027 month, except that a member who retires on disability while on a
2028 medical leave of absence may ~~shall~~ not be required to return to
2029 employment. A member whose work year is less than 12 months and
2030 whose leave of absence terminates between school years is
2031 eligible to receive credit for the leave of absence if ~~as long~~
2032 ~~as~~ he or she returns to the employment of his or her employer at
2033 the beginning of the next school year and remains on the
2034 employer's payroll for 1 calendar month; and

2035 (d) The member makes the required contributions for
2036 service credit during the leave of absence, which shall be 8
2037 percent until January 1, 1975, and 9 percent thereafter of his
2038 or her rate of monthly compensation in effect immediately prior
2039 to the commencement of such leave for each month of such period,
2040 plus 4 percent interest until July 1, 1975, and 6.5 percent
2041 interest thereafter on such contributions, compounded annually
2042 each June 30 from the due date of the contribution to date of
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2043 payment. Effective July 1, 1980, any leave of absence purchased
2044 pursuant to this section shall be at the contribution rates
2045 specified in s. 121.071 or s. 121.71 in effect at the time the
2046 leave is granted for the class of membership from which the
2047 leave of absence was granted; however, any member who purchased
2048 leave-of-absence credit prior to July 1, 1980, for a leave of
2049 absence from a position in a class other than the regular
2050 membership class, may pay the appropriate additional
2051 contributions plus compound interest thereon and receive
2052 creditable service for such leave of absence in the membership
2053 class from which the member was granted the leave of absence.

2054
2055 Effective July 1, 2011, any leave of absence purchased by the
2056 member pursuant to this section shall be at the employee and
2057 employer contribution rates specified in s. 121.71 in effect
2058 during the leave for the class of membership from which the
2059 leave of absence was granted.

2060 Section 14. Section 121.125, Florida Statutes, is amended
2061 to read:

2062 121.125 Credit for workers' compensation payment periods.—
2063 A member of the retirement system created by this chapter who
2064 has been eligible or becomes eligible to receive workers'
2065 compensation payments for an injury or illness occurring during
2066 his or her employment while a member of any state retirement
2067 system shall, upon return to active employment with a covered
2068 employer for 1 calendar month or upon approval for disability
2069 retirement in accordance with s. 121.091(4), receive full
2070 retirement credit for the period prior to such return to active
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2071 employment or disability retirement for which the workers'
2072 compensation payments were received. However, a ~~ne~~ member may
2073 not receive retirement credit for any such period occurring
2074 after the earlier of the date of maximum medical improvement as
2075 defined in s. 440.02 or the date termination has occurred as
2076 defined in s. 121.021(39). The employer of record at the time of
2077 the worker's compensation injury or illness shall make the
2078 required employee and employer retirement contributions based on
2079 the member's rate of monthly compensation immediately prior to
2080 his or her receiving workers' compensation payments for
2081 retirement credit received by the member. The employer of record
2082 at the time of the workers' compensation injury or illness shall
2083 be assessed by the division a penalty of 1 percent of the
2084 contributions on all contributions not paid on the first payroll
2085 report after the member becomes eligible to receive credit. This
2086 delinquent assessment may not be waived.

2087 Section 15. Section 121.161, Florida Statutes, is
2088 reenacted to read:

2089 121.161 References to other laws include amendments.—
2090 References in this chapter to state or federal laws or
2091 agreements are intended to include such laws as they now exist
2092 or may hereafter be amended.

2093 Section 16. Paragraphs (g) and (i) of subsection (3),
2094 paragraph (a) of subsection (4), and subsection (5) of section
2095 121.35, Florida Statutes, are amended to read:

2096 121.35 Optional retirement program for the State
2097 University System.—

2098 (3) ELECTION OF OPTIONAL PROGRAM.—

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2099 (g) An eligible employee who is a member of the Florida
2100 Retirement System at the time of election to participate in the
2101 optional retirement program shall retain all retirement service
2102 credit earned under the Florida Retirement System, at the rate
2103 earned. ~~No~~ Additional service credit in the Florida Retirement
2104 System may not ~~shall~~ be earned while the employee participates
2105 in the optional program, and ~~nor shall~~ the employee is not ~~be~~
2106 eligible for disability retirement under the Florida Retirement
2107 System. An eligible employee may transfer from the Florida
2108 Retirement System to his or her accounts under the State
2109 University System Optional Retirement Program a sum representing
2110 the present value of the employee's accumulated benefit
2111 obligation under ~~the defined benefit program of~~ the Florida
2112 Retirement System pension plan for any service credit accrued
2113 from the employee's first eligible transfer date to the optional
2114 retirement program through the actual date of such transfer, if
2115 such service credit was earned ~~in the period~~ from July 1, 1984,
2116 through December 31, 1992. The present value of the employee's
2117 accumulated benefit obligation shall be calculated as described
2118 in s. 121.4501(3) ~~(e)2~~. Upon ~~such~~ transfer, all ~~such~~ service
2119 credit ~~previously~~ earned under the ~~defined benefit program of~~
2120 ~~the~~ Florida Retirement System pension plan during this period is
2121 ~~shall be~~ nullified for purposes of entitlement to a future
2122 benefit under the ~~defined benefit program of~~ the Florida
2123 Retirement System pension plan.

2124 (i) Effective January 1, 2008, through December 31, 2008,
2125 except for an employee who is a mandatory participant of the
2126 State University System Optional Retirement Program, an employee
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2127 | who has elected to participate in the State University System
2128 | Optional Retirement Program shall have one opportunity, at the
2129 | employee's discretion, to choose to transfer from this program
2130 | to the ~~defined benefit program of the~~ Florida Retirement System
2131 | pension plan or to the investment plan ~~Public Employee Optional~~
2132 | ~~Retirement Program~~, subject to the terms of the applicable
2133 | contracts of the State University System Optional Retirement
2134 | Program.

2135 | 1. If the employee chooses to move to the investment plan
2136 | ~~Public Employee Optional Retirement Program~~, any contributions,
2137 | interest, and earnings creditable to the employee under the
2138 | State University System Optional Retirement Program must ~~shall~~
2139 | be retained by the employee in the State University System
2140 | Optional Retirement Program, and the applicable provisions of s.
2141 | 121.4501(4) shall govern the election.

2142 | 2. If the employee chooses to move to the pension plan
2143 | ~~defined benefit program~~ of the Florida Retirement System, the
2144 | employee shall receive service credit equal to his or her years
2145 | of service under the State University System Optional Retirement
2146 | Program.

2147 | a. The cost for such credit must be in ~~shall be~~ an amount
2148 | representing the actuarial accrued liability for the affected
2149 | period of service. The cost must ~~shall~~ be calculated using the
2150 | discount rate and other relevant actuarial assumptions that were
2151 | used to value the Florida Retirement System pension ~~defined~~
2152 | ~~benefit~~ plan liabilities in the most recent actuarial valuation.
2153 | The calculation must ~~shall~~ include any service already
2154 | maintained under the pension ~~defined benefit~~ plan in addition to
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2155 the years under the State University System Optional Retirement
2156 Program. The actuarial accrued liability of any service already
2157 maintained under the pension ~~defined benefit~~ plan must ~~shall~~ be
2158 applied as a credit to total cost resulting from the
2159 calculation. The division must ~~shall~~ ensure that the transfer
2160 sum is prepared using a formula and methodology certified by an
2161 enrolled actuary.

2162 b. The employee must transfer from his or her State
2163 University System Optional Retirement Program account, and from
2164 other employee moneys as necessary, a sum representing the
2165 actuarial accrued liability immediately following the time of
2166 such movement, determined assuming that attained service equals
2167 the sum of service in the pension plan ~~defined benefit program~~
2168 and service in the State University System Optional Retirement
2169 Program.

2170 (4) CONTRIBUTIONS.—

2171 (a) Through June 30, 2001, each employer shall contribute
2172 on behalf of each participant in the optional retirement program
2173 an amount equal to the normal cost portion of the employer
2174 retirement contribution which would be required if the
2175 participant were a regular member of the Florida Retirement
2176 System pension plan ~~defined benefit program~~, plus the portion of
2177 the contribution rate required in s. 112.363(8) that would
2178 otherwise be assigned to the Retiree Health Insurance Subsidy
2179 Trust Fund. Effective July 1, 2001, each employer shall
2180 contribute on behalf of each participant in the optional program
2181 an amount equal to 10.43 percent of the participant's gross
2182 monthly compensation. The department shall deduct an amount

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2183 approved by the Legislature to provide for the administration of
2184 this program. The payment of the contributions to the optional
2185 program which is required by this paragraph for each participant
2186 shall be made by the employer to the department, which shall
2187 forward the contributions to the designated company or companies
2188 contracting for payment of benefits for the participant under
2189 the program. However, such contributions paid on behalf of an
2190 employee described in paragraph (3)(c) shall not be forwarded to
2191 a company and shall not begin to accrue interest until the
2192 employee has executed a contract and notified the department.

2193 (5) BENEFITS.—

2194 (a) Benefits are payable under the optional retirement
2195 program only to vested participants in the program, or their
2196 beneficiaries as designated by the participant in the contract
2197 with a provider company, and such benefits shall be paid only by
2198 the designated company in accordance with s. 403(b) of the
2199 Internal Revenue Code and the terms of the annuity contract or
2200 contracts applicable to the participant. Benefits accrue in
2201 individual accounts that are participant-directed, portable, and
2202 funded by employer contributions and the earnings thereon. The
2203 participant must be terminated for 3 calendar months from all
2204 employment relationships with all Florida Retirement System
2205 employers, as provided in s. 121.021(39), to begin receiving the
2206 employer-funded benefit. Benefits funded by employer
2207 contributions are payable in accordance with the following terms
2208 and conditions:

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2209 1. Benefits shall be paid only to a participant, to his or
2210 her beneficiaries, or to his or her estate, as designated by the
2211 participant.

2212 2. Benefits shall be paid by the provider company or
2213 companies in accordance with the law, the provisions of the
2214 contract, and any applicable department rule or policy.

2215 3. In the event of a participant's death, moneys
2216 accumulated by, or on behalf of, the participant, less
2217 withholding taxes remitted to the Internal Revenue Service, if
2218 any, shall be distributed to the participant's designated
2219 beneficiary or beneficiaries, or to the participant's estate, as
2220 if the participant retired on the date of death, as provided in
2221 paragraph (d) ~~(e)~~. No other death benefits are available to
2222 survivors of participants under the optional retirement program
2223 except for such benefits, or coverage for such benefits, as are
2224 separately afforded by the employer, at the employer's
2225 discretion.

2226 (b) Under the optional retirement program, benefits are
2227 not payable for employee hardships, unforeseeable emergencies,
2228 loans, medical expenses, educational expenses, purchase of a
2229 principal residence, payments necessary to prevent eviction or
2230 foreclosure on an employee's principal residence, or any other
2231 reason prior to termination from all employment relationships
2232 with participating employers, as provided in s. 121.021(39).

2233 (c) ~~(b)~~ Upon receipt by the provider company of a properly
2234 executed application for distribution of benefits, the total
2235 accumulated benefit shall be payable to the participant, as:

2236 1. A lump-sum distribution to the participant;

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2237 2. A lump-sum direct rollover distribution whereby all
2238 accrued benefits, plus interest and investment earnings, are
2239 paid from the participant's account directly to an eligible
2240 retirement plan, as defined in s. 402(c)(8)(B) of the Internal
2241 Revenue Code, on behalf of the participant;

2242 3. Periodic distributions;

2243 4. A partial lump-sum payment whereby a portion of the
2244 accrued benefit is paid to the participant and the remaining
2245 amount is transferred to an eligible retirement plan, as defined
2246 in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of
2247 the participant; or

2248 5. Such other distribution options as are provided for in
2249 the participant's optional retirement program contract.

2250 (d)~~(e)~~ Survivor benefits shall be payable as:

2251 1. A lump-sum distribution payable to the beneficiaries or
2252 to the deceased participant's estate;

2253 2. An eligible rollover distribution on behalf of the
2254 surviving spouse of a deceased participant, whereby all accrued
2255 benefits, plus interest and investment earnings, are paid from
2256 the deceased participant's account directly to an eligible
2257 retirement plan, as described in s. 402(c)(8)(B) of the Internal
2258 Revenue Code, on behalf of the surviving spouse;

2259 3. Such other distribution options as are provided for in
2260 the participant's optional retirement program contract; or

2261 4. A partial lump-sum payment whereby a portion of the
2262 accrued benefit is paid to the deceased participant's surviving
2263 spouse or other designated beneficiaries, less withholding taxes
2264 remitted to the Internal Revenue Service, if any, and the

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2265 remaining amount is transferred directly to an eligible
2266 retirement plan, as described in s. 402(c)(8)(B) of the Internal
2267 Revenue Code, on behalf of the surviving spouse. The proportions
2268 must be specified by the participant or the surviving
2269 beneficiary.

2270

2271 This paragraph does not abrogate other applicable provisions of
2272 state or federal law providing payment of death benefits.

2273 ~~(e)-(d)~~ The benefits payable to any person under the
2274 optional retirement program, and any contribution accumulated
2275 under such program, shall not be subject to assignment,
2276 execution, or attachment or to any legal process whatsoever.

2277 ~~(f)-(e)~~ A participant who chooses to receive his or her
2278 benefits must be terminated for 3 calendar months to be eligible
2279 to receive benefits funded by employer contributions. A
2280 participant upon termination as defined in s. 121.021 must
2281 notify the provider company of the date he or she wishes
2282 benefits funded by required employee and employer contributions
2283 to begin and must meet termination as defined in s. 121.021
2284 after the initial benefit payment or distribution. Benefits may
2285 be deferred until the participant chooses to make such
2286 application.

2287 ~~(g)-(f)~~ Benefits funded by the participant's voluntary
2288 personal contributions may be paid out at any time and in any
2289 form within the limits provided in the contract between the
2290 participant and his or her provider company. The participant
2291 shall notify the provider company regarding the date and

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2292 provisions under which he or she wants to receive the employee-
2293 funded portion of the plan.

2294 ~~(h)-(g)~~ For purposes of this section, "retiree" means a
2295 former participant of the optional retirement program who has
2296 terminated employment and has taken a distribution as provided
2297 in this subsection, except for a mandatory distribution of a de
2298 minimis account authorized by the department.

2299 Section 17. Section 121.4501, Florida Statutes, is amended
2300 to read:

2301 121.4501 Florida Retirement System Investment Plan ~~Public~~
2302 ~~Employee Optional Retirement Program.~~

2303 (1) The Trustees of the State Board of Administration
2304 shall establish a ~~an optional~~ defined contribution ~~retirement~~
2305 program called the "Florida Retirement System Investment Plan"
2306 or "investment plan" for members of the Florida Retirement
2307 System under which retirement benefits will be provided for
2308 eligible employees who elect to participate in the program. The
2309 retirement benefits ~~to be provided for or on behalf of~~
2310 ~~participants in such optional retirement program~~ shall be
2311 provided through member-directed ~~employee-directed~~ investments,
2312 in accordance with s. 401(a) of the Internal Revenue Code and
2313 ~~its~~ related regulations. The employer and members ~~employers~~
2314 shall make contributions ~~contribute~~, as provided in this section
2315 and ~~ss. 121.571,~~ and 121.71, to the Florida Retirement System
2316 Investment Plan ~~Public Employee Optional Retirement Program~~
2317 Trust Fund toward the funding of ~~such optional~~ benefits.

2318 (2) DEFINITIONS.—As used in this part, the term:

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2319 (a) "Approved provider" or "provider" means a private
2320 sector company that is selected and approved by the state board
2321 to offer one or more investment products or services to the
2322 investment plan ~~optional retirement program~~. The term includes a
2323 bundled provider that offers members ~~participants~~ a range of
2324 individually allocated or unallocated investment products and
2325 may offer a range of administrative and customer services, which
2326 may include accounting and administration of individual member
2327 ~~participant~~ benefits and contributions; individual member
2328 ~~participant~~ recordkeeping; asset purchase, control, and
2329 safekeeping; direct execution of the member's ~~participant's~~
2330 instructions as to asset and contribution allocation;
2331 calculation of daily net asset values; direct access to member
2332 ~~participant~~ account information; periodic reporting to members
2333 ~~participants~~, at least quarterly, on account balances and
2334 transactions; guidance, advice, and allocation services directly
2335 relating to the provider's own investment options or products,
2336 but only if the bundled provider complies with the standard of
2337 care of s. 404(a)(1)(A-B) of the Employee Retirement Income
2338 Security Act of 1974 (ERISA), and if providing such guidance,
2339 advice, or allocation services does not constitute a prohibited
2340 transaction under s. 4975(c)(1) of the Internal Revenue Code or
2341 s. 406 of ERISA, notwithstanding that such prohibited
2342 transaction provisions do not apply to the ~~optional~~ retirement
2343 program; a broad array of distribution options; asset
2344 allocation; and retirement counseling and education. Private
2345 sector companies include investment management companies,
2346 insurance companies, depositories, and mutual fund companies.

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2347 (b) "Average monthly compensation" means one-twelfth of
2348 average final compensation as defined in s. 121.021.

2349 (c) "Covered employment" means employment in a regularly
2350 established position as defined in s. 121.021.

2351 ~~(d)~~ (e) "Division" means the Division of Retirement within
2352 the department.

2353 ~~(e)~~ (f) "Electronic means" means by telephone, if the
2354 required information is received on a recorded line, or through
2355 Internet access, if the required information is captured online.

2356 ~~(f)~~ (g) "Eligible employee" means an officer or employee,
2357 as defined in s. 121.021, who:

2358 1. Is a member of, or is eligible for membership in, the
2359 Florida Retirement System, including any renewed member of the
2360 Florida Retirement System initially enrolled before July 1,
2361 2010; or

2362 2. Participates in, or is eligible to participate in, the
2363 Senior Management Service Optional Annuity Program as
2364 established under s. 121.055(6), the State Community College
2365 System Optional Retirement Program as established under s.
2366 121.051(2)(c), or the State University System Optional
2367 Retirement Program established under s. 121.35.

2368
2369 The term does not include any member participating in the
2370 Deferred Retirement Option Program established under s.
2371 121.091(13), a retiree of a state-administered retirement system
2372 initially reemployed on or after July 1, 2010, or a mandatory
2373 participant of the State University System Optional Retirement
2374 Program established under s. 121.35.

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2375 (g)~~(h)~~ "Employer" means an employer, as defined in s.
2376 121.021, of an eligible employee.

2377 (h)~~(i)~~ "Florida Retirement System Investment Plan" or
2378 "investment plan" "Optional retirement program" or "optional
2379 program" means the defined contribution program ~~Public Employee~~
2380 ~~Optional Retirement Program~~ established under this part.

2381 (i)~~(d)~~ "Florida Retirement System Pension Plan" or
2382 "pension plan" means the defined benefit program of the Florida
2383 Retirement System administered under part I of this chapter.
2384 ~~"Defined benefit program" means the defined benefit program of~~
2385 ~~the Florida Retirement System administered under part I of this~~
2386 ~~chapter.~~

2387 (j) "Participant," "member," or "employee" means an
2388 eligible employee who enrolls in the investment plan ~~optional~~
2389 ~~program~~ as provided in subsection (4), ~~or~~ a terminated Deferred
2390 Retirement Option Program member participant as described in
2391 subsection (21), or a beneficiary or alternate payee.

2392 (k) "Participant contributions," "member contributions,"
2393 or "employee contributions" mean the sum of all amounts deducted
2394 from the salary of a member by his or her employer in accordance
2395 with s. 121.71(2) and credited to his or her individual account
2396 in the investment plan, plus any earnings on such amounts and
2397 any contributions specified in paragraph (5) (e).

2398 (l)~~(k)~~ "Retiree" means a former member participant of the
2399 investment plan ~~optional retirement program~~ who has terminated
2400 employment and ~~has~~ taken any a distribution of vested employee
2401 or employer contributions as provided in s. 121.591, except for
2402 a mandatory distribution of a de minimis account authorized by
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2403 the state board or a minimum required distribution provided by
2404 s. 401(a)(9) of the Internal Revenue Code.

2405 ~~(m)-(1)~~ "Vested" or "vesting" means the guarantee that a
2406 member participant is eligible to receive a retirement benefit
2407 upon completion of the required years of service under the
2408 investment plan optional retirement program.

2409 (3) ~~ELIGIBILITY;~~ RETIREMENT SERVICE CREDIT; TRANSFER OF
2410 BENEFITS.—

2411 ~~(a) Participation in the Public Employee Optional~~
2412 ~~Retirement Program is limited to eligible employees.~~
2413 ~~Participation in the optional retirement program is in lieu of~~
2414 ~~participation in the defined benefit program of the Florida~~
2415 ~~Retirement System.~~

2416 ~~(a)-(b)~~ An eligible employee who is employed in a regularly
2417 established position by a state employer on June 1, 2002; by a
2418 district school board employer on September 1, 2002; or by a
2419 local employer on December 1, 2002, and who is a member of the
2420 pension plan defined benefit retirement program of the Florida
2421 Retirement System at the time of his or her election to
2422 participate in the investment plan Public Employee Optional
2423 Retirement Program shall retain all retirement service credit
2424 earned under the pension plan defined benefit retirement program
2425 of the Florida Retirement System as credited under the system
2426 and is ~~shall be~~ entitled to a deferred benefit upon termination,
2427 ~~if eligible under the system.~~ However, election to participate
2428 in the investment plan Public Employee Optional Retirement
2429 Program terminates the active membership of the employee in the
2430 pension plan defined benefit program of the Florida Retirement
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2431 ~~System~~, and the service of a member participant in the
2432 investment plan ~~Public Employee Optional Retirement Program~~
2433 ~~shall not be~~ creditable under the pension plan ~~defined benefit~~
2434 ~~retirement program of the Florida Retirement System~~ for purposes
2435 of benefit accrual but is creditable ~~shall be credited~~ for
2436 purposes of vesting.

2437 ~~(b)(e)1.~~ Notwithstanding paragraph (a), ~~an (b)~~, each
2438 eligible employee who elects to participate in the investment
2439 plan ~~Public Employee Optional Retirement Program~~ and establishes
2440 one or more individual member participant accounts ~~under the~~
2441 ~~optional program~~ may elect to transfer to the investment plan
2442 ~~optional program~~ a sum representing the present value of the
2443 employee's accumulated benefit obligation under the pension plan
2444 ~~defined benefit retirement program of the Florida Retirement~~
2445 ~~System~~. Upon ~~such~~ transfer, all service credit ~~previously~~ earned
2446 under the pension plan ~~is defined benefit program of the Florida~~
2447 ~~Retirement System shall be~~ nullified for purposes of entitlement
2448 to a future benefit under the pension plan ~~defined benefit~~
2449 ~~program of the Florida Retirement System~~. A member may not
2450 transfer participant ~~is precluded from transferring~~ the
2451 accumulated benefit obligation balance from the pension plan
2452 after the time ~~defined benefit program upon the expiration of~~
2453 the period for enrolling ~~afforded to enroll~~ in the investment
2454 plan has expired ~~optional program~~.

2455 ~~1.2.~~ For purposes of this subsection, the present value of
2456 the member's accumulated benefit obligation is based upon the
2457 member's estimated creditable service and estimated average
2458 final compensation under the pension plan ~~defined benefit~~

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2459 ~~program~~, subject to recomputation under subparagraph 2. 3. For
2460 state employees ~~enrolling under subparagraph (4)(a)1.~~, initial
2461 estimates shall ~~will~~ be based upon creditable service and
2462 average final compensation as of midnight on June 30, 2002; for
2463 district school board employees ~~enrolling under subparagraph~~
2464 ~~(4)(b)1.~~, initial estimates shall ~~will~~ be based upon creditable
2465 service and average final compensation as of midnight on
2466 September 30, 2002; and for local government employees ~~enrolling~~
2467 ~~under subparagraph (4)(c)1.~~, initial estimates shall ~~will~~ be
2468 based upon creditable service and average final compensation as
2469 of midnight on December 31, 2002. The dates ~~respectively~~
2470 specified are above ~~shall be construed as~~ the "estimate date"
2471 for these employees. The actuarial present value of the
2472 employee's accumulated benefit obligation shall be based on the
2473 following:

2474 a. The discount rate and other relevant actuarial
2475 assumptions used to value the Florida Retirement System Trust
2476 Fund at the time the amount to be transferred is determined,
2477 consistent with the factors provided in sub-subparagraphs b. and
2478 c.

2479 b. A benefit commencement age, based on the member's
2480 estimated creditable service as of the estimate date.

2481 (I) For a member initially enrolled before July 1, 2011,
2482 the benefit commencement age is ~~shall be~~ the younger of the
2483 following, but may ~~shall~~ not be younger than the member's age as
2484 of the estimate date:

2485 (A)(I) Age 62; or

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2486 (B) ~~(II)~~ The age the member would attain if the member
2487 completed 30 years of service with an employer, assuming the
2488 member worked continuously from the estimate date, and
2489 disregarding any vesting requirement that would otherwise apply
2490 under the pension plan ~~defined benefit program of the Florida~~
2491 ~~Retirement System.~~

2492 (II) For a member initially enrolled on or after July 1,
2493 2011, the benefit commencement age is the younger of the
2494 following, but may not be younger than the member's age as of
2495 the estimate date:

2496 (A) Age 65; or

2497 (B) The age the member would attain if the member
2498 completed 33 years of service with an employer, assuming the
2499 member worked continuously from the estimate date, and
2500 disregarding any vesting requirement that would otherwise apply
2501 under the pension plan.

2502 c. (I) For members of the Special Risk Class and for
2503 members of the Special Risk Administrative Support Class
2504 entitled to retain the special risk normal retirement date,
2505 initially enrolled before July 1, 2011, the benefit commencement
2506 age is shall be the younger of the following, but may shall not
2507 be younger than the member's age as of the estimate date:

2508 (A) ~~(I)~~ Age 55; or

2509 (B) ~~(II)~~ The age the member would attain if the member
2510 completed 25 years of service with an employer, assuming the
2511 member worked continuously from the estimate date, and
2512 disregarding any vesting requirement that would otherwise apply

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2513 under the pension plan ~~defined benefit program of the Florida~~
2514 ~~Retirement System.~~

2515 (II) For members of the Special Risk Class and for members
2516 of the Special Risk Administrative Support Class entitled to
2517 retain the special risk normal retirement date, initially
2518 enrolled on or after July 1, 2011, the benefit commencement age
2519 is the younger of the following, but may not be younger than the
2520 member's age as of the estimate date:

2521 (A) Age 60; or

2522 (B) The age the member would attain if the member
2523 completed 30 years of service with an employer, assuming the
2524 member worked continuously from the estimate date, and
2525 disregarding any vesting requirement that would otherwise apply
2526 under the pension plan.

2527 d. The calculation must ~~shall~~ disregard vesting
2528 requirements and early retirement reduction factors that would
2529 otherwise apply under the pension plan ~~defined benefit~~
2530 ~~retirement program.~~

2531 ~~2.3.~~ For each member ~~participant~~ who elects to transfer
2532 moneys from the pension plan ~~defined benefit program~~ to his or
2533 her account in the investment plan ~~optional program~~, the
2534 division shall recompute the amount transferred under
2535 subparagraph 1. within 2. ~~not later than~~ 60 days after the
2536 actual transfer of funds based upon the member's ~~participant's~~
2537 actual creditable service and actual final average compensation
2538 as of the initial date of participation in the investment plan
2539 ~~optional program~~. If the recomputed amount differs from the

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2540 amount transferred ~~under subparagraph 2.~~ by \$10 or more, the
2541 division shall:

2542 a. Transfer, or cause to be transferred, from the Florida
2543 Retirement System Trust Fund to the member's ~~participant's~~
2544 account ~~in the optional program~~ the excess, if any, of the
2545 recomputed amount over the previously transferred amount
2546 together with interest from the initial date of transfer to the
2547 date of transfer under this subparagraph, based upon the
2548 effective annual interest equal to the assumed return on the
2549 actuarial investment which was used in the most recent actuarial
2550 valuation of the system, compounded annually.

2551 b. Transfer, or cause to be transferred, from the member's
2552 ~~participant's~~ account to the Florida Retirement System Trust
2553 Fund the excess, if any, of the previously transferred amount
2554 over the recomputed amount, together with interest from the
2555 initial date of transfer to the date of transfer under this
2556 subparagraph, based upon 6 percent effective annual interest,
2557 compounded annually, pro rata based on the member's
2558 ~~participant's~~ allocation plan.

2559 3. If contribution adjustments are made as a result of
2560 employer errors or corrections, including plan corrections,
2561 following recomputation of the amount transferred under
2562 subparagraph 1., the member is entitled to the additional
2563 contributions or is responsible for returning any excess
2564 contributions resulting from the correction. However, any return
2565 of such erroneous excess pretax contribution by the plan must be
2566 made within the period allowed by the Internal Revenue Service.

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2567 The present value of the member's accumulated benefit obligation
2568 shall not be recalculated.

2569 4. As directed by the member participant, the state board
2570 shall transfer or cause to be transferred the appropriate
2571 amounts to the designated accounts within. ~~The board shall~~
2572 ~~establish transfer procedures by rule, but the actual transfer~~
2573 ~~shall not be later than~~ 30 days after the effective date of the
2574 member's participation in the investment plan optional program
2575 unless the major financial markets for securities available for
2576 a transfer are seriously disrupted by an unforeseen event that
2577 ~~which also~~ causes the suspension of trading on any national
2578 securities exchange in the country where the securities were
2579 issued. In that event, the ~~such~~ 30-day period ~~of time~~ may be
2580 extended by a resolution of the state board ~~trustees~~. Transfers
2581 are not commissionable or subject to other fees and may be in
2582 the form of securities or cash, as determined by the state
2583 board. Such securities are ~~shall be~~ valued as of the date of
2584 receipt in the member's participant's account.

2585 5. If the state board or the division receives
2586 notification from the United States Internal Revenue Service
2587 that this paragraph or any portion of this paragraph will cause
2588 the retirement system, or a portion thereof, to be disqualified
2589 for tax purposes under the Internal Revenue Code, ~~then~~ the
2590 portion that will cause the disqualification does not apply.
2591 Upon such notice, the state board and the division shall notify
2592 the presiding officers of the Legislature.

2593 (4) PARTICIPATION; ENROLLMENT.—

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2594 (a)1. With respect to an eligible employee who is employed
2595 in a regularly established position on June 1, 2002, by a state
2596 employer:

2597 a. Any such employee may elect to participate in the
2598 investment plan ~~Public Employee Optional Retirement Program~~ in
2599 lieu of retaining his or her membership in the pension plan
2600 ~~defined benefit program of the Florida Retirement System~~. The
2601 election must be made in writing or by electronic means and must
2602 be filed with the third-party administrator by August 31, 2002,
2603 or, in the case of an active employee who is on a leave of
2604 absence on April 1, 2002, by the last business day of the 5th
2605 month following the month the leave of absence concludes. This
2606 election is irrevocable, except as provided in paragraph (g)
2607 ~~(e)~~. Upon making such election, the employee shall be enrolled
2608 as a member participant of the investment plan ~~Public Employee~~
2609 ~~Optional Retirement Program~~, the employee's membership in the
2610 Florida Retirement System shall be governed by the provisions of
2611 this part, and the employee's membership in the pension plan
2612 ~~defined benefit program of the Florida Retirement System~~ shall
2613 terminate. The employee's enrollment in the investment plan
2614 ~~Public Employee Optional Retirement Program~~ shall be effective
2615 the first day of the month for which a full month's employer
2616 contribution is made to the investment plan ~~optional program~~.

2617 b. Any such employee who fails to elect to participate in
2618 the investment plan ~~Public Employee Optional Retirement Program~~
2619 within the prescribed time period is deemed to have elected to
2620 retain membership in the pension plan ~~defined benefit program of~~
2621 ~~the Florida Retirement System~~, and the employee's option to

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2622 elect to participate in the investment plan ~~optional program~~ is
2623 forfeited.

2624 2. With respect to employees who become eligible to
2625 participate in the investment plan ~~Public Employee Optional~~
2626 ~~Retirement Program~~ by reason of employment in a regularly
2627 established position with a state employer commencing after
2628 April 1, 2002:

2629 a. Any such employee shall, by default, be enrolled in the
2630 pension plan ~~defined benefit retirement program of the Florida~~
2631 ~~Retirement System~~ at the commencement of employment, and may, by
2632 the last business day of the 5th month following the employee's
2633 month of hire, elect to participate in the investment plan
2634 ~~Public Employee Optional Retirement Program~~. The employee's
2635 election must be made in writing or by electronic means and must
2636 be filed with the third-party administrator. The election to
2637 participate in the investment plan ~~optional program~~ is
2638 irrevocable, except as provided in paragraph (g) ~~(e)~~.

2639 b. If the employee files such election within the
2640 prescribed time period, enrollment in the investment plan is
2641 ~~optional program shall be~~ effective on the first day of
2642 employment. The ~~employer~~ retirement contributions paid through
2643 the month of the employee plan change shall be transferred to
2644 the investment ~~optional~~ program, and, effective the first day of
2645 the next month, the employer and participant must ~~shall~~ pay the
2646 applicable contributions based on the employee membership class
2647 in the ~~optional~~ program.

2648 c. ~~An Any~~ such employee who fails to elect to participate
2649 in the investment plan ~~Public Employee Optional Retirement~~
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2650 ~~Program~~ within the prescribed time period is deemed to have
2651 elected to retain membership in the pension plan ~~defined benefit~~
2652 ~~program of the Florida Retirement System~~, and the employee's
2653 option to elect to participate in the investment plan ~~optional~~
2654 ~~program~~ is forfeited.

2655 3. With respect to employees who become eligible to
2656 participate in the investment plan ~~Public Employee Optional~~
2657 ~~Retirement Program~~ pursuant to s. 121.051(2)(c)3. or s.
2658 121.35(3)(i), the ~~any such~~ employee may elect to participate in
2659 the investment plan ~~Public Employee Optional Retirement Program~~
2660 in lieu of retaining his or her membership ~~participation~~ in the
2661 State Community College System Optional Retirement Program or
2662 the State University System Optional Retirement Program. The
2663 election must be made in writing or by electronic means and must
2664 be filed with the third-party administrator. This election is
2665 irrevocable, except as provided in paragraph (g) ~~(e)~~. Upon
2666 making such election, the employee shall be enrolled as a member
2667 ~~in participant of~~ the investment plan ~~Public Employee Optional~~
2668 ~~Retirement Program~~, the employee's membership in the Florida
2669 Retirement System shall be governed by the provisions of this
2670 part, and the employee's participation in the State Community
2671 College System Optional Retirement Program or the State
2672 University System Optional Retirement Program shall terminate.
2673 The employee's enrollment in the investment plan is ~~Public~~
2674 ~~Employee Optional Retirement Program~~ shall be effective on the
2675 first day of the month for which a full month's employer and
2676 employee contribution is made to the investment plan ~~optional~~
2677 ~~program~~.

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2678 4. For purposes of this paragraph, "state employer" means
2679 any agency, board, branch, commission, community college,
2680 department, institution, institution of higher education, or
2681 water management district of the state, which participates in
2682 the Florida Retirement System for the benefit of certain
2683 employees.

2684 (b)1. With respect to an eligible employee who is employed
2685 in a regularly established position on September 1, 2002, by a
2686 district school board employer:

2687 a. Any such employee may elect to participate in the
2688 investment plan ~~Public Employee Optional Retirement Program~~ in
2689 lieu of retaining his or her membership in the pension plan
2690 ~~defined benefit program of the Florida Retirement System~~. The
2691 election must be made in writing or by electronic means and must
2692 be filed with the third-party administrator by November 30, or,
2693 in the case of an active employee who is on a leave of absence
2694 on July 1, 2002, by the last business day of the 5th month
2695 following the month the leave of absence concludes. This
2696 election is irrevocable, except as provided in paragraph (g)
2697 ~~(e)~~. Upon making such election, the employee shall be enrolled
2698 as a member ~~participant~~ of the investment plan ~~Public Employee~~
2699 ~~Optional Retirement Program~~, the employee's membership in the
2700 Florida Retirement System shall be governed by the provisions of
2701 this part, and the employee's membership in the pension plan
2702 ~~defined benefit program of the Florida Retirement System~~ shall
2703 terminate. The employee's enrollment in the investment plan
2704 ~~Public Employee Optional Retirement Program~~ shall be effective

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2705 the first day of the month for which a full month's employer
2706 contribution is made to the investment ~~optional~~ program.

2707 b. Any such employee who fails to elect to participate in
2708 the investment plan ~~Public Employee Optional Retirement Program~~
2709 within the prescribed time period is deemed to have elected to
2710 retain membership in the pension plan ~~defined benefit program of~~
2711 ~~the Florida Retirement System~~, and the employee's option to
2712 elect to participate in the investment plan ~~optional program~~ is
2713 forfeited.

2714 2. With respect to employees who become eligible to
2715 participate in the investment plan ~~Public Employee Optional~~
2716 ~~Retirement Program~~ by reason of employment in a regularly
2717 established position with a district school board employer
2718 commencing after July 1, 2002:

2719 a. Any such employee shall, by default, be enrolled in the
2720 pension plan ~~defined benefit retirement program of the Florida~~
2721 ~~Retirement System~~ at the commencement of employment, and may, by
2722 the last business day of the 5th month following the employee's
2723 month of hire, elect to participate in the investment plan
2724 ~~Public Employee Optional Retirement Program~~. The employee's
2725 election must be made in writing or by electronic means and must
2726 be filed with the third-party administrator. The election to
2727 participate in the investment plan ~~optional program~~ is
2728 irrevocable, except as provided in paragraph (g) ~~(e)~~.

2729 b. If the employee files such election within the
2730 prescribed time period, enrollment in the investment plan
2731 ~~optional program~~ shall be effective on the first day of
2732 employment. The employer retirement contributions paid through
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2733 the month of the employee plan change shall be transferred to
2734 the investment plan ~~optional program~~, and, effective the first
2735 day of the next month, the employer shall pay the applicable
2736 contributions based on the employee membership class in the
2737 investment plan ~~optional program~~.

2738 c. Any such employee who fails to elect to participate in
2739 the investment plan ~~Public Employee Optional Retirement Program~~
2740 within the prescribed time period is deemed to have elected to
2741 retain membership in the pension plan ~~defined benefit program of~~
2742 ~~the Florida Retirement System~~, and the employee's option to
2743 elect to participate in the investment plan ~~optional program~~ is
2744 forfeited.

2745 3. For purposes of this paragraph, "district school board
2746 employer" means any district school board that participates in
2747 the Florida Retirement System for the benefit of certain
2748 employees, or a charter school or charter technical career
2749 center that participates in the Florida Retirement System as
2750 provided in s. 121.051(2)(d).

2751 (c)1. With respect to an eligible employee who is employed
2752 in a regularly established position on December 1, 2002, by a
2753 local employer:

2754 a. Any such employee may elect to participate in the
2755 investment plan ~~Public Employee Optional Retirement Program~~ in
2756 lieu of retaining his or her membership in the pension plan
2757 ~~defined benefit program of the Florida Retirement System~~. The
2758 election must be made in writing or by electronic means and must
2759 be filed with the third-party administrator by February 28,
2760 2003, or, in the case of an active employee who is on a leave of
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2761 absence on October 1, 2002, by the last business day of the 5th
2762 month following the month the leave of absence concludes. This
2763 election is irrevocable, except as provided in paragraph (g)
2764 ~~(e)~~. Upon making such election, the employee shall be enrolled
2765 as a participant of the investment plan ~~Public Employee Optional~~
2766 ~~Retirement Program~~, the employee's membership in the Florida
2767 Retirement System shall be governed by the provisions of this
2768 part, and the employee's membership in the pension plan ~~defined~~
2769 ~~benefit program of the Florida Retirement System~~ shall
2770 terminate. The employee's enrollment in the investment plan
2771 ~~Public Employee Optional Retirement Program~~ shall be effective
2772 the first day of the month for which a full month's employer
2773 contribution is made to the investment plan ~~optional program~~.

2774 b. Any such employee who fails to elect to participate in
2775 the investment plan ~~Public Employee Optional Retirement Program~~
2776 within the prescribed time period is deemed to have elected to
2777 retain membership in the pension plan ~~defined benefit program of~~
2778 ~~the Florida Retirement System~~, and the employee's option to
2779 elect to participate in the investment plan ~~optional program~~ is
2780 forfeited.

2781 2. With respect to employees who become eligible to
2782 participate in the investment plan ~~Public Employee Optional~~
2783 ~~Retirement Program~~ by reason of employment in a regularly
2784 established position with a local employer commencing after
2785 October 1, 2002:

2786 a. Any such employee shall, by default, be enrolled in the
2787 pension plan ~~defined benefit retirement program of the Florida~~
2788 ~~Retirement System~~ at the commencement of employment, and may, by
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2789 the last business day of the 5th month following the employee's
2790 month of hire, elect to participate in the investment plan
2791 ~~Public Employee Optional Retirement Program~~. The employee's
2792 election must be made in writing or by electronic means and must
2793 be filed with the third-party administrator. The election to
2794 participate in the investment plan ~~optional program~~ is
2795 irrevocable, except as provided in paragraph (g) ~~(e)~~.

2796 b. If the employee files such election within the
2797 prescribed time period, enrollment in the investment plan
2798 ~~optional program~~ shall be effective on the first day of
2799 employment. The employer retirement contributions paid through
2800 the month of the employee plan change shall be transferred to
2801 the investment plan ~~optional program~~, and, effective the first
2802 day of the next month, the employer shall pay the applicable
2803 contributions based on the employee membership class in the
2804 investment plan ~~optional program~~.

2805 c. Any such employee who fails to elect to participate in
2806 the investment plan ~~Public Employee Optional Retirement Program~~
2807 within the prescribed time period is deemed to have elected to
2808 retain membership in the pension plan ~~defined benefit program of~~
2809 ~~the Florida Retirement System~~, and the employee's option to
2810 elect to participate in the investment plan ~~optional program~~ is
2811 forfeited.

2812 3. For purposes of this paragraph, "local employer" means
2813 any employer not included in paragraph (a) or paragraph (b).

2814 (d) Contributions available for self-direction by a member
2815 ~~participant~~ who has not selected one or more specific investment
2816 products shall be allocated as prescribed by the state board.

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2817 The third-party administrator shall notify the member ~~any such~~
2818 ~~participant~~ at least quarterly that the member ~~participant~~
2819 should take an affirmative action to make an asset allocation
2820 among the investment ~~optional program~~ products.

2821 (e) On or after July 1, 2011, a member of the pension plan
2822 who obtains a refund of employee contributions retains his or
2823 her prior plan choice upon return to employment in a regularly
2824 established position with a participating employer.

2825 (f) A member of the investment plan who takes a
2826 distribution of any contributions from his or her investment
2827 plan account is considered a retiree. Upon reemployment in a
2828 regularly established position with a participating employer,
2829 the member returns as a new hire. A retiree who is initially
2830 reemployed on or after July 1, 2010, is not eligible for renewed
2831 membership.

2832 (g) ~~(e)~~ After the period during which an eligible employee
2833 had the choice to elect the pension plan ~~defined benefit program~~
2834 or the investment plan ~~optional retirement program~~, or the month
2835 following the receipt of the eligible employee's plan election,
2836 if sooner, the employee shall have one opportunity, at the
2837 employee's discretion, to choose to move from the pension plan
2838 ~~defined benefit program~~ to the investment plan ~~optional~~
2839 ~~retirement program~~ or from the investment plan ~~optional~~
2840 ~~retirement program~~ to the pension plan ~~defined benefit program~~.
2841 Eligible employees may elect to move between Florida Retirement
2842 System programs only if they are earning service credit in an
2843 employer-employee relationship consistent with s.
2844 121.021(17)(b), excluding leaves of absence without pay.

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2845 Effective July 1, 2005, such elections are effective on the
2846 first day of the month following the receipt of the election by
2847 the third-party administrator and are not subject to the
2848 requirements regarding an employer-employee relationship or
2849 receipt of contributions for the eligible employee in the
2850 effective month, except when the election is received by the
2851 third-party administrator. This paragraph is contingent upon
2852 approval by ~~from~~ the Internal Revenue Service ~~for including the~~
2853 ~~choice described herein within the programs offered by the~~
2854 ~~Florida Retirement System.~~

2855 1. If the employee chooses to move to the investment plan
2856 ~~optional retirement program~~, the applicable provisions of
2857 subsection (3) ~~this section~~ shall govern the transfer.

2858 2. If the employee chooses to move to the pension plan
2859 ~~defined benefit program~~, the employee must transfer from his or
2860 her investment plan ~~optional retirement program~~ account, and
2861 from other employee moneys as necessary, a sum representing the
2862 present value of that employee's accumulated benefit obligation
2863 immediately following the time of such movement, determined
2864 assuming that attained service equals the sum of service in the
2865 pension plan ~~defined benefit program~~ and service in the
2866 investment plan ~~optional retirement program~~. Benefit
2867 commencement occurs on the first date the employee is eligible
2868 for unreduced benefits, using the discount rate and other
2869 relevant actuarial assumptions that were used to value the
2870 pension ~~defined benefit~~ plan liabilities in the most recent
2871 actuarial valuation. For any employee who, at the time of the
2872 second election, already maintains an accrued benefit amount in
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2873 the pension plan ~~defined benefit program~~, the then-present value
2874 of the accrued benefit shall be deemed part of the required
2875 transfer amount. The division shall ensure that the transfer sum
2876 is prepared using a formula and methodology certified by an
2877 enrolled actuary. A refund of any employee contributions or
2878 additional member payments made which exceed the employee
2879 contributions that would have accrued had the member remained in
2880 the pension plan and not transferred to the investment plan is
2881 not permitted.

2882 3. Notwithstanding subparagraph 2., an employee who
2883 chooses to move to the pension plan ~~defined benefit program~~ and
2884 who became eligible to participate in the investment plan
2885 ~~optional retirement program~~ by reason of employment in a
2886 regularly established position with a state employer after June
2887 1, 2002; a district school board employer after September 1,
2888 2002; or a local employer after December 1, 2002, must transfer
2889 from his or her investment plan ~~optional retirement program~~
2890 account, and from other employee moneys as necessary, a sum
2891 representing the employee's actuarial accrued liability. A
2892 refund of any employee contributions or additional participant
2893 payments made which exceed the employee contributions that would
2894 have accrued had the member remained in the pension plan and not
2895 transferred to the investment plan is not permitted.

2896 4. An employee's ability to transfer from the pension plan
2897 ~~defined benefit program~~ to the investment plan ~~optional~~
2898 ~~retirement program~~ pursuant to paragraphs (a)-(d), and the
2899 ability of a current employee to have an option to later
2900 transfer back into the pension plan ~~defined benefit program~~

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2901 under subparagraph 2., shall be deemed a significant system
2902 amendment. Pursuant to s. 121.031(4), any resulting unfunded
2903 liability arising from actual original transfers from the
2904 pension plan ~~defined benefit program~~ to the investment plan
2905 ~~optional program~~ must be amortized within 30 plan years as a
2906 separate unfunded actuarial base independent of the reserve
2907 stabilization mechanism defined in s. 121.031(3)(f). For the
2908 first 25 years, a direct amortization payment may not be
2909 calculated for this base. During this 25-year period, the
2910 separate base shall be used to offset the impact of employees
2911 exercising their second program election under this paragraph.
2912 ~~It is the intent of the Legislature that~~ The actuarial funded
2913 status of the pension plan will ~~defined benefit program~~ not be
2914 affected by such second program elections in any significant
2915 manner, after due recognition of the separate unfunded actuarial
2916 base. Following the initial 25-year period, any remaining
2917 balance of the original separate base shall be amortized over
2918 the remaining 5 years of the required 30-year amortization
2919 period.

2920 5. If the employee chooses to transfer from the investment
2921 plan ~~optional retirement program~~ to the pension plan ~~defined~~
2922 ~~benefit program~~ and retains an excess account balance in the
2923 investment plan ~~optional program~~ after satisfying the buy-in
2924 requirements under this paragraph, the excess may not be
2925 distributed until the member retires from the pension plan
2926 ~~defined benefit program~~. The excess account balance may be
2927 rolled over to the pension plan ~~defined benefit program~~ and used

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2928 to purchase service credit or upgrade creditable service in the
2929 pension plan ~~that program~~.

2930 (5) CONTRIBUTIONS.—

2931 (a) The employee and ~~Each~~ employer shall make the required
2932 contributions to ~~contribute on behalf of each participant in the~~
2933 investment plan based on a percentage of the employee's gross
2934 monthly compensation ~~Public Employee Optional Retirement~~
2935 ~~Program~~, as provided in part III of this chapter.

2936 (b) Employee contributions shall be paid as provided in s.
2937 121.72(2).

2938 (c) The state board, acting as plan fiduciary, shall
2939 ensure that all plan assets are held in a trust, pursuant to s.
2940 401 of the Internal Revenue Code. The fiduciary shall ensure
2941 that such ~~said~~ contributions are allocated as follows:

2942 1. The employer and employee contribution portion
2943 earmarked for member ~~participant~~ accounts shall be used to
2944 purchase interests in the appropriate investment vehicles ~~for~~
2945 ~~the accounts of each participant~~ as specified by the member
2946 ~~participant~~, or in accordance with paragraph (4) (d).

2947 2. The employer contribution portion earmarked for
2948 administrative and educational expenses shall be transferred to
2949 the Florida Retirement System Investment Plan Trust Fund ~~board~~.

2950 3. The employer contribution portion earmarked for
2951 disability benefits shall be transferred to the Florida
2952 Retirement System Trust Fund ~~department~~.

2953 (d) ~~(b)~~ The third-party administrator is ~~Employers are~~
2954 responsible for monitoring and notifying employers of the
2955 participants regarding maximum contribution levels allowed for
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2956 members permitted under the Internal Revenue Code. If a member
2957 ~~participant~~ contributes to any other tax-deferred plan, the
2958 member he or she is responsible for ensuring that total
2959 contributions made to the investment plan optional program and
2960 to any other such plan do not exceed federally permitted
2961 maximums.

2962 (e)(e) The investment plan Public Employee Optional
2963 ~~Retirement Program~~ may accept for deposit into member
2964 ~~participant~~ accounts contributions in the form of rollovers or
2965 direct trustee-to-trustee transfers by or on behalf of members
2966 ~~participants~~, reasonably determined by the state board to be
2967 eligible for rollover or transfer to the investment plan
2968 ~~optional retirement program~~ pursuant to the Internal Revenue
2969 Code, if such contributions are made in accordance with rules ~~as~~
2970 ~~may be~~ adopted by the board. Such contributions must shall be
2971 accounted for in accordance with ~~any~~ applicable Internal Revenue
2972 Code requirements and rules of the state board.

2973 (6) VESTING REQUIREMENTS.—

2974 (a) A member is fully and immediately vested in all
2975 employee contributions paid to the investment plan as provided
2976 in s. 121.72(2), plus interest and earnings thereon and less
2977 investment fees and administrative charges.

2978 (b)(a)1. With respect to employer contributions paid on
2979 behalf of the member participant to the investment plan optional
2980 ~~retirement program~~, plus interest and earnings thereon and less
2981 investment fees and administrative charges, a member participant
2982 is vested after completing 1 work year with an employer,
2983 including any service while the member participant was a member
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2984 of the pension plan ~~defined benefit program~~ or an optional
2985 retirement program authorized under s. 121.051(2)(c) or s.
2986 121.055(6).

2987 2. If the member ~~participant~~ terminates employment before
2988 satisfying the vesting requirements, the nonvested accumulation
2989 must be transferred from the member's ~~participant's~~ accounts to
2990 the state board for deposit and investment by the state board in
2991 its ~~the~~ suspense account created within the Florida Retirement
2992 System Investment Plan ~~Public Employee Optional Retirement~~
2993 ~~Program~~ Trust Fund. If the terminated member ~~participant~~ is
2994 reemployed as an eligible employee within 5 years, the state
2995 board shall transfer to the member's ~~participant's~~ account any
2996 amount previously transferred from the member's ~~participant's~~
2997 accounts to the suspense account, plus actual earnings on such
2998 amount while in the suspense account.

2999 (c) ~~(b)~~1. With respect to amounts contributed by an
3000 employer and transferred from the pension plan ~~defined benefit~~
3001 ~~program~~ to the investment plan ~~program~~, plus interest and
3002 earnings, and less investment fees and administrative charges, a
3003 member ~~participant~~ shall be vested in the amount transferred
3004 upon meeting the service requirements for the member's
3005 ~~participant's~~ membership class as set forth in s. 121.021(29).
3006 The third-party administrator shall account for such amounts for
3007 each member ~~participant~~. The division shall notify the member
3008 ~~participant~~ and the third-party administrator when the member
3009 ~~participant~~ has satisfied the vesting period for Florida
3010 Retirement System purposes.

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3011 2. If the member ~~participant~~ terminates employment before
3012 satisfying the vesting requirements, the nonvested accumulation
3013 must be transferred from the member's ~~participant's~~ accounts to
3014 the state board for deposit and investment by the state board in
3015 the suspense account created within the Florida Retirement
3016 System Investment Plan ~~Public Employee Optional Retirement~~
3017 ~~Program~~ Trust Fund. If the terminated member ~~participant~~ is
3018 reemployed as an eligible employee within 5 years, the state
3019 board shall transfer to the member's accounts ~~participant's~~
3020 ~~account~~ any amount previously transferred from the member's
3021 ~~participant's~~ accounts to the suspense account, plus the actual
3022 earnings on such amount while in the suspense account.

3023 (d)-(e) Any nonvested accumulations transferred from a
3024 member's ~~participant's~~ account to the state board's suspense
3025 account shall be forfeited, including accompanying service
3026 credit, by the member ~~participant~~ if the member ~~participant~~ is
3027 not reemployed as an eligible employee within 5 years after
3028 termination.

3029 (e) If the member elects to receive any of his or her
3030 vested employee or employer contributions upon termination of
3031 employment as provided in s. 121.021(39) (a), except for a
3032 mandatory distribution of a de minimis account authorized by the
3033 state board or a minimum required distribution provided by s.
3034 401(a) (9) of the Internal Revenue Code, the member shall forfeit
3035 all nonvested employer contributions, and accompanying service
3036 credit, paid on behalf of the member to the investment plan.

3037 (7) BENEFITS.—Under the investment plan, benefits must
3038 ~~Public Employee Optional Retirement Program:~~

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3039 (a) ~~Benefits shall~~ Be provided in accordance with s.
3040 401(a) of the Internal Revenue Code.

3041 (b) ~~Benefits shall~~ Accrue in individual accounts that are
3042 member-directed participant-directed, portable, and funded by
3043 employer and employee contributions and earnings thereon.

3044 (c) ~~Benefits shall~~ Be payable in accordance with ~~the~~
3045 ~~provisions of~~ s. 121.591.

3046 (8) INVESTMENT PLAN ADMINISTRATION OF PROGRAM.-

3047 ~~(a)~~ The investment plan ~~optional retirement program~~ shall
3048 be administered by the state board and affected employers. The
3049 state board may require oaths, by affidavit or otherwise, and
3050 acknowledgments from persons in connection with the
3051 administration of its statutory duties and responsibilities for
3052 the investment plan ~~this program~~. An oath, by affidavit or
3053 otherwise, may not be required of a member ~~an employee~~
3054 ~~participant~~ at the time of enrollment. Acknowledgment of an
3055 employee's election to participate in the program shall be no
3056 greater than necessary to confirm the employee's election. The
3057 state board shall adopt rules to carry out its statutory duties
3058 with respect to administering the investment plan ~~optional~~
3059 ~~retirement program~~, including establishing the roles and
3060 responsibilities of affected state, local government, and
3061 education-related employers, the state board, the department,
3062 and third-party contractors. The department shall adopt rules
3063 necessary to administer the investment plan ~~optional program~~ in
3064 coordination with the pension plan ~~defined benefit program~~ and
3065 the disability benefits available under the investment plan
3066 ~~optional program~~.

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3067 ~~(a)-(b)~~1. The state board shall select and contract with a
3068 ~~one~~ third-party administrator to provide administrative services
3069 if those services cannot be competitively and contractually
3070 provided by the division ~~of Retirement within the Department of~~
3071 ~~Management Services~~. With the approval of the state board, the
3072 third-party administrator may subcontract ~~with other~~
3073 ~~organizations or individuals~~ to provide components of the
3074 administrative services. As a cost of administration, the state
3075 board may compensate any such contractor for its services, in
3076 accordance with the terms of the contract, as is deemed
3077 necessary or proper by the board. The third-party administrator
3078 may not be an approved provider or be affiliated with an
3079 approved provider.

3080 2. These administrative services may include, but are not
3081 limited to, enrollment of eligible employees, collection of
3082 employer and employee contributions, disbursement of ~~such~~
3083 contributions to approved providers in accordance with the
3084 allocation directions of members participants; services relating
3085 to consolidated billing; individual and collective recordkeeping
3086 and accounting; asset purchase, control, and safekeeping; and
3087 direct disbursement of funds to and from the third-party
3088 administrator, the division, the state board, employers, members
3089 ~~participants~~, approved providers, and beneficiaries. This
3090 section does not prevent or prohibit a bundled provider from
3091 providing any administrative or customer service, including
3092 accounting and administration of individual member participant
3093 benefits and contributions; individual member participant
3094 recordkeeping; asset purchase, control, and safekeeping; direct

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3095 execution of the member's ~~participant's~~ instructions as to asset
3096 and contribution allocation; calculation of daily net asset
3097 values; direct access to member ~~participant~~ account information;
3098 or periodic reporting to members ~~participants~~, at least
3099 quarterly, on account balances and transactions, if these
3100 services are authorized by the state board as part of the
3101 contract.

3102 ~~(b)1.3.~~ The state board shall select and contract with one
3103 or more organizations to provide educational services. With
3104 approval of the state board, the organizations may subcontract
3105 ~~with other organizations or individuals~~ to provide components of
3106 the educational services. As a cost of administration, the state
3107 board may compensate any such contractor for its services in
3108 accordance with the terms of the contract, as is deemed
3109 necessary or proper by the board. The education organization may
3110 not be an approved provider or be affiliated with an approved
3111 provider.

3112 ~~2.4.~~ Educational services shall be designed by the state
3113 board and department to assist employers, eligible employees,
3114 members ~~participants~~, and beneficiaries in order to maintain
3115 compliance with United States Department of Labor regulations
3116 under s. 404(c) of the Employee Retirement Income Security Act
3117 of 1974 and to assist employees in their choice of pension plan
3118 ~~defined benefit or investment plan defined contribution~~
3119 retirement alternatives. Educational services include, but are
3120 not limited to, disseminating educational materials; providing
3121 retirement planning education; explaining the pension
3122 ~~differences between the defined benefit retirement plan and the~~

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3123 investment ~~defined contribution retirement~~ plan; and offering
3124 financial planning guidance on matters such as investment
3125 diversification, investment risks, investment costs, and asset
3126 allocation. An approved provider may also provide educational
3127 information, including retirement planning and investment
3128 allocation information concerning its products and services.

3129 (c)1. In evaluating and selecting a third-party
3130 administrator, the state board shall establish criteria for
3131 evaluating ~~under which it shall consider~~ the relative
3132 capabilities and qualifications of each proposed administrator.
3133 In developing such criteria, the state board shall consider:

3134 a. The administrator's demonstrated experience in
3135 providing administrative services to public or private sector
3136 retirement systems.

3137 b. The administrator's demonstrated experience in
3138 providing daily valued recordkeeping to defined contribution
3139 programs ~~plans~~.

3140 c. The administrator's ability and willingness to
3141 coordinate its activities with ~~the Florida Retirement System~~
3142 employers, the state board, and the division, and to supply to
3143 such employers, the board, and the division the information and
3144 data they require, including, but not limited to, monthly
3145 management reports, quarterly member ~~participant~~ reports, and ad
3146 hoc reports requested by the department or state board.

3147 d. The cost-effectiveness and levels of the administrative
3148 services provided.

3149 e. The administrator's ability to interact with the
3150 members ~~participants~~, the employers, the state board, the

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3151 division, and the providers; the means by which members
3152 ~~participants~~ may access account information, direct investment
3153 of contributions, make changes to their accounts, transfer
3154 moneys between available investment vehicles, and transfer
3155 moneys between investment products; and any fees that apply to
3156 such activities.

3157 f. Any other factor deemed necessary by the ~~Trustees of~~
3158 ~~the state board of Administration.~~

3159 2. In evaluating and selecting an educational provider,
3160 the state board shall establish criteria under which it shall
3161 consider the relative capabilities and qualifications of each
3162 proposed educational provider. In developing such criteria, the
3163 state board shall consider:

3164 a. Demonstrated experience in providing educational
3165 services to public or private sector retirement systems.

3166 b. Ability and willingness to coordinate its activities
3167 with the ~~Florida Retirement System~~ employers, the state board,
3168 and the division, and to supply to such employers, the board,
3169 and the division the information and data they require,
3170 including, but not limited to, reports on educational contacts.

3171 c. The cost-effectiveness and levels of the educational
3172 services provided.

3173 d. Ability to provide educational services via different
3174 media, including, but not limited to, the Internet, personal
3175 contact, seminars, brochures, and newsletters.

3176 e. Any other factor deemed necessary by the ~~Trustees of~~
3177 ~~the state board of Administration.~~

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3178 3. The establishment of the criteria shall be solely
3179 within the discretion of the state board.

3180 (d) The state board shall develop the form and content of
3181 any contracts to be offered under the investment plan ~~Public~~
3182 ~~Employee Optional Retirement Program~~. In developing the ~~its~~
3183 contracts, the board shall ~~must~~ consider:

3184 1. The nature and extent of the rights and benefits to be
3185 afforded in relation to the ~~required~~ contributions required
3186 under the plan ~~program~~.

3187 2. The suitability of the rights and benefits provided ~~to~~
3188 ~~be afforded~~ and the interests of employers in the recruitment
3189 and retention of eligible employees.

3190 (e)1. The state board may contract ~~with any consultant~~ for
3191 professional services, including legal, consulting, accounting,
3192 and actuarial services, deemed necessary to implement and
3193 administer the investment plan ~~optional program by the Trustees~~
3194 ~~of the State Board of Administration~~. The state board may enter
3195 into a contract with one or more vendors to provide low-cost
3196 investment advice to members ~~participants~~, supplemental to
3197 education provided by the third-party administrator. All fees
3198 under any such contract shall be paid by those members
3199 ~~participants~~ who choose to use the services of the vendor.

3200 2. The department may contract ~~with consultants~~ for
3201 professional services, including legal, consulting, accounting,
3202 and actuarial services, deemed necessary to implement and
3203 administer the investment plan ~~optional program~~ in coordination
3204 with the pension plan ~~defined benefit program of the Florida~~
3205 ~~Retirement System~~. The department, in coordination with the

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3206 state board, may enter into a contract with the third-party
3207 administrator in order to coordinate services common to the
3208 various programs within the Florida Retirement System.

3209 (f) The third-party administrator may ~~shall~~ not receive
3210 direct or indirect compensation from an approved provider,
3211 except as specifically provided for in the contract with the
3212 state board.

3213 (g) The state board shall receive and resolve member
3214 ~~participant~~ complaints against the program, the third-party
3215 administrator, or any program vendor or provider; shall resolve
3216 any conflict between the third-party administrator and an
3217 approved provider if such conflict threatens the implementation
3218 or administration of the program or the quality of services to
3219 employees; and may resolve any other conflicts. The third-party
3220 administrator shall retain all member ~~participant~~ records for at
3221 least 5 years for use in resolving any member ~~participant~~
3222 conflicts. The state board, the third-party administrator, or a
3223 provider is not required to produce documentation or an audio
3224 recording to justify action taken with regard to a member
3225 ~~participant~~ if the action occurred 5 or more years before the
3226 complaint is submitted to the state board. It is presumed that
3227 all action taken 5 or more years before the complaint is
3228 submitted was taken at the request of the member ~~participant~~ and
3229 with the member's ~~participant's~~ full knowledge and consent. To
3230 overcome this presumption, the member ~~participant~~ must present
3231 documentary evidence or an audio recording demonstrating
3232 otherwise.

3233 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.-
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3234 (a) The state board shall develop policy and procedures
3235 for selecting, evaluating, and monitoring the performance of
3236 approved providers and investment products ~~to which employees~~
3237 ~~may direct retirement contributions~~ under the investment plan
3238 ~~program~~. In accordance with such policy and procedures, the
3239 state board shall designate and contract for a number of
3240 investment products as determined by the board. The board shall
3241 also select one or more bundled providers, each of which ~~whom~~
3242 may offer multiple investment options and related services, if
3243 ~~when~~ such ~~an~~ approach is determined by the board to provide
3244 ~~afford~~ value to the members ~~participants~~ otherwise not available
3245 through individual investment products. Each approved bundled
3246 provider may offer investment options that provide members
3247 ~~participants~~ with the opportunity to invest in each of the
3248 following asset classes, to be composed of individual options
3249 that represent ~~either~~ a single asset class or a combination
3250 thereof: money markets, United States fixed income, United
3251 States equities, and foreign stock. The state board shall review
3252 and manage all educational materials, contract terms, fee
3253 schedules, and other aspects of the approved provider
3254 relationships to ensure that no provider is unduly favored or
3255 penalized by virtue of its status within the investment plan.

3256 (b) The state board shall consider investment options or
3257 products it considers appropriate to give members ~~participants~~
3258 the opportunity to accumulate retirement benefits, subject to
3259 the following:

3260 1. The investment plan ~~Public Employee Optional Retirement~~
3261 ~~Program~~ must offer a diversified mix of low-cost investment

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3262 products that span the risk-return spectrum and may include a
3263 guaranteed account as well as investment products, such as
3264 individually allocated guaranteed and variable annuities, which
3265 meet the requirements of this subsection and combine the ability
3266 to accumulate investment returns with the option of receiving
3267 lifetime income consistent with the long-term retirement
3268 security of a pension plan and similar to the lifetime-income
3269 benefit provided by the Florida Retirement System.

3270 2. Investment options or products offered by ~~the group of~~
3271 approved providers may include mutual funds, group annuity
3272 contracts, individual retirement annuities, interests in trusts,
3273 collective trusts, separate accounts, and other such financial
3274 instruments, and ~~may include~~ products that give members
3275 ~~participants~~ the option of committing their contributions for an
3276 extended time period in an effort to obtain returns higher than
3277 those that could be obtained from investment products offering
3278 full liquidity.

3279 3. The state board may ~~shall~~ not contract with a ~~any~~
3280 provider that imposes a front-end, back-end, contingent, or
3281 deferred sales charge, or any other fee that limits or restricts
3282 the ability of members ~~participants~~ to select any investment
3283 product available in the investment plan ~~optional program~~. This
3284 prohibition does not apply to fees or charges that are imposed
3285 on withdrawals from products that give members ~~participants~~ the
3286 option of committing ~~their~~ contributions for an extended time
3287 period in an effort to obtain returns higher than those that
3288 could be obtained from investment products offering full
3289 liquidity, if ~~provided that~~ the product ~~in question~~, net of all

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3290 fees and charges, produces material benefits relative to other
3291 comparable products in the investment plan ~~program~~ offering full
3292 liquidity.

3293 4. Fees or charges for insurance features, such as
3294 mortality and expense-risk charges, must be reasonable relative
3295 to the benefits provided.

3296 (c) In evaluating and selecting approved providers and
3297 products, the state board shall establish criteria for
3298 evaluating ~~under which it shall consider~~ the relative
3299 capabilities and qualifications of each proposed provider
3300 company and product. In developing such criteria, the board
3301 shall consider the following to the extent such factors may be
3302 applied in connection with investment products, services, or
3303 providers:

3304 1. Experience in the United States providing retirement
3305 products and related financial services under defined
3306 contribution retirement programs ~~plans~~.

3307 2. Financial strength and stability as ~~which shall be~~
3308 evidenced by the highest ratings assigned by nationally
3309 recognized rating services when comparing proposed providers
3310 that are so rated.

3311 3. Intrastate and interstate portability of the product
3312 offered, including early withdrawal options.

3313 4. Compliance with the Internal Revenue Code.

3314 5. The cost-effectiveness of the product provided and the
3315 levels of service supporting the product relative to its
3316 benefits and its characteristics, including, ~~without limitation,~~
3317 the level of risk borne by the provider.

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3318 6. The provider company's ability and willingness to
3319 coordinate its activities with Florida Retirement System
3320 employers, the department, and the state board, and to supply
3321 the ~~to such~~ employers, the department, and the board with the
3322 information and data they require.

3323 7. The methods available to members ~~participants~~ to
3324 interact with the provider company; the means by which members
3325 ~~participants~~ may access account information, direct investment
3326 of contributions, make changes to their accounts, transfer
3327 moneys between available investment vehicles, and transfer
3328 moneys between provider companies; and any fees that apply to
3329 such activities.

3330 8. The provider company's policies with respect to the
3331 transfer of individual account balances, contributions, and
3332 earnings thereon, both internally among investment products
3333 offered by the provider company and externally between approved
3334 providers, as well as any fees, charges, reductions, or
3335 penalties that may be applied.

3336 9. An evaluation of specific investment products, taking
3337 into account each product's experience in meeting its investment
3338 return objectives net of all related fees, expenses, and
3339 charges, including, but not limited to, investment management
3340 fees, loads, distribution and marketing fees, custody fees,
3341 recordkeeping fees, education fees, annuity expenses, and
3342 consulting fees.

3343 10. Organizational factors, including, but not limited to,
3344 financial solvency, organizational depth, and experience in
3345 providing institutional and retail investment services.

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3346 (d) By March 1, 2010, the state board shall identify and
3347 offer at least one terror-free investment product that allocates
3348 its funds among securities not subject to divestiture as
3349 provided in s. 215.473 if the investment product is deemed by
3350 the state board to be consistent with prudent investor
3351 standards. A ~~Ne~~ person may not bring a civil, criminal, or
3352 administrative action against an approved provider; the state
3353 board; or any employee, officer, director, or trustee of such
3354 provider based upon the divestiture of any security or the
3355 offering of a terror-free investment product as specified in
3356 this paragraph.

3357 (e) As a condition of offering an ~~any~~ investment option or
3358 product in the investment plan ~~optional retirement program~~, the
3359 approved provider must agree to make the investment product or
3360 service available under the most beneficial terms offered to any
3361 other customer, subject to approval by the ~~Trustees of the state~~
3362 ~~board of Administration~~.

3363 (f) The state board shall regularly review the performance
3364 of each approved provider and product and related organizational
3365 factors to ensure continued compliance with established
3366 selection criteria and with board policy and procedures.
3367 Providers and products may be terminated subject to contract
3368 provisions. The state board shall adopt procedures to transfer
3369 account balances from terminated products or providers to other
3370 products or providers in the investment plan ~~optional program~~.

3371 (g)1. An approved provider shall comply with all
3372 applicable federal and state securities and insurance laws and
3373 regulations ~~applicable to the provider~~, as well as with the
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3374 applicable rules and guidelines of the National Association of
3375 Securities Dealers which govern the ethical marketing of
3376 investment products. In furtherance of this mandate, an approved
3377 provider must agree in its contract with the state board to
3378 establish and maintain a compliance education and monitoring
3379 system to supervise the activities of all personnel who directly
3380 communicate with individual members ~~participants~~ and recommend
3381 investment products, which system is consistent with rules of
3382 the National Association of Securities Dealers.

3383 2. Approved provider personnel who directly communicate
3384 with individual members ~~participants~~ and who recommend
3385 investment products shall make an independent and unbiased
3386 determination as to whether an investment product is suitable
3387 for a particular member ~~participant~~.

3388 3. The state board shall develop procedures to receive and
3389 resolve member ~~participant~~ complaints against a provider or
3390 approved provider personnel, and, if ~~when~~ appropriate, refer
3391 such complaints to the appropriate agency.

3392 4. Approved providers may not sell or in any way
3393 distribute any customer list or member ~~participant~~
3394 identification information generated through their offering of
3395 products or services through the investment plan ~~optional~~
3396 ~~retirement program~~.

3397 (10) EDUCATION COMPONENT.—

3398 (a) The state board, in coordination with the department,
3399 shall provide for an education component for system members in a
3400 manner consistent with the provisions of this section. The
3401 education component must be available to eligible employees at
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3402 least 90 days prior to the beginning date of the election period
3403 for the employees of the respective types of employers.

3404 (b) The education component must provide system members
3405 with impartial and balanced information about plan choices. The
3406 education component must involve multimedia formats. Program
3407 comparisons must, to the greatest extent possible, be based upon
3408 the retirement income that different retirement programs may
3409 provide to the member ~~participant~~. The state board shall monitor
3410 the performance of the contract to ensure that the program is
3411 conducted in accordance with the contract, applicable law, and
3412 the rules of the state board.

3413 (c) The state board, in coordination with the department,
3414 shall provide for an initial and ongoing transfer education
3415 component to provide system members with information necessary
3416 to make informed plan choice decisions. The transfer education
3417 component must include, but is not limited to, information on:

3418 1. The amount of money available to a member to transfer
3419 to the defined contribution program.

3420 2. The features of and differences between the pension
3421 plan ~~defined benefit program~~ and the defined contribution
3422 program, both generally and specifically, as those differences
3423 may affect the member.

3424 3. The expected benefit available if the member were to
3425 retire under each of the retirement programs, based on
3426 appropriate alternative sets of assumptions.

3427 4. The rate of return from investments in the defined
3428 contribution program and the period of time over which such rate
3429 of return must be achieved to equal or exceed the expected

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3430 monthly benefit payable to the member under the pension plan
3431 ~~defined benefit program~~.

3432 5. The historical rates of return for the investment
3433 alternatives available in the defined contribution programs.

3434 6. The benefits and historical rates of return on
3435 investments available in a typical deferred compensation plan or
3436 a typical plan under s. 403(b) of the Internal Revenue Code for
3437 which the employee may be eligible.

3438 7. The program choices available to employees of the State
3439 University System and the comparative benefits of each available
3440 program, if applicable.

3441 8. Payout options available in each of the retirement
3442 programs.

3443 (d) An ongoing education and communication component must
3444 provide eligible employees ~~system members~~ with information
3445 necessary to make informed decisions about choices within their
3446 retirement system ~~program of membership~~ and in preparation for
3447 retirement. The component must include, but is not limited to,
3448 information concerning:

3449 1. Rights and conditions of membership.

3450 2. Benefit features within the program, options, and
3451 effects of certain decisions.

3452 3. Coordination of contributions and benefits with a
3453 deferred compensation plan under s. 457 or a plan under s.
3454 403(b) of the Internal Revenue Code.

3455 4. Significant program changes.

3456 5. Contribution rates and program funding status.

3457 6. Planning for retirement.

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3458 (e) Descriptive materials must be prepared under the
3459 assumption that the employee is an unsophisticated investor, and
3460 all materials used in the education component must be approved
3461 by the state board prior to dissemination.

3462 (f) The state board and the department shall also
3463 establish a communication component to provide program
3464 information to participating employers and the employers'
3465 personnel and payroll officers and to explain their respective
3466 responsibilities in conjunction with the retirement programs.

3467 (g) Funding for education of new employees may reflect
3468 administrative costs to the investment plan ~~optional program~~ and
3469 the pension plan ~~defined benefit program~~.

3470 (h) Pursuant to subsection ~~paragraph~~ (8)~~(a)~~, all Florida
3471 Retirement System employers have an obligation to regularly
3472 communicate the existence of the two Florida Retirement System
3473 plans and the plan choice in the natural course of administering
3474 their personnel functions, using the educational materials
3475 supplied by the state board and the Department of Management
3476 Services.

3477 (11) MEMBER PARTICIPANT INFORMATION REQUIREMENTS.—The
3478 state board shall ensure that each member ~~participant~~ is
3479 provided a quarterly statement that accounts for the
3480 contributions made on behalf of the member ~~such participant~~; the
3481 interest and investment earnings thereon; and any fees,
3482 penalties, or other deductions that apply ~~thereto~~. At a minimum,
3483 such statements must:

3484 (a) Indicate the member's ~~participant's~~ investment
3485 options.

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3486 (b) State the market value of the account at the close of
3487 the current quarter and previous quarter.

3488 (c) Show account gains and losses ~~for the period~~ and
3489 changes in account accumulation unit values for the quarter
3490 ~~period~~.

3491 (d) Itemize account contributions for the quarter.

3492 (e) Indicate any account changes due to adjustment of
3493 contribution levels, reallocation of contributions, balance
3494 transfers, or withdrawals.

3495 (f) Set forth any fees, charges, penalties, and deductions
3496 that apply to the account.

3497 (g) Indicate the amount of the account in which the member
3498 ~~participant~~ is fully vested and the amount of the account in
3499 which the member participant is not vested.

3500 (h) Indicate each investment product's performance
3501 relative to an appropriate market benchmark.

3502
3503 The third-party administrator shall provide quarterly and annual
3504 summary reports to the state board and any other reports
3505 requested by the department or the state board. In any
3506 solicitation or offer of coverage under the investment plan ~~an~~
3507 ~~optional retirement program~~, a provider company shall be
3508 governed by the contract readability provisions of s. 627.4145,
3509 notwithstanding s. 627.4145(6)(c). In addition, all descriptive
3510 materials must be prepared under the assumption that the member
3511 ~~participant~~ is an unsophisticated investor. Provider companies
3512 must maintain an internal system of quality assurance, have
3513 proven functional systems that are date-calculation compliant,
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3514 and be subject to a due-diligence inquiry that proves their
3515 capacity and fitness to undertake service responsibilities.

3516 (12) ADVISORY COUNCIL TO PROVIDE ADVICE AND ASSISTANCE.—

3517 The Investment Advisory Council, created pursuant to s. 215.444,
3518 shall assist the state board in implementing and administering
3519 the investment plan ~~Public Employee Optional Retirement Program.~~

3520 ~~The Investment Advisory council, created pursuant to s. 215.444,~~
3521 shall review the state board's initial recommendations regarding
3522 the criteria to be used in selecting and evaluating approved
3523 providers and investment products. The council may provide
3524 comments on the recommendations to the state board within 45
3525 days after receiving the initial recommendations. The state
3526 board shall make the final determination as to whether any
3527 investment provider or product, any contractor, or any and all
3528 contract provisions are ~~shall be~~ approved for the investment
3529 plan ~~program.~~

3530 (13) FEDERAL REQUIREMENTS.—

3531 (a) ~~Provisions of~~ This section shall be construed, and the
3532 investment plan ~~Public Employee Optional Retirement Program~~
3533 shall be administered, so as to comply with the Internal Revenue
3534 Code, 26 U.S.C., and specifically with plan qualification
3535 requirements imposed on governmental plans under s. 401(a) of
3536 the Internal Revenue Code. The state board may ~~shall have the~~
3537 ~~power and authority to~~ adopt rules reasonably necessary to
3538 establish or maintain the qualified status of the investment
3539 plan ~~Optional Retirement Program~~ under the Internal Revenue Code
3540 and to implement and administer the investment plan ~~Optional~~
3541 ~~Retirement Program~~ in compliance with the Internal Revenue Code
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3542 and as designated under this part; provided however, that the
3543 board shall not have the authority to adopt any rule which makes
3544 a substantive change to the investment plan ~~Optional Retirement~~
3545 ~~Program~~ as designed by this part.

3546 (b) Any section or provision of this chapter which is
3547 susceptible to more than one construction shall ~~must~~ be
3548 interpreted in favor of the construction most likely to satisfy
3549 requirements imposed by s. 401(a) of the Internal Revenue Code.

3550 (c) Contributions payable under this section for any
3551 limitation year may not exceed the maximum amount allowable for
3552 qualified defined contribution pension plans under applicable
3553 provisions of the Internal Revenue Code. If an employee who is
3554 enrolled ~~has elected to participate in the investment plan~~
3555 ~~Public Employee Optional Retirement Program~~ participates in any
3556 other plan that is maintained by the participating employer,
3557 benefits that accrue under the investment plan ~~Public Employee~~
3558 ~~Optional Retirement Program~~ shall be considered primary for any
3559 aggregate limitation applicable under s. 415 of the Internal
3560 Revenue Code.

3561 (14) INVESTMENT POLICY STATEMENT.—

3562 (a) Investment products and approved providers selected
3563 for the investment plan ~~must~~ ~~Public Employee Optional Retirement~~
3564 ~~Program shall~~ conform with the Florida Retirement System
3565 Investment Plan ~~Public Employee Optional Retirement Program~~
3566 Investment Policy Statement, herein referred to as the
3567 "statement," as developed and approved by the trustees of the
3568 state board ~~of Administration~~. The statement must include, among
3569 other items, the investment objectives of the investment plan

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3570 ~~Public Employee Optional Retirement Program~~, manager selection
3571 and monitoring guidelines, and performance measurement criteria.
3572 As required from time to time, the executive director of the
3573 state board may present recommended changes in the statement to
3574 the board for approval.

3575 (b) Prior to presenting the statement~~,~~ or any recommended
3576 changes ~~thereto,~~ to the state board, the executive director of
3577 the board shall present such statement or changes to the
3578 Investment Advisory Council for review. The council shall
3579 present the results of its review to the board prior to the
3580 board's final approval of the statement or changes in the
3581 statement.

3582 (15) STATEMENT OF FIDUCIARY STANDARDS AND
3583 RESPONSIBILITIES.—

3584 (a) Investment of ~~optional~~ defined contribution ~~retirement~~
3585 plan assets shall be made for the sole interest and exclusive
3586 purpose of providing benefits to members ~~plan participants~~ and
3587 beneficiaries and defraying reasonable expenses of administering
3588 the plan. The program's assets shall ~~are to~~ be invested~~,~~ on
3589 behalf of the program members ~~participants,~~ with the care,
3590 skill, and diligence that a prudent person acting in a like
3591 manner would undertake. The performance of the investment duties
3592 set forth in this paragraph shall comply with the fiduciary
3593 standards set forth in the Employee Retirement Income Security
3594 Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). In case of
3595 conflict with other provisions of law authorizing investments,
3596 the investment and fiduciary standards set forth in this
3597 subsection shall prevail.

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3598 (b) If a member ~~participant~~ or beneficiary of the
3599 investment plan ~~Public Employee Optional Retirement Program~~
3600 exercises control over the assets in his or her account, as
3601 determined by reference to regulations of the United States
3602 Department of Labor under s. 404(c) of the Employee Retirement
3603 Income Security Act of 1974 and all applicable laws governing
3604 the operation of the program, a ~~ne~~ program fiduciary is not
3605 ~~shall be~~ liable for any loss to a member's ~~participant's~~ or
3606 beneficiary's account which results from the member's ~~such~~
3607 ~~participant's~~ or beneficiary's exercise of control.

3608 (c) Subparagraph (8) (b) 2.4. and paragraph ~~(15)~~ (b)
3609 incorporate the federal law concept of participant control,
3610 established by regulations of the United States Department of
3611 Labor under s. 404(c) of the Employee Retirement Income Security
3612 Act of 1974 (ERISA). The purpose of this paragraph is to assist
3613 employers and the state board ~~of Administration~~ in maintaining
3614 compliance with s. 404(c), while avoiding unnecessary costs and
3615 eroding member ~~participant~~ benefits under the investment plan
3616 ~~Public Employee Optional Retirement Program~~. Pursuant to 29
3617 C.F.R. s. 2550.404c-1(b) (2) (i) (B) (1) (viii), the state board ~~of~~
3618 ~~Administration~~ or its designated agents shall deliver to members
3619 ~~participants~~ of the investment plan ~~Public Employee Optional~~
3620 ~~Retirement Program~~ a copy of the prospectus most recently
3621 provided to the plan, and, pursuant to 29 C.F.R. s. 2550.404c-
3622 1(b) (2) (i) (B) (2) (ii), shall provide such members ~~participants~~ an
3623 opportunity to obtain this information, except that:

3624 1. The requirement to deliver a prospectus shall be ~~deemed~~
3625 ~~to be~~ satisfied by delivery of a fund profile or summary profile
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3626 that contains the information that would be included in a
3627 summary prospectus as described by Rule 498 under the Securities
3628 Act of 1933, 17 C.F.R. s. 230.498. ~~If~~ ~~When~~ the transaction fees,
3629 expense information or other information provided by a mutual
3630 fund in the prospectus does not reflect terms negotiated by the
3631 state board ~~of Administration~~ or its designated agents, the
3632 ~~forementioned~~ requirement is ~~deemed to be~~ satisfied by delivery
3633 of a separate document described by Rule 498 substituting
3634 accurate information; and

3635 2. Delivery shall be ~~deemed to have been~~ effected if
3636 delivery is through electronic means and the following standards
3637 are satisfied:

3638 a. Electronically-delivered documents are prepared and
3639 provided consistent with style, format, and content requirements
3640 applicable to printed documents;

3641 b. Each member participant is provided timely and adequate
3642 notice of the documents that are to be delivered, and their
3643 significance thereof, and of the member's participant's right to
3644 obtain a paper copy of such documents free of charge;

3645 c. ~~(I)~~ Members Participants have adequate access to the
3646 electronic documents, at locations such as their worksites or
3647 public facilities, and have the ability to convert the documents
3648 to paper free of charge by the state board ~~of Administration~~,
3649 and the board or its designated agents take appropriate and
3650 reasonable measures to ensure that the system for furnishing
3651 electronic documents results in actual receipt. ~~er~~

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3652 ~~(II) Members Participants~~ have provided consent to receive
3653 information in electronic format, which consent may be revoked;
3654 and

3655 d. The state board ~~of Administration~~, or its designated
3656 agent, actually provides paper copies of the documents free of
3657 charge, upon request.

3658 (16) DISABILITY BENEFITS.—For any member participant of
3659 the investment plan optional retirement program who becomes
3660 totally and permanently disabled, benefits must ~~shall~~ be paid in
3661 accordance with the provisions of s. 121.591.

3662 (17) SOCIAL SECURITY COVERAGE.—Social security coverage
3663 shall be provided for all officers and employees who become
3664 members participants of the investment plan optional program.
3665 Any modification of the present agreement with the Social
3666 Security Administration, or referendum required under the Social
3667 Security Act, for the purpose of providing social security
3668 coverage for any member shall be requested by the state agency
3669 in compliance with the applicable provisions of the Social
3670 Security Act governing such coverage. However, retroactive
3671 social security coverage for service prior to December 1, 1970,
3672 with the employer may ~~shall~~ not be provided for any member who
3673 was not covered under the agreement as of November 30, 1970.

3674 (18) RETIREE HEALTH INSURANCE SUBSIDY.—All officers and
3675 employees who are members participants of the investment plan
3676 are optional program shall be eligible to receive the retiree
3677 health insurance subsidy, subject to the provisions of s.
3678 112.363.

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3679 (19) MEMBER PARTICIPANT RECORDS.—Personal identifying
3680 information of a member participant in the investment plan
3681 ~~Public Employee Optional Retirement Program~~ contained in Florida
3682 Retirement System records held by the state board of
3683 ~~Administration~~ or the department of ~~Management Services~~ is
3684 exempt from s. 119.07(1) and s. 24(a), Art. I of the State
3685 Constitution.

3686 (20) DESIGNATION OF BENEFICIARIES.—

3687 (a) Each member participant may, by electronic means or on
3688 a form provided for that purpose, signed and filed with the
3689 third-party administrator, designate a choice of one or more
3690 persons, named sequentially or jointly, as his or her
3691 beneficiary for receiving ~~who shall receive~~ the benefits, if
3692 any, which may be payable pursuant to this chapter in the event
3693 of the member's participant's death. If no beneficiary is named
3694 in this manner, or if no beneficiary designated by the member
3695 ~~participant~~ survives the member participant, the beneficiary
3696 shall be the spouse of the deceased, if living. If the member's
3697 ~~participant's~~ spouse is not alive at the time of the
3698 beneficiary's his or her death, the beneficiary shall be the
3699 living children of the member participant. If no children
3700 survive, the beneficiary shall be the member's participant's
3701 father or mother, if living; otherwise, the beneficiary shall be
3702 the member's participant's estate. The beneficiary most recently
3703 designated by a member participant ~~on a form or letter filed~~
3704 ~~with the third-party administrator~~ shall be the beneficiary
3705 entitled to any benefits payable at the time of the member's
3706 ~~participant's~~ death. However ~~Notwithstanding any other provision~~
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3707 ~~in this subsection to the contrary,~~ for a member participant who
3708 dies prior to his or her effective date of retirement, the
3709 spouse at the time of death shall be the member's participant's
3710 beneficiary unless the member ~~such participant~~ designates a
3711 different beneficiary ~~as provided in this subsection~~ subsequent
3712 to the member's participant's most recent marriage.

3713 (b) If a member participant designates a primary
3714 beneficiary other than the member's participant's spouse, the
3715 member's participant's spouse must sign the beneficiary
3716 designation form to acknowledge the designation. This
3717 requirement does not apply to the designation of one or more
3718 contingent beneficiaries to receive benefits remaining upon the
3719 death of the primary beneficiary or beneficiaries.

3720 (c) Notwithstanding the member's participant's designation
3721 of benefits to be paid through a trust to a beneficiary that is
3722 a natural person, ~~and notwithstanding~~ the provisions of the
3723 trust, benefits must ~~shall~~ be paid directly to the beneficiary
3724 if the person is no longer a minor or an incapacitated person as
3725 defined in s. 744.102.

3726 (21) PARTICIPATION BY TERMINATED DEFERRED RETIREMENT
3727 OPTION PROGRAM MEMBERS PARTICIPANTS.—Notwithstanding any other
3728 provision of law ~~to the contrary,~~ members participants in the
3729 Deferred Retirement Option Program offered under part I may,
3730 after conclusion of their participation in the program, elect to
3731 roll over or authorize a direct trustee-to-trustee transfer to
3732 an account under the investment plan ~~Public Employee Optional~~
3733 ~~Retirement Program~~ of their Deferred Retirement Option Program
3734 proceeds distributed as provided under s. 121.091(13)(c)5. The
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3735 transaction must constitute an "eligible rollover distribution"
3736 within the meaning of s. 402(c)(4) of the Internal Revenue Code.

3737 (a) The investment plan ~~Public Employee Optional~~
3738 ~~Retirement Program~~ may accept such amounts for deposit into
3739 member participant accounts as provided in paragraph (5) ~~(e)-(e)~~.

3740 (b) The affected member participant shall direct the
3741 investment of his or her investment account; however, unless he
3742 or she becomes a renewed member of the Florida Retirement System
3743 under s. 121.122 and elects to participate in the investment
3744 plan ~~Public Employee Optional Retirement Program~~, no employer
3745 contributions may ~~not~~ be made to the member's participant's
3746 account as provided under paragraph (5) (a).

3747 (c) The state board or the department is not responsible
3748 for locating those persons who may be eligible to participate in
3749 the investment plan ~~Public Employee Optional Retirement Program~~
3750 under this subsection.

3751 (22) CREDIT FOR MILITARY SERVICE.—Creditable service of
3752 any member of the investment plan includes ~~Public Employee~~
3753 ~~Optional Retirement Program shall include~~ military service in
3754 the Armed Forces of the United States as provided in ~~the~~
3755 ~~conditions outlined in~~ s. 121.111(1).

3756 Section 18. Section 121.4502, Florida Statutes, is amended
3757 to read:

3758 121.4502 Florida Retirement System Investment Plan ~~Public~~
3759 ~~Employee Optional Retirement Program~~ Trust Fund.—

3760 (1) The Florida Retirement System Investment Plan ~~Public~~
3761 ~~Employee Optional Retirement Program~~ Trust Fund is created to
3762 hold the assets of the Florida Retirement System Investment Plan
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3763 ~~Public Employee Optional Retirement Program~~ in trust for the
3764 exclusive benefit of such program's members ~~participants~~ and
3765 beneficiaries, and for the payment of reasonable administrative
3766 expenses of the program, in accordance with s. 401 of the
3767 Internal Revenue Code, and shall be administered by the state
3768 board ~~of Administration~~ as trustee. Funds shall be credited to
3769 the trust fund as provided in this part, to be used for the
3770 purposes of this part. The trust fund is exempt from the service
3771 charges imposed by s. 215.20.

3772 (2) The Florida Retirement System Investment Plan ~~Public~~
3773 ~~Employee Optional Retirement Program~~ Trust Fund is a retirement
3774 trust fund of the Florida Retirement System that accounts for
3775 retirement plan assets held by the state in a trustee capacity
3776 as a fiduciary for individual participants in the Florida
3777 Retirement System Investment Plan ~~Public Employee Optional~~
3778 ~~Retirement Program~~ and, pursuant to s. 19(f), Art. III of the
3779 State Constitution, is not subject to termination.

3780 (3) A forfeiture account shall be created within the
3781 Florida Retirement System Investment Plan ~~Public Employee~~
3782 ~~Optional Retirement Program~~ Trust Fund to hold the assets
3783 derived from the forfeiture of benefits by participants.
3784 Pursuant to a private letter ruling from the Internal Revenue
3785 Service, the forfeiture account may be used only for paying
3786 expenses of the Florida Retirement System Investment Plan ~~Public~~
3787 ~~Employee Optional Retirement Program~~ and reducing future
3788 employer contributions to the program. Consistent with Rulings
3789 80-155 and 74-340 of the Internal Revenue Service, unallocated
3790 reserves within the forfeiture account must be used as quickly
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3791 and as prudently as possible considering the state board's
3792 fiduciary duty. Expected withdrawals from the account must
3793 endeavor to reduce the account to zero each fiscal year.

3794 Section 19. Subsections (1) and (3) of section 121.4503,
3795 Florida Statutes, are amended to read:

3796 121.4503 Florida Retirement System Contributions Clearing
3797 Trust Fund.—

3798 (1) The Florida Retirement System Contributions Clearing
3799 Trust Fund is created as a clearing fund for disbursing employee
3800 and employer contributions to the component plans of the Florida
3801 Retirement System and shall be administered by the Department of
3802 Management Services. Funds shall be credited to the trust fund
3803 as provided in this chapter and shall be held in trust for the
3804 contributing members and employers until such time as the assets
3805 are transferred by the department to the Florida Retirement
3806 System Trust Fund, the Florida Retirement System Investment Plan
3807 ~~Public Employee Optional Retirement Program~~ Trust Fund, or other
3808 trust funds as authorized by law, to be used for the purposes of
3809 this chapter. The trust fund is exempt from the service charges
3810 imposed by s. 215.20.

3811 (3) The Department of Management Services may adopt rules
3812 governing the receipt and disbursement of amounts received by
3813 the Florida Retirement System Contributions Clearing Trust Fund
3814 from employees and employers contributing to the component plans
3815 of the Florida Retirement System.

3816 Section 20. Section 121.571, Florida Statutes, is amended
3817 to read:

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3818 121.571 Contributions.—Contributions to the investment
3819 plan ~~Public Employee Optional Retirement Program~~ shall be made
3820 as follows:

3821 (1) CONTRIBUTORY NONCONTRIBUTORY PLAN.—Each member and
3822 employer shall submit ~~accomplish the~~ contributions as required
3823 by s. 121.71 ~~by a procedure in which no employee's gross salary~~
3824 ~~shall be reduced~~.

3825 (2) CONTRIBUTION RATES GENERALLY.—Contributions to fund
3826 the retirement and disability benefits provided under this part
3827 must ~~shall~~ be based on the uniform contribution rates
3828 established by s. 121.71 and on the membership class or subclass
3829 of the member participant. Such contributions must ~~shall~~ be
3830 allocated as provided in ss. 121.72 and 121.73.

3831 (3) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR
3832 RETIREE HEALTH INSURANCE SUBSIDY.—Contributions required under
3833 s. 121.71 ~~are this section shall be~~ in addition to employer and
3834 member contributions ~~required~~ for social security and the
3835 Retiree Health Insurance Subsidy Trust Fund as required under
3836 ~~provided in~~ ss. 112.363, 121.052, 121.055, and 121.071, as
3837 appropriate.

3838 Section 21. Section 121.591, Florida Statutes, is amended
3839 to read:

3840 121.591 Payment of benefits ~~payable under the Public~~
3841 ~~Employee Optional Retirement Program of the Florida Retirement~~
3842 ~~System~~.—Benefits may not be paid under the Florida Retirement
3843 System Investment Plan ~~this section~~ unless the member has
3844 terminated employment as provided in s. 121.021(39)(a) or is
3845 deceased and a proper application has been filed as ~~in the~~
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3846 ~~manner~~ prescribed by the state board or the department. Benefits
3847 are not payable under the investment plan before termination of
3848 employment as provided in s. 121.021(39) (a) for employee
3849 hardships, unforeseeable emergencies, loans, medical expenses,
3850 educational expenses, purchase of a principal residence,
3851 payments necessary to prevent eviction or foreclosure on an
3852 employee's principal residence, or any other reason prior to
3853 termination from all employment relationships with participating
3854 employers. The state board or department, as appropriate, may
3855 cancel an application for retirement benefits if ~~when~~ the member
3856 or beneficiary fails to timely provide the information and
3857 documents required by this chapter and the rules of the state
3858 board and department. In accordance with their respective
3859 responsibilities ~~as provided herein~~, the state board of
3860 ~~Administration~~ and the department of ~~Management Services~~ shall
3861 adopt rules establishing procedures for application for
3862 retirement benefits and for the cancellation of such application
3863 if ~~when~~ the required information or documents are not received.
3864 The state board of ~~Administration~~ and the department of
3865 ~~Management Services~~, as appropriate, are authorized to cash out
3866 a de minimis account of a member participant who has been
3867 terminated from Florida Retirement System covered employment for
3868 a minimum of 6 calendar months. A de minimis account is an
3869 account containing member and employer contributions and
3870 accumulated earnings of not more than \$5,000 made under the
3871 provisions of this chapter. Such cash-out must either be a
3872 complete lump-sum liquidation of the account balance, subject to
3873 the provisions of the Internal Revenue Code, or a lump-sum
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3874 direct rollover distribution paid directly to the custodian of
3875 an eligible retirement plan, as defined by the Internal Revenue
3876 Code, on behalf of the member participant. Any nonvested
3877 accumulations and associated service credit, including amounts
3878 transferred to the suspense account of the Florida Retirement
3879 System Investment Plan Trust Fund authorized under s.
3880 121.4501(6), shall be forfeited upon payment of any vested
3881 benefit to a member or beneficiary, except for de minimis
3882 distributions or minimum required distributions as provided
3883 under this section. If any financial instrument issued for the
3884 payment of retirement benefits under this section is not
3885 presented for payment within 180 days after the last day of the
3886 month in which it was originally issued, the third-party
3887 administrator or other duly authorized agent of the state board
3888 ~~of Administration~~ shall cancel the instrument and credit the
3889 amount of the instrument to the suspense account of the Florida
3890 Retirement System Investment Plan ~~Public Employee Optional~~
3891 ~~Retirement Program~~ Trust Fund authorized under s. 121.4501(6).
3892 Any such amounts transferred to the suspense account are payable
3893 upon a proper application, not to include earnings thereon, as
3894 provided in this section, within 10 years after the last day of
3895 the month in which the instrument was originally issued, after
3896 which time such amounts and any earnings attributable to
3897 employer contributions ~~thereon~~ shall be forfeited. Any such
3898 forfeited amounts are assets of the Florida Retirement System
3899 Investment Plan ~~Public Employee Optional Retirement Program~~
3900 Trust Fund and are not subject to the provisions of chapter 717.

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3901 (1) NORMAL BENEFITS.—Under the investment plan ~~Public~~
3902 ~~Employee Optional Retirement Program~~:

3903 (a) Benefits in the form of vested accumulations as
3904 described in s. 121.4501(6) are payable under this subsection in
3905 accordance with the following terms and conditions:

3906 1. ~~To the extent vested,~~ Benefits are payable only to a
3907 member, an alternate payee of a qualified domestic relations
3908 order, or a beneficiary participant.

3909 2. Benefits shall be paid by the third-party administrator
3910 or designated approved providers in accordance with the law, the
3911 contracts, and any applicable board rule or policy.

3912 3. ~~To receive benefits,~~ The member participant must be
3913 terminated from all employment with all Florida Retirement
3914 System employers, as provided in s. 121.021(39).

3915 4. Benefit payments may not be made until the member
3916 ~~participant~~ has been terminated for 3 calendar months, except
3917 that the state board may authorize by rule for the distribution
3918 of up to 10 percent of the member's participant's account after
3919 being terminated for 1 calendar month if the member participant
3920 has reached the normal retirement date as defined in s. 121.021
3921 ~~of the defined benefit plan.~~

3922 5. If a member or former member of the Florida Retirement
3923 System receives an invalid distribution ~~from the Public Employee~~
3924 ~~Optional Retirement Program Trust Fund~~, such person must either
3925 repay the full amount ~~invalid distribution to the trust fund~~
3926 within 90 days after receipt of final notification by the state
3927 board or the third-party administrator that the distribution was
3928 invalid, or, in lieu of repayment, the member must terminate

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3929 employment from all participating employers. If such person
3930 fails to repay the full invalid distribution within 90 days
3931 after receipt of final notification, the person may be deemed
3932 retired from the investment plan ~~optional retirement program~~ by
3933 the state board, ~~as provided pursuant to s. 121.4501(2)(k)~~, and
3934 is subject to s. 121.122. If such person is deemed retired ~~by~~
3935 ~~the state board~~, any joint and several liability set out in s.
3936 121.091(9)(d)2. ~~is becomes null and void~~, and the state board,
3937 the department, or the employing agency is not liable for gains
3938 on payroll contributions that have not been deposited to the
3939 person's account in the investment plan ~~retirement program~~,
3940 pending resolution of the invalid distribution. The member or
3941 former member who has been deemed retired or who has been
3942 determined by the state board to have taken an invalid
3943 distribution may appeal the agency decision through the
3944 complaint process as provided under s. 121.4501(9)(g)3. As used
3945 in this subparagraph, the term "invalid distribution" means any
3946 distribution from an account in the investment plan ~~optional~~
3947 ~~retirement program~~ which is taken in violation of this section,
3948 s. 121.091(9), or s. 121.4501.

3949 (b) If a member ~~participant~~ elects to receive his or her
3950 benefits upon termination of employment as defined in s.
3951 121.021, the member ~~participant~~ must submit a written
3952 application or an application by electronic means to the third-
3953 party administrator indicating his or her preferred distribution
3954 date and selecting an authorized method of distribution as
3955 provided in paragraph (c). The member ~~participant~~ may defer

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3956 receipt of benefits until he or she chooses to make such
3957 application, subject to federal requirements.

3958 (c) Upon receipt by the third-party administrator of a
3959 properly executed application for distribution of benefits, the
3960 total accumulated benefit is shall be payable to the member pro
3961 rata across all Florida Retirement System benefit sources
3962 participant, as:

3963 1. A lump-sum or partial distribution to the member
3964 participant;

3965 2. A lump-sum direct rollover distribution whereby all
3966 accrued benefits, plus interest and investment earnings, are
3967 paid from the member's participant's account directly to the
3968 custodian of an eligible retirement plan, as defined in s.
3969 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
3970 member participant; or

3971 3. Periodic distributions, as authorized by the state
3972 board.

3973 (d) The distribution payment method selected by the member
3974 or beneficiary, and the retirement of the member or beneficiary,
3975 shall be final and irrevocable at the time a benefit
3976 distribution payment is cashed, deposited, or transferred to
3977 another financial institution. Any additional service that
3978 remains unclaimed at retirement may not be claimed or purchased,
3979 and the type of retirement may not be changed, except that if a
3980 member recovers from a disability, the member may subsequently
3981 request benefits under subsection (2).

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3982 (e) A member may not receive a distribution of employee
3983 contributions if a pending qualified domestic relations order is
3984 filed against the member's investment plan account.

3985 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided
3986 under this subsection are payable in lieu of the benefits that
3987 ~~which~~ would otherwise be payable under the provisions of
3988 subsection (1). Such benefits must shall be funded ~~entirely~~ from
3989 employer contributions made under s. 121.571, transferred
3990 employee contributions and participant funds accumulated
3991 pursuant to paragraph (a), and interest and earnings thereon.
3992 Pursuant thereto:

3993 (a) Transfer of funds.—To qualify to receive monthly
3994 disability benefits under this subsection:

3995 1. All moneys accumulated in the member's participant's
3996 ~~Public Employee Optional Retirement Program~~ accounts, including
3997 vested and nonvested accumulations as described in s.
3998 121.4501(6), must shall be transferred from such individual
3999 accounts to the division ~~of Retirement~~ for deposit in the
4000 disability account of the Florida Retirement System Trust Fund.
4001 Such moneys must shall be ~~separately~~ accounted for separately.
4002 Earnings must shall be credited on an annual basis for amounts
4003 held in the disability accounts of the Florida Retirement System
4004 Trust Fund based on actual earnings of the ~~Florida Retirement~~
4005 ~~System~~ trust fund.

4006 2. If the member participant has retained retirement
4007 credit ~~he or she had~~ earned under the pension plan defined
4008 ~~benefit program of the Florida Retirement System~~ as provided in
4009 s. 121.4501(3) ~~(b)~~, a sum representing the actuarial present
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4010 value of such credit within the Florida Retirement System Trust
4011 Fund shall be reassigned by the division ~~of Retirement~~ from the
4012 pension plan defined benefit program to the disability program
4013 as implemented under this subsection and shall be deposited in
4014 the disability account of the ~~Florida Retirement System~~ trust
4015 fund. Such moneys must ~~shall~~ be ~~separately~~ accounted for
4016 separately.

4017 (b) Disability retirement; entitlement.—

4018 1. A member participant of the investment plan ~~Public~~
4019 ~~Employee Optional Retirement Program~~ who becomes totally and
4020 permanently disabled, as defined in paragraph (d) ~~s.~~
4021 ~~121.091(4)(b)~~, after completing 8 years of creditable service,
4022 or a member participant who becomes totally and permanently
4023 disabled in the line of duty regardless of ~~his or her~~ length of
4024 service, is ~~shall be~~ entitled to a monthly disability benefit ~~as~~
4025 ~~provided herein~~.

4026 2. In order for service to apply toward the 8 years of
4027 creditable service required ~~to vest~~ for regular disability
4028 benefits, or toward the creditable service used in calculating a
4029 service-based benefit as provided ~~for~~ under paragraph (g), the
4030 service must be creditable service as described below:

4031 a. The member's participant's period of service under the
4032 investment plan shall ~~Public Employee Optional Retirement~~
4033 ~~Program will~~ be considered creditable service, except as
4034 provided in subparagraph d.

4035 b. If the member participant has elected to retain credit
4036 for ~~his or her~~ service under the pension plan defined benefit
4037 ~~program of the Florida Retirement System~~ as provided under s.
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4038 121.4501(3)~~(b)~~, all such service shall ~~will~~ be considered
4039 creditable service.

4040 c. If the member elects ~~participant has elected~~ to
4041 transfer to his or her member ~~participant~~ accounts a sum
4042 representing the present value of his or her retirement credit
4043 under the pension plan ~~defined benefit program~~ as provided under
4044 s. 121.4501(3)~~(e)~~, the period of service under the pension plan
4045 ~~defined benefit program~~ represented in the present value amounts
4046 transferred shall ~~will~~ be considered creditable service ~~for~~
4047 ~~purposes of vesting for disability benefits~~, except as provided
4048 in subparagraph d.

4049 d. Whenever a member ~~participant~~ has terminated employment
4050 and has taken distribution of his or her funds as provided in
4051 subsection (1), all creditable service represented by such
4052 distributed funds is forfeited for purposes of this subsection.

4053 (c) Disability retirement effective date.—The effective
4054 retirement date for a member ~~participant~~ who applies and is
4055 approved for disability retirement shall be established as
4056 provided under s. 121.091(4) (a)2. and 3.

4057 (d) Total and permanent disability.—A member ~~participant~~
4058 shall be considered totally and permanently disabled if, in the
4059 opinion of the division, he or she is prevented, by reason of a
4060 medically determinable physical or mental impairment, from
4061 rendering useful and efficient service as an officer or
4062 employee.

4063 (e) Proof of disability.—~~The division,~~ Before approving
4064 payment of any disability retirement benefit, the division shall
4065 require proof that the member ~~participant~~ is totally and

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4066 permanently disabled ~~in the same manner~~ as provided ~~for members~~
4067 ~~of the defined benefit program of the Florida Retirement System~~
4068 under s. 121.091(4) (c).

4069 (f) Disability retirement benefit.—Upon the disability
4070 retirement of a member participant under this subsection, the
4071 member participant shall receive a monthly benefit that begins
4072 accruing ~~shall begin to accrue~~ on the first day of the month of
4073 disability retirement, as approved by the division, and is ~~shall~~
4074 ~~be~~ payable on the last day of that month and each month
4075 thereafter during his or her lifetime and continued disability.
4076 All disability benefits must ~~payable to such member shall~~ be
4077 paid out of the disability account of the Florida Retirement
4078 System Trust Fund established under this subsection.

4079 (g) Computation of disability retirement benefit.—The
4080 amount of each monthly payment must ~~shall~~ be calculated ~~in the~~
4081 ~~same manner~~ as provided ~~for members of the defined benefit~~
4082 ~~program of the Florida Retirement System~~ under s. 121.091(4) (f).
4083 ~~For such purpose,~~ Creditable service under both the pension plan
4084 ~~defined benefit program~~ and the investment plan ~~Public Employee~~
4085 ~~Optional Retirement Program of the Florida Retirement System~~
4086 shall be applicable as provided under paragraph (b).

4087 (h) Reapplication.—A member participant whose initial
4088 application for disability retirement is ~~has been~~ denied may
4089 reapply for disability benefits ~~in the same manner, and under~~
4090 ~~the same conditions,~~ as provided for members ~~of the defined~~
4091 ~~benefit program of the Florida Retirement System~~ under s.
4092 121.091(4) (g).

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4093 (i) Membership.—Upon approval of a member's ~~an~~ application
4094 for disability benefits ~~under this subsection~~, the member
4095 ~~applicant~~ shall be transferred to the pension plan ~~defined~~
4096 ~~benefit program of the Florida Retirement System~~, effective upon
4097 his or her disability retirement effective date.

4098 (j) Option to cancel.—A member ~~Any participant~~ whose
4099 application for disability benefits is approved may cancel the
4100 ~~his or her~~ application if ~~for disability benefits~~, provided that
4101 the cancellation request is received by the division before a
4102 disability retirement warrant has been deposited, cashed, or
4103 received by direct deposit. Upon ~~such~~ cancellation:

4104 1. The member's ~~participant's~~ transfer to the pension plan
4105 ~~defined benefit program~~ under paragraph (i) shall be nullified;

4106 2. The member ~~participant~~ shall be retroactively
4107 reinstated in the investment plan ~~Public Employee Optional~~
4108 ~~Retirement Program~~ without hiatus;

4109 3. All funds transferred to the Florida Retirement System
4110 Trust Fund under paragraph (a) must ~~shall~~ be returned to the
4111 member ~~participant~~ accounts from which the ~~such~~ funds were
4112 drawn; and

4113 4. The member ~~participant~~ may elect to receive the benefit
4114 payable under ~~the provisions of~~ subsection (1) in lieu of
4115 disability benefits ~~as provided under this subsection~~.

4116 (k) Recovery from disability.—

4117 1. The division may require periodic reexaminations at the
4118 expense of the disability program account of the Florida
4119 Retirement System Trust Fund. Except as ~~otherwise~~ provided in
4120 subparagraph 2., ~~the requirements, procedures, and restrictions~~

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4121 ~~relating to the conduct and review of such reexaminations,~~
4122 ~~discontinuation or termination of benefits, reentry into~~
4123 ~~employment, disability retirement after reentry into covered~~
4124 ~~employment, and all other matters relating to recovery from~~
4125 disability shall be ~~the same~~ as provided ~~are set forth~~ under s.
4126 121.091(4) (h).

4127 2. Upon recovery from disability, ~~the~~ any recipient of
4128 disability retirement benefits under this subsection shall be a
4129 compulsory member of the investment plan ~~Public Employee~~
4130 ~~Optional Retirement Program of the Florida Retirement System.~~
4131 The net difference between the recipient's original account
4132 balance transferred to the Florida Retirement System Trust Fund,
4133 including earnings, ~~under paragraph (a)~~ and total disability
4134 benefits paid to such recipient, if any, shall be determined as
4135 provided in sub-subparagraph a.

4136 a. An amount equal to the total benefits paid shall be
4137 subtracted from that portion of the transferred account balance
4138 consisting of vested accumulations as described under s.
4139 121.4501(6), if any, and an amount equal to the remainder of
4140 benefit amounts paid, if any, shall ~~then~~ be subtracted from any
4141 remaining ~~portion consisting of~~ nonvested accumulations ~~as~~
4142 ~~described under s. 121.4501(6).~~

4143 b. Amounts subtracted under sub-subparagraph a. must ~~shall~~
4144 be retained within the disability account of the Florida
4145 Retirement System Trust Fund. Any remaining account balance
4146 shall be transferred to the third-party administrator for
4147 disposition as provided under sub-subparagraph c. or sub-
4148 subparagraph d., as appropriate.

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4149 c. If the recipient returns to covered employment,
4150 transferred amounts must ~~shall~~ be deposited in individual
4151 accounts under the investment plan ~~Public Employee Optional~~
4152 ~~Retirement Program~~, as directed by the member ~~participant~~.
4153 Vested and nonvested amounts shall be separately accounted for
4154 as provided in s. 121.4501(6).

4155 d. If the recipient fails to return to covered employment
4156 upon recovery from disability:

4157 (I) Any remaining vested amount must ~~shall~~ be deposited in
4158 individual accounts under the investment plan ~~Public Employee~~
4159 ~~Optional Retirement Program~~, as directed by the member
4160 ~~participant~~, and is ~~shall be~~ payable as provided in subsection
4161 (1).

4162 (II) Any remaining nonvested amount must ~~shall~~ be held in
4163 a suspense account and is ~~shall be~~ forfeitable after 5 years as
4164 provided in s. 121.4501(6).

4165 3. If present value was reassigned from the pension plan
4166 ~~defined benefit program~~ to the disability program ~~of the Florida~~
4167 ~~Retirement System~~ as provided under subparagraph (a)2., the full
4168 present value amount must ~~shall~~ be returned to the defined
4169 benefit account within the Florida Retirement System Trust Fund
4170 and the member's ~~affected individual's~~ associated retirement
4171 credit under the pension plan ~~must~~ ~~defined benefit program~~ ~~shall~~
4172 be reinstated in full. Any benefit based upon such credit must
4173 ~~shall~~ be calculated as provided in s. 121.091(4)(h)1.

4174 (1) Nonadmissible causes of disability.—A member is
4175 ~~participant~~ ~~shall~~ not be entitled to ~~receive~~ a disability

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4176 retirement benefit if the disability results from any injury or
4177 disease ~~sustained or inflicted~~ as described in s. 121.091(4) (i).

4178 (m) Disability retirement of justice or judge by order of
4179 Supreme Court.—

4180 1. If a member participant is a justice of the Supreme
4181 Court, judge of a district court of appeal, circuit judge, or
4182 judge of a county court who has served for 6 years or more as an
4183 elected constitutional judicial officer, including service as a
4184 judicial officer in any court abolished pursuant to Art. V of
4185 the State Constitution, and who is retired for disability ~~by~~
4186 ~~order of the Supreme Court upon recommendation of the Judicial~~
4187 ~~Qualifications Commission pursuant to s. 12, the provisions of~~
4188 Art. V of the State Constitution, the member's participant's
4189 Option 1 monthly disability benefit amount as provided in s.
4190 121.091(6) (a)1. shall be two-thirds of his or her monthly
4191 compensation as of the member's participant's disability
4192 retirement date. The member ~~Such a participant~~ may alternatively
4193 elect to receive an actuarially adjusted disability retirement
4194 benefit under any other option as provided in s. 121.091(6) (a),
4195 or to receive the normal benefit payable under ~~the Public~~
4196 ~~Employee Optional Retirement Program as set forth in subsection~~
4197 (1).

4198 2. If any justice or judge who is a member participant of
4199 the investment plan ~~Public Employee Optional Retirement Program~~
4200 ~~of the Florida Retirement System~~ is retired for disability ~~by~~
4201 ~~order of the Supreme Court upon recommendation of the Judicial~~
4202 ~~Qualifications Commission pursuant to s. 12, the provisions of~~

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4203 Art. V of the State Constitution and elects to receive a monthly
4204 disability benefit under the provisions of this paragraph:

4205 a. Any present value amount that was transferred to his or
4206 her investment plan ~~program~~ account and all employee and
4207 employer contributions made to such account on his or her
4208 behalf, plus interest and earnings thereon, must ~~shall~~ be
4209 transferred to and deposited in the disability account of the
4210 Florida Retirement System Trust Fund; and

4211 b. The monthly disability benefits payable under this
4212 paragraph ~~for any affected justice or judge retired from the~~
4213 ~~Florida Retirement System pursuant to Art. V of the State~~
4214 ~~Constitution~~ shall be paid from the disability account of the
4215 Florida Retirement System Trust Fund.

4216 (n) Death of retiree or beneficiary.—Upon the death of a
4217 disabled retiree or beneficiary of the retiree ~~thereof~~ who is
4218 receiving monthly disability benefits under this subsection, the
4219 monthly benefits shall be paid through the last day of the month
4220 of death and shall terminate, or be adjusted, if applicable, as
4221 of that date in accordance with the optional form of benefit
4222 selected at the time of retirement. The department ~~of Management~~
4223 ~~Services~~ may adopt rules necessary to administer this paragraph.

4224 (3) DEATH BENEFITS.—Under the investment plan ~~Public~~
4225 ~~Employee Optional Retirement Program~~:

4226 (a) Survivor benefits are ~~shall be~~ payable in accordance
4227 with the following terms and conditions:

4228 1. To the extent vested, benefits are ~~shall be~~ payable
4229 only to a member's ~~participant's~~ beneficiary or beneficiaries as

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4230 designated by the member ~~participant~~ as provided in s.

4231 121.4501(20).

4232 2. Benefits shall be paid by the third-party administrator
4233 or designated approved providers in accordance with the law, the
4234 contracts, and any applicable state board rule or policy.

4235 3. To receive benefits under this subsection, the member
4236 ~~participant~~ must be deceased.

4237 (b) In the event of a member's ~~participant's~~ death, all
4238 vested accumulations as described in s. 121.4501(6), less
4239 withholding taxes remitted to the Internal Revenue Service,
4240 shall be distributed, as provided in paragraph (c) or as
4241 described in s. 121.4501(20), as if the member ~~participant~~
4242 retired on the date of death. No other death benefits are ~~shall~~
4243 ~~be~~ available for survivors of members ~~participants~~ under the
4244 ~~Public Employee Optional Retirement Program~~, except for such
4245 benefits, or coverage for ~~such~~ benefits, as are otherwise
4246 provided by law or ~~are~~ separately provided ~~afforded~~ by the
4247 employer, at the employer's discretion.

4248 (c) Upon receipt by the third-party administrator of a
4249 properly executed application for distribution of benefits, the
4250 total accumulated benefit is ~~shall be~~ payable by the third-party
4251 administrator to the member's ~~participant's~~ surviving
4252 beneficiary or beneficiaries, as:

4253 1. A lump-sum distribution payable to the beneficiary or
4254 beneficiaries, or to the deceased member's ~~participant's~~ estate;

4255 2. An eligible rollover distribution, if permitted, on
4256 behalf of the surviving spouse of a deceased member ~~participant~~,
4257 whereby all accrued benefits, plus interest and investment

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4258 earnings, are paid from the deceased member's ~~participant's~~
4259 account directly to the custodian of an eligible retirement
4260 plan, as described in s. 402(c)(8)(B) of the Internal Revenue
4261 Code, on behalf of the surviving spouse; or

4262 3. A partial lump-sum payment whereby a portion of the
4263 accrued benefit is paid to the deceased member's ~~participant's~~
4264 surviving spouse or other designated beneficiaries, less
4265 withholding taxes remitted to the Internal Revenue Service, and
4266 the remaining amount is transferred directly to the custodian of
4267 an eligible retirement plan, if permitted, as described in s.
4268 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
4269 surviving spouse. The proportions must be specified by the
4270 member ~~participant~~ or the surviving beneficiary.

4271
4272 This paragraph does not abrogate other applicable provisions of
4273 state or federal law providing for payment of death benefits.

4274 (4) LIMITATION ON LEGAL PROCESS.—The benefits payable to
4275 any person under the investment plan ~~Public Employee Optional~~
4276 ~~Retirement Program~~, and any contributions accumulated under the
4277 investment plan ~~such program~~, are not subject to assignment,
4278 execution, attachment, or any legal process, except for
4279 qualified domestic relations orders by a court of competent
4280 jurisdiction, income deduction orders as provided in s. 61.1301,
4281 and federal income tax levies.

4282 Section 22. Section 121.5911, Florida Statutes, is amended
4283 to read:

4284 121.5911 Disability retirement program; qualified status;
4285 rulemaking authority.—It is the intent of the Legislature that
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4286 the disability retirement program for members ~~participants~~ of
4287 the investment plan ~~Public Employee Optional Retirement Program~~
4288 ~~as created in this act must~~ meet all applicable requirements of
4289 federal law for a qualified plan. The department ~~of Management~~
4290 ~~Services~~ shall seek a private letter ruling from the Internal
4291 Revenue Service on the disability retirement program ~~for~~
4292 ~~participants of the Public Employee Optional Retirement Program.~~
4293 Consistent with the private letter ruling, the department ~~of~~
4294 ~~Management Services~~ shall adopt ~~any necessary~~ rules necessary
4295 ~~required~~ to maintain the qualified status of the disability
4296 retirement program and the Florida Retirement System pension
4297 ~~defined benefit~~ plan.

4298 Section 23. Section 121.70, Florida Statutes, is amended
4299 to read:

4300 121.70 Legislative purpose and intent.—

4301 (1) This part provides for a uniform system for funding
4302 benefits provided under the Florida Retirement System Pension
4303 Plan ~~defined benefit program~~ established under part I of this
4304 chapter (referred to in this part as the pension plan ~~defined~~
4305 ~~benefit program~~) and under the Florida Retirement System
4306 Investment Plan ~~Public Employee Optional Retirement Program~~
4307 established under part II of this chapter (referred to in this
4308 part as the investment plan ~~optional retirement program~~). The
4309 Legislature recognizes and declares that the Florida Retirement
4310 System is a single retirement system, consisting of two
4311 retirement plans and other nonintegrated programs. Employees and
4312 employers participating in the Florida Retirement System
4313 collectively shall be responsible for making contributions to

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4314 support the benefits provided ~~afforded~~ under both plans. The
4315 employees and ~~As provided in this part,~~ employers ~~participating~~
4316 ~~in the Florida Retirement System~~ shall make contributions based
4317 upon uniform contribution rates determined as a percentage of
4318 the employee's gross monthly compensation ~~total payroll~~ for the
4319 employee's ~~each~~ class or subclass of Florida Retirement System
4320 membership, irrespective of the ~~which~~ retirement plan in which
4321 the individual employee is enrolled ~~employees may elect~~. This
4322 shall be known as a uniform or blended contribution rate system.

4323 (2) In establishing a uniform contribution rate system, it
4324 is the intent of the Legislature to:

4325 (a) Provide greater stability and certainty in financial
4326 planning and budgeting for Florida Retirement System employers
4327 by eliminating the fiscal instability that would be caused by
4328 dual rates coupled with employee-selected plan participation;

4329 (b) Provide greater fiscal equity and uniformity for
4330 system employers by effectively distributing the financial
4331 burden and benefit of short-term system deficits and surpluses,
4332 respectively, in proportion to total system payroll; and

4333 (c) Allow employees to make their retirement plan
4334 selection decisions free of circumstances that may cause
4335 employers to favor one plan choice over another.

4336 Section 24. Section 121.71, Florida Statutes, is amended
4337 to read:

4338 121.71 Uniform rates; process; calculations; levy.-

4339 (1) In conducting the system actuarial study required
4340 under s. 121.031, the actuary shall follow all requirements
4341 specified ~~thereunder~~ to determine, by Florida Retirement System
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4342 employee membership class, the dollar contribution amounts
4343 necessary for the next forthcoming fiscal year for the pension
4344 plan defined benefit program. In addition, the actuary shall
4345 determine, by Florida Retirement System membership class, based
4346 on an estimate for the next forthcoming fiscal year of the gross
4347 compensation of employees participating in the investment plan
4348 optional retirement program, the dollar contribution amounts
4349 necessary to make the allocations required under ss. 121.72 and
4350 121.73. For each employee membership class and subclass, the
4351 actuarial study must shall establish a uniform rate necessary to
4352 fund the benefit obligations under both Florida Retirement
4353 System retirement plans by dividing the sum of total dollars
4354 required by the estimated gross compensation of members in both
4355 plans.

4356 (2) Based on the uniform rates set forth in subsections
4357 subsection (3), (4), and (5), employees and employers shall make
4358 monthly contributions to the Division of Retirement as required
4359 in s. 121.061(1), which shall initially deposit the funds into
4360 the Florida Retirement System Contributions Clearing Trust Fund.
4361 A change in a contribution rate is effective the first day of
4362 the month for which a full month's employee and employer
4363 contribution may be made on or after the beginning date of the
4364 change. Beginning July 1, 2011, each employee shall contribute
4365 the contributions required in subsection (3). The employer shall
4366 deduct the contribution from the employee's monthly salary, and
4367 the contribution shall be submitted to the Division of
4368 Retirement. These contributions shall be reported as employer-
4369 paid employee contributions, and shall be credited to the

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4370 account of the employee. The contributions shall be deducted
4371 from the employee's salary before the computation of applicable
4372 federal taxes and shall be treated as employer contributions
4373 under 26 U.S.C. s. 414(h) (2). The employee specifies that the
4374 contributions, although designated as employee contributions,
4375 are being paid by the employer in lieu of contributions by the
4376 employee. The employee shall not have the option of choosing to
4377 receive the contributed amounts directly instead of having them
4378 paid by the employer to the plan. Such contributions are
4379 mandatory and each employee shall be considered to consent to
4380 payroll deductions. Payment of an employee's salary or wages,
4381 less the contribution, is a full and complete discharge and
4382 satisfaction of all claims and demands for the service rendered
4383 by employees during the period covered by the payment, except
4384 their claims to the benefits to which they may be entitled under
4385 the provisions of this chapter.

4386 (3) Required employee retirement contribution rates for
4387 each membership class of the Florida Retirement System for both
4388 retirement plans are as follows:

<u>Membership Class</u>	<u>Percentage of Gross Compensation, Effective July 1, 2011</u>
<u>Regular Class</u>	<u>3.00%</u>
<u>Special Risk Class</u>	<u>3.00%</u>

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Special Risk Administrative

Support Class 3.00%

4392

Elected Officers' Class 3.00%

4393

Senior Management Class 3.00%

4394

DROP 0.00%

4395

4396 (4)~~(3)~~ Required employer retirement contribution rates for
4397 each membership class and subclass of the Florida Retirement
4398 System for both retirement plans are as follows:
4399

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2011</u> 2009	Percentage of Gross Compensation, Effective July 1, <u>2012</u> 2010
------------------	--	--

4400

Regular Class	<u>6.16%</u> 8.69%	<u>6.16%</u> 9.63%
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4401

Special Risk Class	<u>16.95%</u> 19.76%	<u>16.95%</u> 22.11%
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4402

Special Risk	<u>7.23%</u> 11.39%	<u>7.23%</u> 12.10%
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Administrative
Support Class

4404	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>10.76%</u> 13.32%	<u>10.76%</u> 15.20%
4405	Elected Officers' Class— Justices, Judges	<u>15.19%</u> 18.40%	<u>15.19%</u> 20.65%
4406	Elected Officers' Class— County Elected Officers	<u>13.08%</u> 15.37%	<u>13.08%</u> 17.50%
4407	Senior Management Class	<u>8.14%</u> 11.96%	<u>8.14%</u> 13.43%
4408	DROP	<u>3.50%</u> 9.80%	<u>3.50%</u> 11.14%

4409
4410 (5) In order to address unfunded actuarial liabilities of
4411 the system, the required employer retirement contribution rates
4412 for each membership class and subclass of the Florida Retirement
4413 System for both retirement plans are as follows:

4414	<u>Membership Class</u>	<u>Percentage of</u>	<u>Percentage of</u>
		<u>Gross</u>	<u>Gross</u>

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	<u>Compensation,</u> <u>Effective</u> <u>July 1, 2011</u>	<u>Compensation,</u> <u>Effective</u> <u>July 1, 2012</u>
4415		
4416		
4417	<u>0.25%</u>	<u>2.06%</u>
4418	<u>1.17%</u>	<u>6.88%</u>
4419	<u>0.59%</u>	<u>20.13%</u>
4420	<u>0.51%</u>	<u>20.55%</u>
4421	<u>0.39%</u>	<u>12.05%</u>
4422	<u>0.42%</u>	<u>20.70%</u>
4423	<u>0.05%</u>	<u>10.00%</u>

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DROP 0.00% 4.76%

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(6) If a member is reported under an incorrect membership class and the amount of contributions reported and remitted are less than the amount required, the employer shall owe the difference, plus the delinquent fee, of 1 percent for each calendar month or part thereof that the contributions should have been paid. This delinquent assessment may not be waived. If the contributions reported and remitted are more than the amount required, the employer shall receive a credit to be applied against future contributions owed.

(7)~~(4)~~ The state actuary shall recognize and use an appropriate level of available excess assets of the Florida Retirement System Trust Fund to offset the difference between the normal costs of the Florida Retirement System and the statutorily prescribed contribution rates.

Section 25. Section 121.72, Florida Statutes, is amended to read:

121.72 Allocations to investment plan member ~~optional retirement program participant~~ accounts; percentage amounts.—

(1) The allocations established in subsection (4) shall fund retirement benefits under the investment plan ~~optional retirement program~~ and shall be transferred monthly by the Division of Retirement from the Florida Retirement System Contributions Clearing Trust Fund to the third-party administrator for deposit in each participating employee's individual account based on the membership class of the participant.

Amendment No.

4451 (2) The allocations are stated as a percentage of each
4452 investment plan member's ~~optional retirement program~~
4453 ~~participant's~~ gross compensation for the calendar month. A
4454 change in a contribution percentage is effective the first day
4455 of the month for which retirement contributions ~~a full month's~~
4456 ~~employer contribution~~ may be made on or after the beginning date
4457 of the change. Contribution percentages may be modified by
4458 general law.

4459 (3) Employer and employee ~~participant~~ contributions to
4460 member ~~participant~~ accounts shall be accounted for separately.
4461 ~~Participant contributions may be made only if expressly~~
4462 ~~authorized by law.~~ Interest and investment earnings on
4463 contributions shall accrue on a tax-deferred basis until
4464 proceeds are distributed.

4465 (4) Effective July 1, 2002, allocations from the Florida
4466 Retirement System Contributions Clearing Trust Fund to
4467 investment plan member ~~optional retirement program~~ ~~participant~~
4468 accounts shall be as follows:

4469

Membership Class	Percentage of Gross Compensation
Regular Class	9.00%

4470

4471

4472

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4473	Special Risk Class	20.00%
4474	Special Risk Administrative Support Class	11.35%
4475	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	13.40%
4476	Elected Officers' Class— Justices, Judges	18.90%
4477	Elected Officers' Class— County Elected Officers	16.20%
4478	Senior Management Service Class	10.95%

4479 Section 26. Section 121.73, Florida Statutes, is amended
4480 to read:

4481 121.73 Allocations for member ~~optional retirement program~~
4482 ~~participant~~ disability coverage; percentage amounts.—

4483 (1) The allocations established in subsection (3) shall be
4484 used to provide disability coverage for members ~~participants~~ in
4485 the investment plan ~~optional retirement program~~ and shall be
4486 transferred monthly by the Division of Retirement from the
4487 Florida Retirement System Contributions Clearing Trust Fund to
4488 the disability account of the Florida Retirement System Trust
4489 Fund.

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4490 (2) The allocations are stated as a percentage of each
 4491 investment plan member's optional retirement program
 4492 ~~participant's~~ gross compensation for the calendar month. A
 4493 change in a contribution percentage is effective the first day
 4494 of the month for which retirement contributions ~~a full month's~~
 4495 ~~employer contribution~~ may be made on or after the beginning date
 4496 of the change. Contribution percentages may be modified by
 4497 general law.

4498 (3) Effective July 1, 2002, allocations from the Florida
 4499 Retirement System Contributions ~~FRS Contribution~~ Clearing Trust
 4500 Fund to provide disability coverage for members ~~participants~~ in
 4501 the investment plan ~~optional retirement program~~, and to offset
 4502 the costs of administering said coverage, shall be as follows:
 4503

Membership Class	Percentage of Gross Compensation
Regular Class	0.25%
Special Risk Class	1.33%
Special Risk Administrative Support Class	0.45%
Elected Officers' Class-	0.41%

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Legislators, Governor,
Lt. Governor, Cabinet Officers,
State Attorneys, Public Defenders

4509

Elected Officers' Class— 0.73%
Justices, Judges

4510

Elected Officers' Class— 0.41%
County Elected Officers

4511

Senior Management Service Class 0.26%

4512

4513 Section 27. Section 121.74, Florida Statutes, is amended
4514 to read:

4515 121.74 Administrative and educational expenses.—In
4516 addition to contributions required under ss. s. 121.71 and
4517 121.73, effective July 1, 2010, through June 30, 2014, employers
4518 participating in the Florida Retirement System shall contribute
4519 an amount equal to 0.03 percent of the payroll reported for each
4520 class or subclass of Florida Retirement System membership.†
4521 Effective July 1, 2014, the contribution rate shall be 0.04
4522 percent of the payroll reported for each class or subclass of
4523 membership. The amount contributed shall be transferred by the
4524 Division of Retirement from the Florida Retirement System
4525 Contributions Clearing Trust Fund to the State Board of
4526 Administration's Administrative Trust Fund to offset the costs
4527 of administering the investment plan ~~optional retirement program~~
4528 and the costs of providing educational services to members of
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Amendment No.

4529 the Florida Retirement System ~~participants in the defined~~
4530 ~~benefit program and the optional retirement program.~~ Approval of
4531 the trustees is required before the expenditure of these funds.
4532 Payments for third-party administrative or educational expenses
4533 shall be made only pursuant to the terms of the approved
4534 contracts for such services.

4535 Section 28. Section 121.75, Florida Statutes, is amended
4536 to read:

4537 121.75 Allocation for pension plan ~~defined benefit~~
4538 ~~program.~~—After making the transfers required pursuant to ss.
4539 121.71, 121.72, 121.73, and 121.74, the monthly balance of funds
4540 in the Florida Retirement System Contributions Clearing Trust
4541 Fund shall be transferred to the Florida Retirement System Trust
4542 Fund to pay the costs of providing pension plan ~~defined benefit~~
4543 ~~program~~ benefits and plan administrative costs under the pension
4544 plan ~~defined benefit program.~~

4545 Section 29. Section 121.77, Florida Statutes, is amended
4546 to read:

4547 121.77 Deductions from member ~~participant~~ accounts.—The
4548 State Board of Administration may authorize the third-party
4549 administrator to deduct reasonable fees and apply appropriate
4550 charges to investment plan member ~~optional retirement program~~
4551 ~~participant~~ accounts. In no event may ~~shall~~ administrative and
4552 educational expenses exceed the portion of employer
4553 contributions earmarked for such expenses under this part,
4554 except for reasonable administrative charges assessed against
4555 member ~~participant~~ accounts of persons for whom no employer
4556 contributions are made during the calendar quarter. Investment
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4557 management fees shall be deducted from member ~~participant~~
4558 accounts, pursuant to the terms of the contract between the
4559 provider and the board.

4560 Section 30. Section 121.78, Florida Statutes, is amended
4561 to read:

4562 121.78 Payment and distribution of contributions.—

4563 (1) Contributions made pursuant to this part shall be paid
4564 by the employer, including the employee contribution, to the
4565 Division of Retirement by electronic funds transfer no later
4566 than the 5th working day of the month immediately following the
4567 month during which the payroll period ended. Accompanying
4568 payroll data must be transmitted to the division concurrent with
4569 the contributions.

4570 (2) The division, the State Board of Administration, and
4571 the third-party administrator, as applicable, shall ensure that
4572 the contributions are distributed to the appropriate trust funds
4573 or participant accounts in a timely manner.

4574 (3) (a) Employee and employer contributions and
4575 accompanying payroll data received after the 5th working day of
4576 the month are considered late. The employer shall be assessed by
4577 the Division of Retirement a penalty of 1 percent of the
4578 contributions due for each calendar month or part thereof that
4579 the contributions or accompanying payroll data are late.
4580 Proceeds from the 1-percent assessment against contributions
4581 made on behalf of members ~~participants~~ of the pension plan must
4582 ~~defined benefit program shall~~ be deposited in the Florida
4583 Retirement System Trust Fund, and proceeds from the 1-percent
4584 assessment against contributions made on behalf of members

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4585 ~~participants~~ of the investment plan ~~optional retirement program~~
4586 shall be transferred to the third-party administrator for
4587 deposit into member ~~participant~~ accounts, as provided in
4588 paragraph (c) ~~(b)~~.

4589 (b) Retirement contributions paid for a prior period shall
4590 be charged a delinquent fee of 1 percent for each calendar month
4591 or part thereof that the contributions should have been paid.
4592 This includes prior period contributions due to incorrect wages
4593 and contributions from an earlier report or wages and
4594 contributions that should have been reported but were not. The
4595 delinquent assessments may not be waived.

4596 (c) ~~(b)~~ If employee contributions or contributions made by
4597 an employer on behalf of members ~~participants~~ of the investment
4598 plan ~~optional retirement program~~ or accompanying payroll data
4599 are not received within the calendar month they are due,
4600 including, but not limited to, contribution adjustments as a
4601 result of employer errors or corrections, and if that
4602 delinquency results in market losses to members ~~participants~~,
4603 the employer shall reimburse each member's ~~participant's~~ account
4604 for market losses resulting from the late contributions. If a
4605 member ~~participant~~ has terminated employment and taken a
4606 distribution, the member ~~participant~~ is responsible for
4607 returning any excess contributions erroneously provided by
4608 employers, adjusted for any investment gain or loss incurred
4609 during the period such excess contributions were in the member's
4610 participant's account. The state board or its designated agent
4611 shall communicate to terminated members ~~participants~~ any
4612 obligation to repay such excess contribution amounts. However,
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4613 the state board, its designated agents, the Florida Retirement
4614 System Investment Plan ~~Public Employee Optional Retirement~~
4615 ~~Program~~ Trust Fund, the department, or the Florida Retirement
4616 System Trust Fund may not incur any loss or gain as a result of
4617 an employer's correction of such excess contributions. The
4618 third-party administrator, hired by the state board pursuant to
4619 s. 121.4501(8), shall calculate the market losses for each
4620 affected member participant. If contributions made on behalf of
4621 members participants of the investment plan ~~optional retirement~~
4622 ~~program~~ or accompanying payroll data are not received within the
4623 calendar month due, the employer shall also pay the cost of the
4624 third-party administrator's calculation and reconciliation
4625 adjustments resulting from the late contributions. The third-
4626 party administrator shall notify the employer of the results of
4627 the calculations and the total amount due from the employer for
4628 such losses and the costs of calculation and reconciliation. The
4629 employer shall remit to the Division of Retirement the amount
4630 due within 30 working days after the date of the penalty notice
4631 sent by the division. The division shall transfer that amount to
4632 the third-party administrator, which shall deposit proceeds from
4633 the 1-percent assessment and from individual market losses into
4634 member participant accounts, as appropriate. The state board may
4635 adopt rules to administer the provisions regarding late
4636 contributions, late submission of payroll data, the process for
4637 reimbursing member participant accounts for resultant market
4638 losses, and the penalties charged to the employers.

4639 (d) If employee contributions reported by an employer on
4640 behalf of members are reduced as a result of employer errors or
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4641 corrections, and the member has terminated employment and taken
4642 a refund or distribution, the employer shall be billed and is
4643 responsible for recovering from the member any excess
4644 contributions erroneously provided by the employer.

4645 (e)-(e) Delinquency fees specified in paragraph (a) may be
4646 waived by the Division of Retirement, with regard to pension
4647 plan defined benefit program contributions, and by the state
4648 board, with regard to investment plan optional retirement
4649 program contributions, only if, in the opinion of the division
4650 or the board, as appropriate, exceptional circumstances beyond
4651 the employer's control prevented remittance by the prescribed
4652 due date notwithstanding the employer's good faith efforts to
4653 effect delivery. Such a waiver of delinquency may be granted an
4654 employer only once each plan state fiscal year.

4655 (f) If the employer submits excess employer or employee
4656 contributions, the employer shall receive a credit to be applied
4657 against future contributions owed. The employer is responsible
4658 for reimbursing the member for any excess contributions
4659 submitted if any return of such an erroneous excess pretax
4660 contribution by the program is made within 1 year after making
4661 erroneous contributions or such other period allowed under
4662 applicable Internal Revenue guidance.

4663 (g)-(d) If contributions made by an employer on behalf of
4664 members participants in the investment plan optional retirement
4665 program are delayed in posting to member participant accounts
4666 due to acts of God beyond the control of the Division of
4667 Retirement, the state board, or the third-party administrator,

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Amendment No.

4668 as applicable, market losses resulting from the late
4669 contributions are not payable to the members ~~participants~~.

4670 Section 31. (1) Effective upon this act becoming a law,
4671 the State Board of Administration and the Department of
4672 Management Services shall request, as soon as practicable, a
4673 determination letter and private letter ruling from the United
4674 States Internal Revenue Service. If the United States Internal
4675 Revenue Service refuses to act upon a request for a private
4676 letter ruling, then a legal opinion from a qualified tax
4677 attorney or firm may be substituted for such private letter
4678 ruling.

4679 (2) If the board or the department receives notification
4680 from the United States Internal Revenue Service that this act or
4681 any portion of this act will cause the Florida Retirement
4682 System, or a portion thereof, to be disqualified for tax
4683 purposes under the Internal Revenue Code, then the portion that
4684 will cause the disqualification does not apply. Upon such
4685 notice, the state board and the department shall notify the
4686 presiding officers of the Legislature.

4687 Section 32. The Legislature finds that a proper and
4688 legitimate state purpose is served when employees and retirees
4689 of the state and its political subdivisions, and the dependents,
4690 survivors, and beneficiaries of such employees and retirees, are
4691 extended the basic protections afforded by governmental
4692 retirement systems. These persons must be provided benefits that
4693 are fair and adequate and that are managed, administered, and
4694 funded in an actuarially sound manner, as required by s. 14,
4695 Article X of the State Constitution and part VII of chapter 112,
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4696 Florida Statutes. Therefore, the Legislature determines and
4697 declares that this act fulfills an important state interest.

4698 Section 33. For the 2011-2012 fiscal year, the sums of
4699 \$207,070 of recurring funds and \$31,184 of nonrecurring funds
4700 from the Florida Retirement System Operating Trust Fund are
4701 appropriated to, and four full-time equivalent positions are
4702 authorized for, the Division of Retirement within the Department
4703 of Management Services for the purpose of implementing this act.

4704 Section 34. Except as otherwise expressly provided in this
4705 act, this act shall take effect July 1, 2011.

4706

4707

4708

4709

T I T L E A M E N D M E N T

4710

Remove the entire title and insert:

4711

A bill to be entitled

4712

An act relating to retirement; amending ss. 110.123,

4713

112.363, and 112.65, F.S.; conforming provisions to

4714

changes made by the act; amending s. 121.021, F.S.;

4715

revising definitions; amending s. 121.051, F.S.; requiring

4716

that a local governmental entity or the governing body of

4717

a charter school or charter technical career center make

4718

certain elections regarding benefits at the time the

4719

entity or governing body joins the Florida Retirement

4720

System; providing that employer-paid employee

4721

contributions are subject to certain taxes; amending s.

4722

121.0515, F.S.; redefining membership in the Special Risk

4723

Class; redefining criteria for Special Risk Class

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4724 membership; providing procedures for designation and
4725 removal of designation of Special Risk Class members;
4726 providing for employee contributions to be used, if
4727 applicable, when purchasing credit for past service;
4728 amending s. 121.052, F.S., relating to the membership
4729 class of elected officers; conforming provisions to
4730 changes made by the act; requiring member contributions;
4731 providing for a refund of contributions under certain
4732 circumstances for an officer who leaves office; providing
4733 that a member who obtains a refund of contributions waives
4734 certain rights under the Florida Retirement System;
4735 amending s. 121.053, F.S.; clarifying the employer
4736 contributions required for Elected Officers' Class members
4737 who participate in the Deferred Retirement Option Program;
4738 amending s. 121.055, F.S., relating to the Senior
4739 Management Service Class; conforming provisions to changes
4740 made by the act; requiring employee contributions;
4741 providing for a refund of contributions under certain
4742 circumstances for a member who terminates employment;
4743 providing that a member who obtains a refund of
4744 contributions waives certain rights under the Florida
4745 Retirement System; limiting the payment of benefits prior
4746 to a participant's termination of employment; amending s.
4747 121.071, F.S.; requiring employee and employer
4748 contributions to the retirement system effective July 1,
4749 2011; providing for a refund of contributions under
4750 certain circumstances following termination of employment;
4751 prohibiting such refund if an approved qualified domestic

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Amendment No.

4752 relations order is filed against the participant's
4753 retirement account; requiring repayment plus interest of
4754 an invalid refund; amending s. 121.081, F.S.; providing
4755 and revising requirements for contributions for prior
4756 service performed on or after July 1, 2011; amending s.
4757 121.091, F.S.; modifying the monthly benefit calculation
4758 for those members retiring on or after July 1, 2011, to
4759 reflect the change in normal retirement age; providing for
4760 the refund of accumulated contributions if a member's
4761 employment is terminated for any reason other than
4762 retirement; closing the Deferred Retirement Option Program
4763 to new participants on July 1, 2011; amending s. 121.121,
4764 F.S., relating to the purchase of creditable service
4765 following an authorized leave of absence; requiring that
4766 service credit be purchased at the employee and employer
4767 contribution rates in effect during the leave of absence
4768 effective a certain date; amending s. 121.125, F.S.;
4769 requiring that certain employers make the required
4770 employee and employer retirement contributions following
4771 an employee's workers' compensation injury or illness;
4772 requiring that a penalty be assessed against certain
4773 employers that fail to pay the required contributions;
4774 reenacting s. 121.161, F.S., relating to the references of
4775 other laws as amended; amending s. 121.35, F.S., relating
4776 to the optional retirement program for the State
4777 University System; limiting the payment of benefits prior
4778 to a participant's termination of employment; amending s.
4779 121.4501, F.S.; changing the name of the Public Employee

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Amendment No.

4780 Optional Retirement Program to the Florida Retirement
4781 System Investment Plan; requiring members of the Florida
4782 Retirement System Investment Plan to make certain
4783 contributions to the Florida Retirement System Investment
4784 Plan Trust Fund based on the employee's membership class;
4785 revising and providing definitions; revising the benefit
4786 commencement age for a member enrolled on or after July 1,
4787 2011; providing for contribution adjustments as a result
4788 of employer errors or corrections; requiring an employer
4789 to receive a credit for excess contributions and to
4790 reimburse an employee for excess contributions, subject to
4791 certain limitations; providing for a pension plan
4792 participant to retain his or her prior plan choice
4793 following a return to employment; limiting certain refunds
4794 of contributions which exceed the amount that would have
4795 accrued had the member remained in the defined benefit
4796 program; providing certain requirements and limitations
4797 with respect to contributions; clarifying that participant
4798 and employer contributions are earmarked for specified
4799 purposes; providing duties of the third-party
4800 administrator; providing that a member is fully and
4801 immediately vested with respect to employee contributions
4802 paid by the member; providing for the forfeiture of
4803 nonvested employer contributions and service credit under
4804 certain circumstances; amending s. 121.4502, F.S.;

4805 changing the name of the Public Employee Optional
4806 Retirement Program Trust Fund to the Florida Retirement
4807 System Investment Plan Trust Fund; amending s. 121.4503,

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Amendment No.

4808 F.S.; providing for the deposit of participant
4809 contributions into the Florida Retirement System
4810 Contributions Clearing Trust Fund; amending s. 121.571,
4811 F.S.; providing requirements for submitting employee
4812 contributions; amending s. 121.591, F.S.; limiting the
4813 payment of benefits prior to a participant's termination
4814 of employment; providing for the forfeiture of nonvested
4815 accumulations and service credits upon payment of certain
4816 vested benefits; providing that the distribution payment
4817 method selected by the participant or beneficiary is final
4818 and irrevocable at the time of benefit distribution;
4819 prohibiting a distribution of employee contributions if a
4820 qualified domestic relations order is filed against the
4821 participant's account; amending s. 121.5911, F.S.;;
4822 conforming provisions to changes made by the act; amending
4823 s. 121.70, F.S.; revising legislative intent; amending s.
4824 121.71, F.S.; requiring that employee contributions be
4825 deducted from the employee's monthly salary, beginning on
4826 a specified date, and treated as employer contributions
4827 under certain provisions of federal law; clarifying that
4828 an employee may not receive such contributions directly;
4829 specifying the required employee retirement contribution
4830 rates for the membership of each membership class and
4831 subclass of the Florida Retirement System; specifying the
4832 required employer retirement contribution rates for each
4833 membership class and subclass of the Florida Retirement
4834 System in order to address unfunded actuarial liabilities
4835 of the system; requiring an assessment to be imposed if

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Amendment No.

4836 the employee contributions remitted are less than the
4837 amount required under certain circumstances; providing for
4838 the employer to receive a credit for excess contributions
4839 remitted and to apply such credit against future
4840 contributions owed; amending ss. 121.72, 121.73, 121.74,
4841 121.75, and 121.77, F.S.; conforming provisions to changes
4842 made by the act; amending s. 121.78, F.S.; revising
4843 certain requirements for administering the payment and
4844 distribution of contributions; requiring that certain fees
4845 be imposed for delinquent payments; providing that an
4846 employer is responsible for recovering any refund provided
4847 to an employee in error; revising the terms of an
4848 authorized waiver of delinquency; requiring an employer to
4849 receive a credit for excess contributions and to reimburse
4850 an employee for excess contributions, subject to certain
4851 limitations; requiring the State Board of Administration
4852 and the Department of Management Services to request a
4853 determination letter and private letter ruling from the
4854 United States Internal Revenue Service; providing for
4855 severability; providing legislative findings; providing
4856 that the act fulfills an important state interest;
4857 providing appropriations to and authorizing additional
4858 positions for the Division of Retirement within the
4859 Department of Management Services; providing an effective
4860 date.

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