

By the Committees on Governmental Oversight and Accountability;
and Governmental Oversight and Accountability

585-02467B-12

20122024c1

1 A bill to be entitled
2 An act relating to state retirement; creating s.
3 121.012, F.S.; providing applicability; amending s.
4 121.021, F.S.; revising definitions of the terms
5 "normal retirement date" and "vested" or "vesting";
6 amending s. 121.0515, F.S.; correcting a cross-
7 reference; amending s. 121.053, F.S.; providing an
8 exception from the prohibition for reenrollment in the
9 Florida Retirement System for a retiree who is elected
10 or appointed for the first time; conforming
11 provisions; amending s. 121.055, F.S.; providing that
12 certain retirees who return to covered employment are
13 mandatory members of investment plans; specifying that
14 a retiree who is reemployed in a regularly established
15 position on or after a certain date may not be
16 enrolled as a renewed member; amending s. 121.071,
17 F.S.; providing exceptions from the prohibition
18 against paying benefits for certain purposes under the
19 pension plan; amending s. 121.091, F.S.; revising
20 provisions relating to the early retirement benefit
21 calculation to conform to changes made by the act;
22 specifying the age of eligibility to participate in
23 DROP for members enrolled after a certain date;
24 amending s. 121.122, F.S.; specifying that a retiree
25 who is reemployed in a regularly established position
26 after a certain date may not be enrolled as a renewed
27 member in the pension plan; providing that a retiree
28 who is a member of the investment plan, the State
29 University System Optional Retirement Program, the

585-02467B-12

20122024c1

30 State Community College Optional Retirement Program,
31 or the Senior Management Service Optional Annuity
32 Program and is reemployed between certain dates is not
33 eligible for renewed membership in a retirement plan;
34 providing that a retiree who is a member of the
35 investment plan, the State University System Optional
36 Retirement Program, the State Community College
37 Optional Retirement Program, or the Senior Management
38 Service Optional Annuity Program and is reemployed
39 after a certain date is eligible for renewed
40 membership in a retirement plan, unless employed in a
41 position eligible for participation in the State
42 University Optional Retirement Program or the State
43 Community College Retirement Program; providing
44 conditions for eligibility and contributions;
45 providing that a retiree who is a member of certain
46 investment plans and is employed after a certain date
47 in a regularly established position eligible for
48 participation in the State University Optional
49 Retirement Program shall become a renewed member of
50 the optional retirement program; providing conditions
51 for eligibility and contributions; providing that a
52 retiree who is a member of certain investment plans
53 and is employed after a certain date in a regularly
54 established position eligible for participation in the
55 State Community College Optional Retirement Program
56 shall become a renewed member of the optional
57 retirement program; providing conditions for
58 eligibility and contributions; amending s. 121.35,

585-02467B-12

20122024c1

59 F.S.; providing exceptions from the prohibition
60 against paying benefits for certain purposes under the
61 optional retirement program for the State University
62 System; clarifying when voluntary contributions may be
63 paid out; defining the term "benefit" for the purposes
64 of the optional retirement program; amending s.
65 121.4501, F.S.; redefining the term "eligible
66 employee" to include a retired member of an investment
67 plan, the State University System Optional Retirement
68 Program, the State Community College Optional
69 Retirement Program, or Senior Management Service
70 Optional Annuity Program who is reemployed and
71 initially enrolled after a certain date; providing an
72 exception to the prohibition for renewed membership to
73 a retiree who is reemployed; prohibiting certain
74 employees from choosing to move to the pension plan
75 after a certain period; amending s. 121.591, F.S.;
76 providing exceptions from the prohibition against
77 paying benefits for certain purposes under the Florida
78 Retirement System Investment Plan; amending s.
79 1012.875, F.S.; providing exceptions to the
80 prohibition against paying benefits for certain
81 purposes under the State Community College System
82 Optional Retirement Program; providing an effective
83 date.

84
85 Be It Enacted by the Legislature of the State of Florida:

86
87 Section 1. Section 121.012, Florida Statutes, is created to

585-02467B-12

20122024c1

88 read:

89 121.012 Applicability.—The provisions of this part are
90 applicable to parts II and III of this chapter to the extent
91 that such provisions are not inconsistent with, or duplicative
92 of, the provisions of parts II and III.

93 Section 2. Subsection (29) and paragraph (b) of subsection
94 (45) of section 121.021, Florida Statutes, are amended, and
95 paragraph (c) is added to subsection (45) of that section, to
96 read:

97 121.021 Definitions.—The following words and phrases as
98 used in this chapter have the respective meanings set forth
99 unless a different meaning is plainly required by the context:

100 (29) "Normal retirement date" means the date a member
101 attains normal retirement age and is vested, which is determined
102 as follows:

103 (a)~~1.~~ If a Regular Class member, a Senior Management
104 Service Class member, or an Elected Officers' Class member
105 initially enrolled:

106 1. Before July 1, 2011:

107 a. The first day of the month the member attains age 62; or
108 b. The first day of the month following the date the member
109 completes 30 years of creditable service, regardless of age.

110 ~~2. If a Regular Class member, a Senior Management Service~~
111 ~~Class member, or an Elected Officers' Class member initially~~
112 ~~enrolled~~ On or after July 1, 2011:

113 a. The first day of the month the member attains age 65; or
114 b. The first day of the month following the date the member
115 completes 33 years of creditable service, regardless of age.

116 (b)~~1.~~ If a Special Risk Class member initially enrolled:

585-02467B-12

20122024c1

117 1. Before July 1, 2011:

118 a. The first day of the month the member attains age 55 and
119 completes the years of creditable service in the Special Risk
120 Class equal to or greater than the years of service required for
121 vesting;

122 b. The first day of the month following the date the member
123 completes 25 years of creditable service in the Special Risk
124 Class, regardless of age; or

125 c. The first day of the month following the date the member
126 completes 25 years of creditable service and attains age 52,
127 which service may include a maximum of 4 years of military
128 service credit if such credit is not claimed under any other
129 system and the remaining years are in the Special Risk Class.

130 2. If a Special Risk Class member initially enrolled On or
131 after July 1, 2011, but before July 1, 2012:

132 a. The first day of the month the member attains age 60 and
133 completes the years of creditable service in the Special Risk
134 Class equal to or greater than the years of service required for
135 vesting;

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

139 c. The first day of the month following the date the member
140 completes 30 years of creditable service and attains age 57,
141 which service may include a maximum of 4 years of military
142 service credit if such credit is not claimed under any other
143 system and the remaining years are in the Special Risk Class.

144 3. On or after July 1, 2012:

145 a. The first day of the month the member attains age 55 and

585-02467B-12

20122024c1

146 completes the years of creditable service in the Special Risk
147 Class equal to or greater than the years of service required for
148 vesting;

149 b. The first day of the month the member attains age 48 and
150 completes 25 years of creditable service in the Special Risk
151 Class; or

152 c. The first day of the month following the date the member
153 completes 25 years of creditable service and attains age 52,
154 which service may include a maximum of 4 years of military
155 service credit if such credit is not claimed under any other
156 system and the remaining years are in the Special Risk Class.

157
158 For pension plan members, "normal retirement age" is attained on
159 the "normal retirement date." For investment plan members,
160 normal retirement age is the date a member attains his or her
161 normal retirement date or is vested pursuant to s. 121.4501(6),
162 whichever is later.

163 (45) "Vested" or "vesting" means the guarantee that a
164 member is eligible to receive a future retirement benefit upon
165 completion of the required years of creditable service for the
166 employee's class of membership, even though the member may have
167 terminated covered employment before reaching normal or early
168 retirement date. Being vested does not entitle a member to a
169 disability benefit. Provisions governing entitlement to
170 disability benefits are set forth under s. 121.091(4).

171 (b) Any member initially enrolled in the Florida Retirement
172 System on or after July 1, 2011, but before July 1, 2012, shall
173 be vested upon completion of 8 years of creditable service.

174 (c) Any member initially enrolled in the Florida Retirement

585-02467B-12

20122024c1

175 System on or after July 1, 2012, shall be vested upon completion
176 of 10 years of creditable service.

177 Section 3. Paragraph (k) of subsection (3) of section
178 121.0515, Florida Statutes, is amended to read:

179 121.0515 Special Risk Class.—

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

182 (k) The member must have already qualified for and be
183 actively participating in special risk membership under
184 paragraph (a), paragraph (b), or paragraph (c), must have
185 suffered a qualifying injury ~~as defined in this paragraph~~, must
186 not be receiving disability retirement benefits under ~~as~~
187 ~~provided in s. 121.091(4)~~, and must satisfy the requirements of
188 this paragraph.

189 1. ~~The ability~~ To qualify for the class of membership
190 defined in paragraph (2)(i), ~~(2)(f) occurs when~~ two licensed
191 medical physicians, one of whom is the member's a primary
192 treating physician ~~of the member~~, must certify the existence of
193 ~~the physical injury and medical condition that constitute a~~
194 ~~qualifying injury as defined in this paragraph~~ and that the
195 member has reached maximum medical improvement after August 1,
196 2008. The certifications ~~from the licensed medical physicians~~
197 must include, at a minimum, that the injury ~~to the special risk~~
198 ~~member~~ has resulted in a physical loss, or loss of use, of at
199 least two of the following: left arm, right arm, left leg, or
200 right leg; and that:

201 a. The ~~That this~~ physical loss or loss of use is total and
202 permanent, unless ~~except in the event that~~ the loss of use is
203 due to a physical injury to the member's brain, in which event

585-02467B-12

20122024c1

204 the loss of use is permanent with at least 75 percent loss of
205 motor function with respect to each arm or leg affected.

206 b. The ~~That this~~ physical loss or loss of use renders the
207 member physically unable to perform the essential job functions
208 of his or her special risk position.

209 c. ~~That,~~ Notwithstanding the ~~this~~ physical loss or loss of
210 use, the individual is able to perform the essential job
211 functions required by the member's new position, as provided in
212 subparagraph 3.

213 d. The ~~That~~ use of artificial limbs is ~~either~~ not possible
214 or does not alter the member's ability to perform the essential
215 job functions of the member's position.

216 e. ~~That~~ The physical loss or loss of use is a direct result
217 of a physical injury and not a result of any mental,
218 psychological, or emotional injury.

219 2. For the purposes of this paragraph, "qualifying injury"
220 means a physical an injury and medical condition sustained in
221 the line of duty, as certified by the member's employing agency,
222 by a special risk member which ~~that~~ does not result in total and
223 permanent disability as defined in s. 121.091(4)(b). An injury
224 is a qualifying injury if the injury is a physical injury to the
225 member's physical body resulting in a physical loss, or loss of
226 use, of at least two of the following: left arm, right arm, left
227 leg, or right leg. Notwithstanding any other provision of this
228 section, an injury that would otherwise qualify as a qualifying
229 injury is not ~~considered~~ a qualifying injury if and when the
230 member ceases employment with the employer for whom he or she
231 was providing special risk services on the date the injury
232 occurred.

585-02467B-12

20122024c1

233 3. The new position, as described in sub-subparagraph 1.c.,
234 ~~that is required for qualification as a special risk member~~
235 ~~under this paragraph~~ is not required to be a position with
236 essential job functions that entitle an individual to special
237 risk membership. Whether the ~~a new position as described in sub-~~
238 ~~subparagraph 1.c.~~ exists and is available to the special risk
239 member is a decision to be made solely by the employer in
240 accordance with its hiring practices and applicable law.

241 4. This paragraph does not grant or create additional
242 rights for an any individual to continued employment or to be
243 hired or rehired by his or her employer which ~~that~~ are not
244 already provided under state law ~~within the Florida Statutes,~~
245 ~~the State Constitution,~~ the Americans with Disabilities Act, if
246 applicable, or any other applicable ~~state or~~ federal law.

247 Section 4. Paragraph (a) of subsection (3) and subsection
248 (5) of section 121.053, Florida Statutes, are amended to read:

249 121.053 Participation in the Elected Officers' Class for
250 retired members.—

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

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

257 (5) A Any renewed member, as described in subsection (1) or
258 in s. 121.122(3), (4), or (5) ~~subsection (2)~~, who is not
259 receiving the maximum health insurance subsidy provided in s.
260 112.363 is entitled to earn additional credit toward the maximum
261 health insurance subsidy. Any additional subsidy due because of

585-02467B-12

20122024c1

262 the ~~such~~ additional credit may be received only at the time of
263 payment of the second career retirement benefit. The total
264 health insurance subsidy received from initial and renewed
265 membership may not exceed the maximum allowed in s. 112.363.

266 Section 5. Paragraph (f) of subsection (1) and paragraphs
267 (c) and (e) of subsection (6) of section 121.055, Florida
268 Statutes, are amended to read:

269 121.055 Senior Management Service Class.—There is hereby
270 established a separate class of membership within the Florida
271 Retirement System to be known as the "Senior Management Service
272 Class," which shall become effective February 1, 1987.

273 (1)

274 (f) Effective July 1, 1997:

275 1. Except as provided in subparagraph 3., an elected state
276 officer eligible for membership in the Elected Officers' Class
277 under s. 121.052(2)(a), (b), or (c) who elects membership in the
278 Senior Management Service Class under s. 121.052(3)(c) may,
279 within 6 months after assuming office or within 6 months after
280 this act becomes a law for serving elected state officers, elect
281 to participate in the Senior Management Service Optional Annuity
282 Program, as provided in subsection (6), in lieu of membership in
283 the Senior Management Service Class.

284 2. Except as provided in subparagraph 3., an elected
285 officer of a local agency employer eligible for membership in
286 the Elected Officers' Class under s. 121.052(2)(d) who elects
287 membership in the Senior Management Service Class under s.
288 121.052(3)(c) may, within 6 months after assuming office, or
289 within 6 months after this act becomes a law for serving elected
290 officers of a local agency employer, elect to withdraw from the

585-02467B-12

20122024c1

291 Florida Retirement System, as provided in subparagraph (b)2., in
292 lieu of membership in the Senior Management Service Class.

293 3. A retiree of a state-administered retirement system who
294 is a member of the pension plan and is initially reemployed in a
295 regularly established position on or after July 1, 2010, as an
296 elected official eligible for the Elected Officers' Class may
297 not renew membership in the Senior Management Service Class or
298 in the Senior Management Service Optional Annuity Program as
299 provided in subsection (6), and may not withdraw from the
300 Florida Retirement System as a renewed member as provided in
301 subparagraph (b)2., as applicable, in lieu of membership in the
302 Senior Management Service Class. Effective July 1, 2012, a
303 retiree who is a member of the Senior Management Service
304 Optional Annuity Program and returns to covered employment shall
305 be a mandatory member of the investment plan as provided in s.
306 121.122.

307 (6)

308 (c) *Participation.*—

309 1. An eligible employee who is employed on or before
310 February 1, 1987, may elect to participate in the optional
311 annuity program in lieu of participating in the Senior
312 Management Service Class. Such election must be made in writing
313 and filed with the department and the personnel officer of the
314 employer on or before May 1, 1987. An eligible employee who is
315 employed on or before February 1, 1987, and who fails to make an
316 election to participate in the optional annuity program by May
317 1, 1987, shall be deemed to have elected membership in the
318 Senior Management Service Class.

319 2. Except as provided in subparagraph 6., an employee who

585-02467B-12

20122024c1

320 becomes eligible to participate in the optional annuity program
321 by reason of initial employment commencing after February 1,
322 1987, may, within 90 days after the date of commencing
323 employment, elect to participate in the optional annuity
324 program. Such election must be made in writing and filed with
325 the personnel officer of the employer. An eligible employee who
326 does not within 90 days after commencing employment elect to
327 participate in the optional annuity program shall be deemed to
328 have elected membership in the Senior Management Service Class.

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

344 4. Except as provided in subparagraph 5., an employee's
345 election to participate in the optional annuity program is
346 irrevocable if the employee continues to be employed in an
347 eligible position and continues to meet the eligibility
348 requirements set forth in this paragraph.

585-02467B-12

20122024c1

349 5. Effective from July 1, 2002, through September 30, 2002,
350 an active employee in a regularly established position who has
351 elected to participate in the Senior Management Service Optional
352 Annuity Program has one opportunity to choose to move from the
353 Senior Management Service Optional Annuity Program to the
354 Florida Retirement System Pension Plan.

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

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

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

375 6. A retiree of a state-administered retirement system who
376 is initially reemployed on or after July 1, 2010, may not renew
377 membership in the Senior Management Service Optional Annuity

585-02467B-12

20122024c1

378 Program. Effective July 1, 2012, a retiree who is a member of
379 the Senior Management Service Optional Annuity Program and
380 returns to covered employment shall be a mandatory member of the
381 investment plan as provided in s. 121.122.

382 (e) *Benefits.*—

383 1. Benefits under the Senior Management Service Optional
384 Annuity Program are payable only to members of the program, or
385 their beneficiaries as designated by the member in the contract
386 with the provider company, and must be paid by the designated
387 company in accordance with the terms of the annuity contract
388 applicable to the member. A member must be terminated from all
389 employment relationships with Florida Retirement System
390 employers for 3 calendar months to begin receiving the employer-
391 funded and employee-funded benefit. The member must meet the
392 definition of termination in s. 121.021(39) beginning the month
393 after receiving a benefit, including a distribution. Benefits
394 funded by employer and employee contributions are payable under
395 the terms of the contract to the member, his or her beneficiary,
396 or his or her estate, in addition to:

397 a. A lump-sum payment to the beneficiary upon the death of
398 the member;

399 b. A cash-out of a de minimis account upon the request of a
400 former member who has been terminated for a minimum of 6
401 calendar months from the employment that entitled him or her to
402 optional annuity program participation. Such cash-out must be a
403 complete liquidation of the account balance with that company
404 and is subject to the Internal Revenue Code;

405 c. A mandatory distribution of a de minimis account of a
406 former member who has been terminated for a minimum of 6

585-02467B-12

20122024c1

407 calendar months from the employment that entitled him or her to
408 optional annuity program participation as authorized by the
409 department; or

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

415 2. Under the Senior Management Service Optional Annuity
416 Program, benefits, including employee contributions, are not
417 payable for employee hardships, unforeseeable emergencies,
418 loans, medical expenses, educational expenses, purchase of a
419 principal residence, payments necessary to prevent eviction or
420 foreclosure on an employee's principal residence, or any other
421 reason except for a requested distribution for retirement, a
422 mandatory de minimis distribution authorized by the
423 administrator, or a minimum distribution required pursuant to
424 the Internal Revenue Code before termination from all employment
425 relationships with participating employers for 3 calendar
426 months.

427 3. The benefits payable to a ~~any~~ person under the Senior
428 Management Service Optional Annuity Program, and any
429 contribution accumulated under such program, are not subject to
430 assignment, execution, or attachment or to any legal process
431 whatsoever.

432 4. Except as provided in subparagraph 5., a member who
433 terminates employment and receives a distribution, including a
434 rollover or trustee-to-trustee transfer, funded by employer and
435 required employee contributions is a retiree of ~~deemed to be~~

585-02467B-12

20122024c1

436 ~~retired from~~ a state-administered retirement system. Such
437 retiree, who is initially reemployed in a regularly established
438 position on or after July 1, 2010, may not be enrolled as a
439 renewed member ~~if the member is subsequently employed with an~~
440 ~~employer that participates in the Florida Retirement System.~~

441 5. A member who receives optional annuity program benefits
442 funded by employer and employee contributions as a mandatory
443 distribution of a de minimis account authorized by the
444 department is not considered a retiree.

445

446 As used in this paragraph, a "de minimis account" means an
447 account with a provider company containing employer and employee
448 contributions and accumulated earnings of up to ~~not more than~~
449 \$5,000 made under this chapter.

450 Section 6. Subsection (7) of section 121.071, Florida
451 Statutes, is amended to read:

452 121.071 Contributions.—Contributions to the system shall be
453 made as follows:

454 (7) ~~Before termination of employment,~~ Benefits, including
455 employee contributions, are not payable under the pension plan
456 for employee hardships, unforeseeable emergencies, loans,
457 medical expenses, educational expenses, purchase of a principal
458 residence, payments necessary to prevent eviction or foreclosure
459 on an employee's principal residence, or any other reason except
460 for payment of retirement benefits, a refund of employee
461 contributions, or a minimum distribution required pursuant to
462 the Internal Revenue Code ~~before termination from all employment~~
463 ~~relationships with participating employers.~~

464 Section 7. Paragraph (a) of subsection (3) and paragraph

585-02467B-12

20122024c1

465 (a) of subsection (13) of section 121.091, Florida Statutes, are
466 amended to read:

467 121.091 Benefits payable under the system.—Benefits may not
468 be paid under this section unless the member has terminated
469 employment as provided in s. 121.021(39) (a) or begun
470 participation in the Deferred Retirement Option Program as
471 provided in subsection (13), and a proper application has been
472 filed in the manner prescribed by the department. The department
473 may cancel an application for retirement benefits when the
474 member or beneficiary fails to timely provide the information
475 and documents required by this chapter and the department's
476 rules. The department shall adopt rules establishing procedures
477 for application for retirement benefits and for the cancellation
478 of such application when the required information or documents
479 are not received.

480 (3) EARLY RETIREMENT BENEFIT.—Upon retirement on his or her
481 early retirement date, the member shall receive an immediate
482 monthly benefit that shall begin to accrue on the first day of
483 the month of the retirement date and be payable on the last day
484 of that month and each month thereafter during his or her
485 lifetime. Such benefit shall be calculated as follows:

486 (a) For a member initially enrolled:

487 1. Before July 1, 2011, the amount of each monthly payment
488 shall be computed in the same manner as for a normal retirement
489 benefit, in accordance with subsection (1), but shall be based
490 on the member's average monthly compensation and creditable
491 service as of the member's early retirement date. The benefit so
492 computed shall be reduced by five-twelfths of 1 percent for each
493 complete month by which the early retirement date precedes the

585-02467B-12

20122024c1

494 normal retirement date of age 62 for a member of the Regular
495 Class, Senior Management Service Class, or the Elected Officers'
496 Class, and age 55 for a member of the Special Risk Class, or age
497 52 if a Special Risk member has completed 25 years of creditable
498 service in accordance with s. 121.021(29)(b)1.c.

499 2. On or after July 1, 2011, but before July 1, 2012, the
500 amount of each monthly payment shall be computed in the same
501 manner as for a normal retirement benefit, in accordance with
502 subsection (1), but shall be based on the member's average
503 monthly compensation and creditable service as of the member's
504 early retirement date. The benefit so computed shall be reduced
505 by five-twelfths of 1 percent for each complete month by which
506 the early retirement date precedes the normal retirement date of
507 age 65 for a member of the Regular Class, Senior Management
508 Service Class, or the Elected Officers' Class, and age 60 for a
509 member of the Special Risk Class, or age 57 if a Special Risk
510 member has completed 30 years of creditable service in
511 accordance with s. 121.021(29)(b)2.c.

512 3. On or after July 1, 2012, the amount of each monthly
513 payment shall be computed in the same manner as a normal
514 retirement benefit in accordance with subsection (1), but shall
515 be based on the member's average monthly compensation and
516 creditable service as of the member's early retirement date. The
517 benefit so computed shall be reduced by five-twelfths of 1
518 percent for each complete month by which the early retirement
519 date precedes the normal retirement date of age 62 for a member
520 of the Regular Class, Senior Management Service Class, or the
521 Elected Officers' Class, and age 55 for a member of the Special
522 Risk Class, or age 48 if a Special Risk member has completed 25

585-02467B-12

20122024c1

523 years of creditable service in accordance with s.
524 121.021(29)(b)3.c.

525 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
526 subject to this section, the Deferred Retirement Option Program,
527 hereinafter referred to as DROP, is a program under which an
528 eligible member of the Florida Retirement System may elect to
529 participate, deferring receipt of retirement benefits while
530 continuing employment with his or her Florida Retirement System
531 employer. The deferred monthly benefits shall accrue in the
532 Florida Retirement System on behalf of the member, plus interest
533 compounded monthly, for the specified period of the DROP
534 participation, as provided in paragraph (c). Upon termination of
535 employment, the member shall receive the total DROP benefits and
536 begin to receive the previously determined normal retirement
537 benefits. Participation in the DROP does not guarantee
538 employment for the specified period of DROP. Participation in
539 DROP by an eligible member beyond the initial 60-month period as
540 authorized in this subsection shall be on an annual contractual
541 basis for all participants.

542 (a) *Eligibility of member to participate in DROP.*—All
543 active Florida Retirement System members in a regularly
544 established position, and all active members of the Teachers'
545 Retirement System established in chapter 238 or the State and
546 County Officers' and Employees' Retirement System established in
547 chapter 122, which are consolidated within the Florida
548 Retirement System under s. 121.011, may participate ~~are eligible~~
549 ~~to elect participation~~ in DROP if:

550 1. The member is not a renewed member under s. 121.122 or a
551 member of the State Community College System Optional Retirement

585-02467B-12

20122024c1

552 Program under s. 121.051, the Senior Management Service Optional
553 Annuity Program under s. 121.055, or the optional retirement
554 program for the State University System under s. 121.35.

555 2. Except as provided in subparagraph 6., for members
556 initially enrolled before July 1, 2011, election to participate
557 must be ~~is~~ made within 12 months immediately following the date
558 ~~on which~~ the member first reaches normal retirement date;; ~~or,~~
559 for a member who reaches normal retirement date based on service
560 before he or she reaches age 62, or age 55 for Special Risk
561 Class members, election to participate may be deferred to the 12
562 months immediately following the date the member attains age 57,
563 or age 52 for Special Risk Class members. Except as provided in
564 subparagraph 6., for members initially enrolled on or after July
565 1, 2011, election to participate must be made within the 12
566 months immediately following the date on which the member first
567 reaches normal retirement date; or, for a member who reaches
568 normal retirement date based on service before he or she reaches
569 age 65, or age 60 for Special Risk Class members, election to
570 participate may be deferred to the 12 months immediately
571 following the date the member attains age 60, or age 55 for
572 Special Risk Class members. A member who delays DROP
573 participation during the 12-month period immediately following
574 his or her maximum DROP deferral date, ~~except as provided in~~
575 ~~subparagraph 6.,~~ loses a month of DROP participation for each
576 month delayed. A member who fails to make an election within the
577 12-month limitation period forfeits all rights to participate in
578 DROP. The member shall advise his or her employer and the
579 division in writing of the date DROP begins. The beginning date
580 may be subsequent to the 12-month election period but must be

585-02467B-12

20122024c1

581 within the original 60-month participation period provided in
582 subparagraph (b)1. When establishing eligibility to participate
583 in DROP, the member may elect to include or exclude any optional
584 service credit purchased by the member from the total service
585 used to establish the normal retirement date. A member who has
586 dual normal retirement dates may ~~is eligible to elect to~~
587 participate in DROP after attaining normal retirement date in
588 either class.

589 3. The employer of a member electing to participate in
590 DROP, or employers if dually employed, shall acknowledge in
591 writing to the division the date the member's participation in
592 DROP begins and the date the member's employment and DROP
593 participation terminates.

594 4. Simultaneous employment of a member by additional
595 Florida Retirement System employers subsequent to the
596 commencement of a member's participation in DROP is permissible
597 if such employers acknowledge in writing a DROP termination date
598 no later than the member's existing termination date or the
599 maximum participation period provided in subparagraph (b)1.

600 5. A member may change employers while participating in
601 DROP, subject to the following:

602 a. The ~~A~~ change of employment takes place without a break
603 in service so that the member receives salary for each month of
604 continuous DROP participation. If a member receives no salary
605 during a month, DROP participation ceases unless the employer
606 verifies a continuation of the employment relationship for such
607 member pursuant to s. 121.021(39)(b).

608 b. The member and new employer notify the division of the
609 identity of the new employer on forms required by the division.

585-02467B-12

20122024c1

610 c. The new employer acknowledges, in writing, the member's
611 DROP termination date, which may be extended but not beyond the
612 maximum participation period provided in subparagraph (b)1.,
613 acknowledges liability for any additional retirement
614 contributions and interest required if the member fails to
615 timely terminate employment, and is subject to the adjustment
616 required in sub-subparagraph (c)5.d.

617 6. Effective July 1, 2001, for instructional personnel as
618 defined in s. 1012.01(2), election to participate in DROP may be
619 made at any time following the date on which the member first
620 reaches normal retirement date. The member shall advise his or
621 her employer and the division in writing of the date on which
622 DROP begins. When establishing eligibility of the member to
623 participate in DROP for the 60-month participation period
624 provided in subparagraph (b)1., the member may elect to include
625 or exclude any optional service credit purchased by the member
626 from the total service used to establish the normal retirement
627 date. A member who has dual normal retirement dates is eligible
628 to elect to participate in either class.

629 Section 8. Subsection (2) of section 121.122, Florida
630 Statutes, is amended, and subsections (3), (4), and (5) are
631 added to that section, to read:

632 121.122 Renewed membership in system.—

633 (2) A retiree of a state-administered retirement system who
634 is a member of the pension plan and is initially reemployed in a
635 regularly established position on or after July 1, 2010, is not
636 eligible for renewed membership in the pension plan.

637 (3) A retiree who is a member of the investment plan, the
638 State University System Optional Retirement Program, the State

585-02467B-12

20122024c1

639 Community College Optional Retirement Program, or the Senior
640 Management Service Optional Annuity Program and is employed on
641 or after July 1, 2010, until June 30, 2012, is not eligible for
642 renewed membership. A retiree who is a member of such retirement
643 plan and is employed on or after July 1, 2012, is a renewed
644 member of the investment plan in the Regular Class, regardless
645 of the position held, unless employed in a position eligible for
646 participation in the State University Optional Retirement
647 Program or the State Community College Optional Retirement
648 Program as provided in subsections (4) and (5). The retiree must
649 satisfy the vesting requirements and other provisions in this
650 chapter.

651 (a) Creditable service, including credit toward the retiree
652 health insurance subsidy provided in s. 112.363, does not accrue
653 for a retiree's employment in a regularly established position
654 with a covered employer during the period from July 1, 2010,
655 until June 30, 2012.

656 (b) The renewed member, or the employer on behalf of the
657 member, may not pay employer and employee contributions,
658 interest, earnings, or any other funds into a renewed member's
659 investment plan account for any employment in a regularly
660 established position with a covered employer during the period
661 from July 1, 2010, until June 30, 2012.

662 (c) Upon the renewed membership of a retiree, the employer
663 of such member and the member shall pay the applicable employer
664 and employee contributions as required by ss. 112.363, 121.71,
665 121.74, and 121.76. The contributions are payable only for
666 employment in a regularly established position with a covered
667 employer on or after July 1, 2012.

585-02467B-12

20122024c1

668 (d) The member may not purchase any past service in the
669 investment plan, including employment in a regularly established
670 position with a covered employer during the period from July 1,
671 2010, until June 30, 2012.

672 (e) The member must meet the vesting requirements of the
673 investment plan as provided in s. 121.4501(6) to be eligible to
674 receive a retirement benefit.

675 (f) The member is not entitled to disability benefits as
676 provided in s. 121.091(4) or s. 121.591(2).

677 (g) The member is subject to the employment after
678 retirement limitations as provided in s. 121.091(9), as
679 applicable.

680 (h) The member must meet the termination from employment
681 provisions as provided in s. 121.021(39).

682 (i) A member who is a retired member of the investment plan
683 and is not receiving the maximum health insurance subsidy
684 provided in s. 112.363 is entitled to earn additional credit
685 toward the subsidy. The credit may be earned only for employment
686 in a regularly established position with a covered employer on
687 or after July 1, 2012. Any additional subsidy due to the member
688 because of additional credit may be received only at the time of
689 paying the second career retirement benefit. The total health
690 insurance subsidy received by a retiree receiving benefits from
691 initial and renewed membership may not exceed the maximum
692 allowed under s. 112.363.

693 (4) A retiree who is a member of the investment plan, the
694 State University System Optional Retirement Program, the State
695 Community College Optional Retirement Program, or Senior
696 Management Service Optional Annuity Program and is employed on

585-02467B-12

20122024c1

697 or after July 1, 2012, in a regularly established position is
698 eligible for participation in the State University Optional
699 Retirement Program shall become a renewed member of the optional
700 retirement program. The renewed member must satisfy the vesting
701 requirements and the other provisions provided in this chapter.
702 The renewed member remains enrolled in the optional retirement
703 program while employed in a position eligible for the optional
704 retirement program. If employment in a different covered
705 position results in the retiree becoming enrolled in the
706 investment plan, the retiree is no longer eligible to
707 participate in the optional retirement program unless employed
708 in a mandatory position under s. 121.35.

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

711 (b) The member must meet the termination from employment
712 provisions as provided in s. 121.021(39).

713 (c) Upon renewed membership of a retiree, the employer of
714 the member and the member must pay the applicable employer and
715 employee contributions as required by s. 121.35.

716 (d) The member, or the employer on behalf of the member,
717 may not purchase any past service in the optional retirement
718 program or employment from July 1, 2010, until June 30, 2012,
719 when renewed membership was not available.

720 (5) A retiree who is a member of the investment plan, the
721 State University System Optional Retirement Program, the State
722 Community College Optional Retirement Program, or Senior
723 Management Service Optional Annuity Program and is employed in a
724 regularly established position eligible for participation in the
725 State Community College Optional Retirement Program as provided

585-02467B-12

20122024c1

726 in s. 121.051(2)(c)4. and who enrolled on or after July 1, 2012,
727 shall become a renewed member of the optional retirement
728 program. The renewed member must satisfy the eligibility
729 requirements and other provisions provided in this chapter and
730 s. 1012.875 for the optional retirement program. The renewed
731 member remains enrolled in the optional retirement program while
732 filling a position eligible for the optional retirement program.
733 If employment in a different covered position results in the
734 retiree becoming enrolled in the investment plan, the retiree is
735 no longer eligible to participate in the optional retirement
736 program.

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

739 (b) The member must meet the termination from employment
740 provisions as provided in s. 121.021(39).

741 (c) Upon renewed membership of a retiree, the employer of
742 such member and the member must pay the applicable employer and
743 employee contributions as required by s. 121.35.

744 (d) The member, or the employer on behalf of the member,
745 may not purchase any past service in the optional retirement
746 program or employment from July 1, 2010, until June 30, 2012,
747 when renewed membership was not available.

748 Section 9. Paragraphs (a), (b), (g), and (h) of subsection
749 (5) of section 121.35, Florida Statutes, are amended to read:

750 121.35 Optional retirement program for the State University
751 System.—

752 (5) BENEFITS.—

753 (a) Benefits are payable under the optional retirement
754 program only to vested members participating in the program, or

585-02467B-12

20122024c1

755 their beneficiaries as designated by the member in the contract
756 with a provider company, and such benefits shall be paid only by
757 the designated company in accordance with s. 403(b) of the
758 Internal Revenue Code and the terms of the annuity or investment
759 contract ~~or contracts~~ applicable to the member. Benefits accrue
760 in individual accounts that are member-directed, portable, and
761 funded by employer and employee contributions and the earnings
762 thereon. The member must be terminated for 3 calendar months
763 from all employment relationships with all Florida Retirement
764 System employers to begin receiving the benefit. Benefits funded
765 by employer and employee contributions are payable in accordance
766 with the following terms and conditions:

767 1. Benefits shall be paid only to a participating member,
768 to his or her beneficiaries, or to his or her estate, as
769 designated by the member.

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

773 3. In the event of a member's death, moneys accumulated by,
774 or on behalf of, the member, less withholding taxes remitted to
775 the Internal Revenue Service, if any, shall be distributed to
776 the member's designated beneficiary or beneficiaries, or to the
777 member's estate, as if the member retired on the date of death,
778 as provided in paragraph (d). No other death benefits are
779 available to survivors of members under the optional retirement
780 program except for such benefits, or coverage for such benefits,
781 as are separately afforded by the employer, at the employer's
782 discretion.

783 (b) Benefits, including employee contributions, are not

585-02467B-12

20122024c1

784 payable for employee hardships, unforeseeable emergencies,
785 loans, medical expenses, educational expenses, purchase of a
786 principal residence, payments necessary to prevent eviction or
787 foreclosure on an employee's principal residence, or any other
788 reason except for a requested distribution for retirement, a
789 mandatory de minimis distribution authorized by the
790 administrator, or a minimum distribution required pursuant to
791 the Internal Revenue Code before termination from all employment
792 relationships with participating employers for 3 calendar
793 months.

794 (g) Benefits funded by the participating member's voluntary
795 personal contributions may be paid out after termination of
796 employment from all participating employers for 3 calendar
797 months at any time and in any form within the limits provided in
798 the contract between the member and the provider company. The
799 member shall notify the provider company regarding the date and
800 provisions under which he or she wants to receive the employee-
801 funded portion of the plan.

802 (h) For purposes of this section, the term:

803 1. "Benefit" means a distribution requested by the member
804 or surviving beneficiary funded in part or in whole by the
805 employer or required employee contributions, plus earnings, and
806 includes the rollover of a distribution to another qualified
807 plan.

808 2. "Retiree" means a former participating member of the
809 optional retirement program who has terminated employment and
810 has taken a distribution as provided in this subsection, except
811 for a mandatory distribution of a de minimis account authorized
812 by the department.

585-02467B-12

20122024c1

813 Section 10. Paragraph (e) of subsection (2) and subsection
814 (4) of section 121.4501, Florida Statutes, are amended to read:

815 121.4501 Florida Retirement System Investment Plan.—

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

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

819 1. Is a member of, or is eligible for membership in, the
820 Florida Retirement System, including any renewed member of the
821 Florida Retirement System initially enrolled before July 1,
822 2010; ~~or~~

823 2. Participates in, or is eligible to participate in, the
824 Senior Management Service Optional Annuity Program as
825 established under s. 121.055(6), the State Community College
826 System Optional Retirement Program as established under s.
827 121.051(2)(c), or the State University System Optional
828 Retirement Program established under s. 121.35; ~~or~~—

829 3. Is a retired member of the investment plan, the State
830 University System Optional Retirement Program, the State
831 Community College Optional Retirement Program, or Senior
832 Management Service Optional Annuity Program and is employed and
833 enrolled on and after July 1, 2012, as provided in s. 121.122.

834
835 The term does not include any member participating in the
836 Deferred Retirement Option Program established under s.
837 121.091(13), a retiree of a state-administered retirement system
838 initially reemployed on or after July 1, 2010, except as
839 provided in s. 121.122, or a mandatory participant of the State
840 University System Optional Retirement Program established under
841 s. 121.35.

585-02467B-12

20122024c1

842 (4) PARTICIPATION; ENROLLMENT.—

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

846 a. Any such employee may elect to participate in the
847 investment plan in lieu of retaining his or her membership in
848 the pension plan. The election must be made in writing or by
849 electronic means and must be filed with the third-party
850 administrator by August 31, 2002, or, in the case of an active
851 employee who is on a leave of absence on April 1, 2002, by the
852 last business day of the 5th month following the month the leave
853 of absence concludes. This election is irrevocable, except as
854 provided in paragraph (g). Upon making such election, the
855 employee shall be enrolled as a member of the investment plan,
856 the employee's membership in the Florida Retirement System is
857 governed by the provisions of this part, and the employee's
858 membership in the pension plan terminates. The employee's
859 enrollment in the investment plan is effective the first day of
860 the month for which a full month's employer contribution is made
861 to the investment plan.

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

867 2. With respect to employees who become eligible to
868 participate in the investment plan by reason of employment in a
869 regularly established position with a state employer commencing
870 after April 1, 2002, but before July 1, 2012:

585-02467B-12

20122024c1

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

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

887 c. An employee who fails to elect to participate in the
888 investment plan within the prescribed time period is deemed to
889 have elected to retain membership in the pension plan, and the
890 employee's option to elect to participate in the investment plan
891 is forfeited.

892 3. With respect to employees who become eligible to
893 participate in the investment plan pursuant to s.
894 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
895 participate in the investment plan in lieu of retaining his or
896 her membership in the State Community College System Optional
897 Retirement Program or the State University System Optional
898 Retirement Program. The election must be made in writing or by
899 electronic means and must be filed with the third-party

585-02467B-12

20122024c1

900 administrator. This election is irrevocable, except as provided
901 in paragraph (g). Upon making such election, the employee shall
902 be enrolled as a member in the investment plan, the employee's
903 membership in the Florida Retirement System is governed by the
904 provisions of this part, and the employee's participation in the
905 State Community College System Optional Retirement Program or
906 the State University System Optional Retirement Program
907 terminates. The employee's enrollment in the investment plan is
908 effective on the first day of the month for which a full month's
909 employer and employee contribution is made to the investment
910 plan.

911 4. With respect to employees who become eligible to
912 participate in the investment plan by reason of employment in a
913 regularly established position with a state employer commencing
914 on or after July 1, 2012:

915 a. The employee shall, by default, be enrolled in the
916 investment plan at the commencement of employment, and may, by
917 the last business day of the 12th month following the employee's
918 month of hire, elect to participate in the pension plan. The
919 employee's election must be made in writing or by electronic
920 means and filed with the third-party administrator.

921 b. If the employee files such election within the
922 prescribed time period, enrollment in the pension plan is
923 effective on the first day of employment. The present value of
924 his or her retirement contributions under the investment plan
925 paid through the month of the employee plan change shall be
926 transferred to the pension plan, and, effective the first day of
927 the next month, the employer and employee must pay the
928 applicable contributions based on the employee membership class

585-02467B-12

20122024c1

929 in the pension plan.

930 c. An employee who fails to elect to participate in the
931 pension plan within the prescribed time period is deemed to have
932 elected to retain membership in the investment plan, and the
933 employee's option to elect to participate in the pension plan is
934 forfeited.

935 5.4. For purposes of this paragraph, "state employer" means
936 any agency, board, branch, commission, community college,
937 department, institution, institution of higher education, or
938 water management district of the state, which participates in
939 the Florida Retirement System for the benefit of certain
940 employees.

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

944 a. The ~~Any such~~ employee may elect to participate in the
945 investment plan in lieu of retaining his or her membership in
946 the pension plan. The election must be made in writing or by
947 electronic means and must be filed with the third-party
948 administrator by November 30, or, in the case of an active
949 employee who is on a leave of absence on July 1, 2002, by the
950 last business day of the 5th month following the month the leave
951 of absence concludes. This election is irrevocable, except as
952 provided in paragraph (g). Upon making such election, the
953 employee shall be enrolled as a member of the investment plan,
954 the employee's membership in the Florida Retirement System is
955 governed by the provisions of this part, and the employee's
956 membership in the pension plan terminates. The employee's
957 enrollment in the investment plan is effective the first day of

585-02467B-12

20122024c1

958 the month for which a full month's employer contribution is made
959 to the investment program.

960 b. An ~~Any such~~ employee who fails to elect to participate
961 in the investment plan within the prescribed time period is
962 deemed to have elected to retain membership in the pension plan,
963 and the employee's option to elect to participate in the
964 investment plan is forfeited.

965 2. With respect to employees who become eligible to
966 participate in the investment plan by reason of employment in a
967 regularly established position with a district school board
968 employer commencing after July 1, 2002, but before July 1, 2012:

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

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

985 c. An ~~Any such~~ employee who fails to elect to participate
986 in the investment plan within the prescribed time period is

585-02467B-12

20122024c1

987 deemed to have elected to retain membership in the pension plan,
988 and the employee's option to elect to participate in the
989 investment plan is forfeited.

990 3. With respect to employees who become eligible to
991 participate in the investment plan by reason of employment in a
992 regularly established position with a district school board
993 employer commencing on or after July 1, 2012:

994 a. The employee shall, by default, be enrolled in the
995 investment plan at the commencement of employment, and may, by
996 the last business day of the 12th month following the employee's
997 month of hire, elect to participate in the pension plan. The
998 employee's election must be made in writing or by electronic
999 means and filed with the third-party administrator.

1000 b. If the employee files such election within the
1001 prescribed time period, enrollment in the pension plan is
1002 effective on the first day of employment. The present value of
1003 his or her retirement contributions under the investment plan
1004 paid through the month of the employee plan change shall be
1005 transferred to the pension plan, and, effective the first day of
1006 the next month, the employer shall pay the applicable
1007 contributions based on the employee membership class in the
1008 pension plan.

1009 c. An employee who fails to elect to participate in the
1010 pension plan within the prescribed time period is deemed to have
1011 elected to retain membership in the investment plan, and the
1012 employee's option to elect to participate in the pension plan is
1013 forfeited.

1014 4.3. For purposes of this paragraph, "district school board
1015 employer" means any district school board that participates in

585-02467B-12

20122024c1

1016 the Florida Retirement System for the benefit of certain
1017 employees, or a charter school or charter technical career
1018 center that participates in the Florida Retirement System as
1019 provided in s. 121.051(2) (d).

1020 (c)1. With respect to an eligible employee who is employed
1021 in a regularly established position on December 1, 2002, by a
1022 local employer:

1023 a. The ~~Any such~~ employee may elect to participate in the
1024 investment plan in lieu of retaining his or her membership in
1025 the pension plan. The election must be made in writing or by
1026 electronic means and must be filed with the third-party
1027 administrator by February 28, 2003, or, in the case of an active
1028 employee who is on a leave of absence on October 1, 2002, by the
1029 last business day of the 5th month following the month the leave
1030 of absence concludes. This election is irrevocable, except as
1031 provided in paragraph (g). Upon making such election, the
1032 employee shall be enrolled as a participant of the investment
1033 plan, the employee's membership in the Florida Retirement System
1034 is governed by the provisions of this part, and the employee's
1035 membership in the pension plan terminates. The employee's
1036 enrollment in the investment plan is effective the first day of
1037 the month for which a full month's employer contribution is made
1038 to the investment plan.

1039 b. An ~~Any such~~ employee who fails to elect to participate
1040 in the investment plan within the prescribed time period is
1041 deemed to have elected to retain membership in the pension plan,
1042 and the employee's option to elect to participate in the
1043 investment plan is forfeited.

1044 2. With respect to employees who become eligible to

585-02467B-12

20122024c1

1045 participate in the investment plan by reason of employment in a
1046 regularly established position with a local employer commencing
1047 after October 1, 2002, but before July 1, 2012:

1048 a. The ~~Any such~~ employee shall, by default, be enrolled in
1049 the pension plan at the commencement of employment, and may, by
1050 the last business day of the 5th month following the employee's
1051 month of hire, elect to participate in the investment plan. The
1052 employee's election must be made in writing or by electronic
1053 means and must be filed with the third-party administrator. The
1054 election to participate in the investment plan is irrevocable,
1055 except as provided in paragraph (g).

1056 b. If the employee files such election within the
1057 prescribed time period, enrollment in the investment plan is
1058 effective on the first day of employment. The employer
1059 retirement contributions paid through the month of the employee
1060 plan change shall be transferred to the investment plan, and,
1061 effective the first day of the next month, the employer shall
1062 pay the applicable contributions based on the employee
1063 membership class in the investment plan.

1064 c. An ~~Any such~~ employee who fails to elect to participate
1065 in the investment plan within the prescribed time period is
1066 deemed to have elected to retain membership in the pension plan,
1067 and the employee's option to elect to participate in the
1068 investment plan is forfeited.

1069 3. With respect to employees who become eligible to
1070 participate in the investment plan by reason of employment in a
1071 regularly established position with a local employer commencing
1072 on or after July 1, 2012:

1073 a. The employee shall, by default, be enrolled in the

585-02467B-12

20122024c1

1074 investment plan at the commencement of employment, and may, by
1075 the last business day of the 12th month following the employee's
1076 month of hire, elect to participate in the pension plan. The
1077 employee's election must be made in writing or by electronic
1078 means and must be filed with the third-party administrator.

1079 b. If the employee files such election within the
1080 prescribed time period, enrollment in the pension plan is
1081 effective on the first day of employment. The present value of
1082 his or her employer retirement contributions under the
1083 investment plan paid through the month of the employee plan
1084 change shall be transferred to the pension plan, and, effective
1085 the first day of the next month, the employer shall pay the
1086 applicable contributions based on the employee membership class
1087 in the pension plan.

1088 c. An employee who fails to elect to participate in the
1089 pension plan within the prescribed time period is deemed to have
1090 elected to retain membership in the investment plan, and the
1091 employee's option to elect to participate in the pension plan is
1092 forfeited.

1093 ~~4.3.~~ For purposes of this paragraph, "local employer" means
1094 any employer not included in paragraph (a) or paragraph (b).

1095 (d) Contributions available for self-direction by a member
1096 who has not selected one or more specific investment products
1097 shall be allocated as prescribed by the state board. The third-
1098 party administrator shall notify the member at least quarterly
1099 that the member should take an affirmative action to make an
1100 asset allocation among the investment products.

1101 (e) On or after July 1, 2011, a member of the pension plan
1102 who obtains a refund of employee contributions retains his or

585-02467B-12

20122024c1

1103 her prior plan choice upon return to employment in a regularly
1104 established position with a participating employer.

1105 (f) A member of the investment plan who takes a
1106 distribution of any contributions from his or her investment
1107 plan account is considered a retiree. A retiree who is initially
1108 reemployed on or after July 1, 2010, until June 30, 2012, is not
1109 eligible for renewed membership except as provided in s.
1110 121.122. A retiree who is a member of the investment plan and is
1111 employed on or after July 1, 2012, in a regularly established
1112 position shall be a renewed member in the regular class of the
1113 investment plan as provided in s. 121.122.

1114 (g) After the period during which an eligible employee had
1115 the choice to elect the pension plan or the investment plan, or
1116 the month following the receipt of the eligible employee's plan
1117 election, if sooner, the employee shall have one opportunity, at
1118 the employee's discretion, to choose to move from the pension
1119 plan to the investment plan or from the investment plan to the
1120 pension plan. However, employees initially enrolled in the
1121 investment plan on or after July 1, 2012, may not move from the
1122 investment plan to the pension plan after the close of the
1123 initial prescribed time period to do so. Eligible employees may
1124 elect to move between plans only if they are earning service
1125 credit in an employer-employee relationship consistent with s.
1126 121.021(17)(b), excluding leaves of absence without pay.
1127 Effective July 1, 2005, such elections are effective on the
1128 first day of the month following the receipt of the election by
1129 the third-party administrator and are not subject to the
1130 requirements regarding an employer-employee relationship or
1131 receipt of contributions for the eligible employee in the

585-02467B-12

20122024c1

1132 effective month, except when the election is received by the
1133 third-party administrator. This paragraph is contingent upon
1134 approval by the Internal Revenue Service.

1135 1. If the employee chooses to move to the investment plan,
1136 the provisions of subsection (3) govern the transfer.

1137 2. If the employee chooses to move to the pension plan, the
1138 employee must transfer from his or her investment plan account,
1139 and from other employee moneys as necessary, a sum representing
1140 the present value of that employee's accumulated benefit
1141 obligation immediately following the time of such movement,
1142 determined assuming that attained service equals the sum of
1143 service in the pension plan and service in the investment plan.
1144 Benefit commencement occurs on the first date the employee is
1145 eligible for unreduced benefits, using the discount rate and
1146 other relevant actuarial assumptions that were used to value the
1147 pension plan liabilities in the most recent actuarial valuation.
1148 For any employee who, at the time of the second election,
1149 already maintains an accrued benefit amount in the pension plan,
1150 the then-present value of the accrued benefit is deemed part of
1151 the required transfer amount. The division must ensure that the
1152 transfer sum is prepared using a formula and methodology
1153 certified by an enrolled actuary. A refund of any employee
1154 contributions or additional member payments made which exceed
1155 the employee contributions that would have accrued had the
1156 member remained in the pension plan and not transferred to the
1157 investment plan is not permitted.

1158 3. Notwithstanding subparagraph 2., an employee who chooses
1159 to move to the pension plan and who became eligible to
1160 participate in the investment plan by reason of employment in a

585-02467B-12

20122024c1

1161 regularly established position with a state employer after June
1162 1, 2002; a district school board employer after September 1,
1163 2002; or a local employer after December 1, 2002, must transfer
1164 from his or her investment plan account, and from other employee
1165 moneys as necessary, a sum representing the employee's actuarial
1166 accrued liability. A refund of any employee contributions or
1167 additional participant payments made which exceed the employee
1168 contributions that would have accrued had the member remained in
1169 the pension plan and not transferred to the investment plan is
1170 not permitted.

1171 4. An employee's ability to transfer from the pension plan
1172 to the investment plan pursuant to paragraphs (a)-(d), and the
1173 ability of a current employee to have an option to later
1174 transfer back into the pension plan under subparagraph 2., shall
1175 be deemed a significant system amendment. Pursuant to s.
1176 121.031(4), any resulting unfunded liability arising from actual
1177 original transfers from the pension plan to the investment plan
1178 must be amortized within 30 plan years as a separate unfunded
1179 actuarial base independent of the reserve stabilization
1180 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
1181 direct amortization payment may not be calculated for this base.
1182 During this 25-year period, the separate base shall be used to
1183 offset the impact of employees exercising their second program
1184 election under this paragraph. The actuarial funded status of
1185 the pension plan will not be affected by such second program
1186 elections in any significant manner, after due recognition of
1187 the separate unfunded actuarial base. Following the initial 25-
1188 year period, any remaining balance of the original separate base
1189 shall be amortized over the remaining 5 years of the required

585-02467B-12

20122024c1

1190 30-year amortization period.

1191 5. If the employee chooses to transfer from the investment
1192 plan to the pension plan and retains an excess account balance
1193 in the investment plan after satisfying the buy-in requirements
1194 under this paragraph, the excess may not be distributed until
1195 the member retires from the pension plan. The excess account
1196 balance may be rolled over to the pension plan and used to
1197 purchase service credit or upgrade creditable service in the
1198 pension plan.

1199 Section 11. Section 121.591, Florida Statutes, is amended
1200 to read:

1201 121.591 Payment of benefits.—Benefits may not be paid under
1202 the Florida Retirement System Investment Plan unless the member
1203 has terminated employment as provided in s. 121.021(39)(a) or is
1204 deceased and a proper application has been filed as prescribed
1205 by the state board or the department. ~~Before termination of~~
1206 ~~employment,~~ Benefits, including employee contributions, are not
1207 payable under the investment plan for employee hardships,
1208 unforeseeable emergencies, loans, medical expenses, educational
1209 expenses, purchase of a principal residence, payments necessary
1210 to prevent eviction or foreclosure on an employee's principal
1211 residence, or any other reason except for a requested
1212 distribution for retirement, a mandatory de minimis distribution
1213 authorized by the board, or a minimum distribution required
1214 pursuant to the Internal Revenue Code ~~prior to termination from~~
1215 ~~all employment relationships with participating employers.~~ The
1216 state board or department, as appropriate, may cancel an
1217 application for retirement benefits if the member or beneficiary
1218 fails to timely provide the information and documents required

585-02467B-12

20122024c1

1219 by this chapter and the rules of the state board and department.
1220 In accordance with their respective responsibilities, the state
1221 board and the department shall adopt rules establishing
1222 procedures for applying ~~application~~ for retirement benefits and
1223 for cancelling ~~the cancellation of~~ such application if the
1224 required information or documents are not received. The state
1225 board and the department, as appropriate, may ~~are authorized to~~
1226 cash out a de minimis account of a member who has been
1227 terminated from Florida Retirement System covered employment for
1228 a minimum of 6 calendar months. A de minimis account is an
1229 account containing employer and employee contributions and
1230 accumulated earnings of up to ~~not more than~~ \$5,000 made under
1231 ~~the provisions of~~ this chapter. Such cash-out must be a complete
1232 lump-sum liquidation of the account balance, subject to ~~the~~
1233 ~~provisions of~~ the Internal Revenue Code, or a lump-sum direct
1234 rollover distribution paid directly to the custodian of an
1235 eligible retirement plan, as defined by the Internal Revenue
1236 Code, on behalf of the member. Any nonvested accumulations and
1237 associated service credit, including amounts transferred to the
1238 suspense account of the Florida Retirement System Investment
1239 Plan Trust Fund authorized under s. 121.4501(6), are ~~shall be~~
1240 forfeited upon payment of any vested benefit to a member or
1241 beneficiary, except for de minimis distributions or minimum
1242 required distributions as provided under this section. If any
1243 financial instrument issued for the payment of retirement
1244 benefits under this section is not presented for payment within
1245 180 days after the last day of the month in which it was
1246 originally issued, the third-party administrator or other ~~duly~~
1247 authorized agent of the state board shall cancel the instrument

585-02467B-12

20122024c1

1248 and credit the amount of the instrument to the suspense account
1249 of the Florida Retirement System Investment Plan Trust Fund
1250 ~~authorized under s. 121.4501(6)~~. Any amounts transferred to the
1251 suspense account are payable upon a proper application, not
1252 including ~~to include~~ earnings thereon, as provided in this
1253 section, within 10 years after the last day of the month in
1254 which the instrument was originally issued, after which time
1255 such amounts and any earnings attributable to employer
1256 contributions are ~~shall be~~ forfeited. Any forfeited amounts are
1257 assets of the trust fund and are not subject to chapter 717.

1258 (1) NORMAL BENEFITS.—Under the investment plan:

1259 (a) Benefits in the form of vested accumulations as
1260 described in s. 121.4501(6) are payable ~~under this subsection~~ in
1261 accordance with the following terms and conditions:

1262 1. Benefits are payable only to a member, an alternate
1263 payee of a qualified domestic relations order, or a beneficiary.

1264 2. Benefits shall be paid by the third-party administrator
1265 or designated approved providers in accordance with ~~the~~ law, the
1266 contracts, and any applicable board rule or policy.

1267 3. The member must be terminated from all employment with
1268 all Florida Retirement System employers, as provided in s.
1269 121.021(39).

1270 4. Benefit payments may not be made until the member has
1271 been terminated for 3 calendar months, except that the state
1272 board may authorize by rule for the distribution of up to 10
1273 percent of the member's account after being terminated for 1
1274 calendar month if the member has reached the normal retirement
1275 date as defined in s. 121.021.

1276 5. If a member or former member of the Florida Retirement

585-02467B-12

20122024c1

1277 System receives an invalid distribution, such person must ~~either~~
1278 repay the full amount within 90 days after receipt of final
1279 notification by the state board or the third-party administrator
1280 that the distribution was invalid, or, in lieu of repayment, ~~the~~
1281 ~~member~~ must terminate employment from all participating
1282 employers. If such person fails to repay the full invalid
1283 distribution within 90 days after receipt of final notification,
1284 the person may be deemed retired from the investment plan by the
1285 state board and is subject to s. 121.122. If such person is
1286 deemed retired, any joint and several liability set out in s.
1287 121.091(9)(d)2. is void, and the state board, the department, or
1288 the employing agency is not liable for gains on payroll
1289 contributions that have not been deposited to the person's
1290 account in the investment plan, pending resolution of the
1291 invalid distribution. The member or former member who has been
1292 deemed retired or who has been determined by the state board to
1293 have taken an invalid distribution may appeal the agency
1294 decision through the complaint process ~~as~~ provided under s.
1295 121.4501(9)(g)3. As used in this subparagraph, the term "invalid
1296 distribution" means any distribution from an account in the
1297 investment plan which is taken in violation of this section, s.
1298 121.091(9), or s. 121.4501.

1299 (b) If a member elects to receive his or her benefits upon
1300 termination of employment as defined in s. 121.021, the member
1301 must submit a written application or an application by
1302 electronic means to the third-party administrator indicating his
1303 or her preferred distribution date and selecting an authorized
1304 method of distribution as provided in paragraph (c). The member
1305 may defer application for and receipt of benefits ~~until he or~~

585-02467B-12

20122024c1

1306 ~~she chooses to make such application,~~ subject to federal
1307 requirements.

1308 (c) Upon receipt by the third-party administrator of a
1309 properly executed application for distribution of benefits, the
1310 total accumulated benefit is payable to the member pro rata
1311 across all Florida Retirement System benefit sources as:

- 1312 1. A lump-sum or partial distribution to the member;
1313 2. A lump-sum direct rollover distribution whereby all
1314 accrued benefits, plus interest and investment earnings, are
1315 paid from the member's account directly to the custodian of an
1316 eligible retirement plan, as defined in s. 402(c)(8)(B) of the
1317 Internal Revenue Code, on behalf of the member; or
1318 3. Periodic distributions, as authorized by the state
1319 board.

1320 (d) The distribution payment method selected by the member
1321 or beneficiary, and the retirement of the member or beneficiary,
1322 is final and irrevocable at the time a benefit distribution
1323 payment is cashed, deposited, or transferred to another
1324 financial institution. Any additional service that remains
1325 unclaimed at retirement may not be claimed or purchased, and the
1326 type of retirement may not be changed, except that if a member
1327 recovers from a disability, the member may subsequently request
1328 benefits under subsection (2).

1329 (e) A member may not receive a distribution of employee
1330 contributions if a pending qualified domestic relations order is
1331 filed against the member's investment plan account.

1332 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1333 this subsection are payable in lieu of ~~the~~ benefits that would
1334 ~~otherwise~~ be payable under ~~the provisions of~~ subsection (1).

585-02467B-12

20122024c1

1335 Such benefits must be funded from employer contributions made
1336 under s. 121.571, transferred employee contributions and funds
1337 accumulated pursuant to paragraph (a), and interest and earnings
1338 thereon.

1339 (a) *Transfer of funds.*—To qualify to receive monthly
1340 disability benefits under this subsection:

1341 1. All moneys accumulated in the member's accounts ~~account~~,
1342 including vested and nonvested accumulations as described in s.
1343 121.4501(6), must be transferred from the ~~such individual~~
1344 accounts to the division for deposit in the disability account
1345 of the Florida Retirement System Trust Fund. Such moneys must be
1346 accounted for separately. Earnings must be credited on an annual
1347 basis for amounts held in the disability accounts of the Florida
1348 Retirement System Trust Fund based on actual earnings of the
1349 trust fund.

1350 2. If the member has retained retirement credit earned
1351 under the pension plan as provided in s. 121.4501(3), a sum
1352 representing the actuarial present value of such credit within
1353 the Florida Retirement System Trust Fund shall be reassigned by
1354 the division from the pension plan to the disability program as
1355 implemented under this subsection and ~~shall be deposited into~~ in
1356 the disability account of the trust fund. Such moneys must be
1357 accounted for separately.

1358 (b) *Disability retirement; entitlement.*—

1359 1. A member of the investment plan who becomes totally and
1360 permanently disabled, as defined in paragraph (d), after
1361 completing 8 years of creditable service, or a member who
1362 becomes totally and permanently disabled in the line of duty
1363 regardless of length of service, is entitled to a monthly

585-02467B-12

20122024c1

1364 disability benefit.

1365 2. In order for service to apply toward the 8 years of
1366 creditable service required for regular disability benefits, or
1367 toward the creditable service used in calculating a service-
1368 based benefit ~~as provided~~ under paragraph (g), the service must
1369 be creditable service as described below:

1370 a. The member's period of service under the investment plan
1371 shall be considered creditable service, except as provided in
1372 subparagraph d.

1373 b. If the member has elected to retain credit for service
1374 under the pension plan as provided under s. 121.4501(3), all
1375 such service is ~~shall be~~ considered creditable service.

1376 c. If the member elects to transfer to his or her member
1377 accounts a sum representing the present value of his or her
1378 retirement credit under the pension plan as provided under s.
1379 121.4501(3), the period of service under the pension plan
1380 represented in the present value amounts transferred is ~~shall be~~
1381 considered creditable service, except as provided in
1382 subparagraph d.

1383 d. If a member has terminated employment and has taken
1384 distribution of his or her funds as provided in subsection (1),
1385 all creditable service represented by such distributed funds is
1386 forfeited for purposes of this subsection.

1387 (c) *Disability retirement effective date.*—The effective
1388 retirement date for a member who applies and is approved for
1389 disability retirement shall be established as provided under s.
1390 121.091(4)(a)2. and 3.

1391 (d) *Total and permanent disability.*—A member is ~~shall be~~
1392 considered totally and permanently disabled if, in the opinion

585-02467B-12

20122024c1

1393 of the division, he or she is prevented, by reason of a
1394 medically determinable physical or mental impairment, from
1395 rendering useful and efficient service as an officer or
1396 employee.

1397 (e) *Proof of disability.*— Before approving payment of a ~~any~~
1398 disability retirement benefit, the division shall require proof
1399 that the member is totally and permanently disabled as provided
1400 under s. 121.091(4) (c).

1401 (f) *Disability retirement benefit.*— Upon the disability
1402 retirement of a member under this subsection, the member shall
1403 receive a monthly benefit that begins accruing on the first day
1404 of the month of disability retirement, as approved by the
1405 division, and is payable on the last day of that month and each
1406 month thereafter during his or her lifetime and continued
1407 disability. All disability benefits must be paid out of the
1408 disability account of the Florida Retirement System Trust Fund
1409 established under this subsection.

1410 (g) *Computation of disability retirement benefit.*— The
1411 amount of each monthly payment must be calculated as provided
1412 under s. 121.091(4) (f). Creditable service under both the
1413 pension plan and the investment plan is ~~shall be~~ applicable as
1414 provided under paragraph (b).

1415 (h) *Reapplication.*— A member whose initial application for
1416 disability retirement is denied may reapply for disability
1417 benefits as provided in s. 121.091(4) (g).

1418 (i) *Membership.*— Upon approval of a member's application for
1419 disability benefits, the member shall be transferred to the
1420 pension plan, effective upon his or her disability retirement
1421 effective date.

585-02467B-12

20122024c1

1422 (j) *Option to cancel.*—A member whose application for
1423 disability benefits is approved may cancel the application if
1424 the cancellation request is received by the division before a
1425 disability retirement warrant has been deposited, cashed, or
1426 received by direct deposit. Upon cancellation:

1427 1. The member's transfer to the pension plan under
1428 paragraph (i) is ~~shall be~~ nullified;

1429 2. The member shall be retroactively reinstated in the
1430 investment plan without hiatus;

1431 3. All funds transferred to the Florida Retirement System
1432 Trust Fund under paragraph (a) must be returned to the member
1433 accounts from which the funds were drawn; and

1434 4. The member may elect to receive the benefit payable
1435 under subsection (1) in lieu of disability benefits.

1436 (k) *Recovery from disability.*—

1437 1. The division may require periodic reexaminations at the
1438 expense of the disability program account of the Florida
1439 Retirement System Trust Fund. Except as provided in subparagraph
1440 2., all other matters relating to recovery from disability are
1441 ~~shall be~~ as provided under s. 121.091(4)(h).

1442 2. Upon recovery from disability, the recipient of
1443 disability retirement benefits under this subsection becomes
1444 ~~shall be~~ a compulsory member of the investment plan. The net
1445 difference between the recipient's original account balance
1446 transferred to the Florida Retirement System Trust Fund,
1447 including earnings and total disability benefits paid to the
1448 ~~such~~ recipient, if any, shall be determined as provided in sub-
1449 subparagraph a.

1450 a. An amount equal to the total benefits paid shall be

585-02467B-12

20122024c1

1451 subtracted from that portion of the transferred account balance
1452 consisting of vested accumulations as described under s.
1453 121.4501(6), if any, and an amount equal to the remainder of
1454 benefit amounts paid, if any, shall be subtracted from any
1455 remaining nonvested accumulations.

1456 b. Amounts subtracted under sub-subparagraph a. must be
1457 retained within the disability account of the Florida Retirement
1458 System Trust Fund. Any remaining account balance shall be
1459 transferred to the third-party administrator for disposition as
1460 provided under sub-subparagraph c. or sub-subparagraph d., as
1461 appropriate.

1462 c. If the recipient returns to covered employment,
1463 transferred amounts must be deposited in individual accounts
1464 under the investment plan, as directed by the member. Vested and
1465 nonvested amounts shall be accounted for separately as provided
1466 in s. 121.4501(6).

1467 d. If the recipient fails to return to covered employment
1468 upon recovery from disability:

1469 (I) Any remaining vested amount must be deposited in
1470 individual accounts under the investment plan, as directed by
1471 the member, and is payable as provided in subsection (1).

1472 (II) Any remaining nonvested amount must be held in a
1473 suspense account and is forfeitable after 5 years as provided in
1474 s. 121.4501(6).

1475 3. If present value was reassigned from the pension plan to
1476 the disability program as provided under subparagraph (a)2., the
1477 full present value amount must be returned to the defined
1478 benefit account within the Florida Retirement System Trust Fund
1479 and the member's associated retirement credit under the pension

585-02467B-12

20122024c1

1480 plan must be reinstated in full. Any benefit based upon such
1481 credit must be calculated as provided in s. 121.091(4)(h)1.

1482 (l) *Nonadmissible causes of disability.*—A member is not
1483 entitled to a disability retirement benefit if the disability
1484 results from an ~~any~~ injury or disease ~~as~~ described in s.
1485 121.091(4)(i).

1486 (m) *Disability retirement of justice or judge by order of*
1487 *Supreme Court.*—

1488 1. If a member is a justice of the Supreme Court, judge of
1489 a district court of appeal, circuit judge, or judge of a county
1490 court who has served for the years equal to, or greater than,
1491 the vesting requirement in s. 121.021(45) as an elected
1492 constitutional judicial officer, including service as a judicial
1493 officer in any court abolished pursuant to Art. V of the State
1494 Constitution, and who is retired for disability pursuant to s.
1495 12, Art. V of the State Constitution, the member's Option 1
1496 monthly disability benefit amount as provided in s.
1497 121.091(6)(a)1. shall be two-thirds of his or her monthly
1498 compensation as of the member's disability retirement date. The
1499 member may alternatively elect to receive an actuarially
1500 adjusted disability retirement benefit under any other option as
1501 provided in s. 121.091(6)(a) or ~~to receive~~ the normal benefit
1502 payable under subsection (1).

1503 2. If any justice or judge who is a member of the
1504 investment plan is retired for disability pursuant to s. 12,
1505 Art. V of the State Constitution and elects to receive a monthly
1506 disability benefit under the provisions of this paragraph:

1507 a. Any present value amount that was transferred to his or
1508 her investment plan account and all employer and employee

585-02467B-12

20122024c1

1509 contributions made to such account on his or her behalf, plus
1510 interest and earnings thereon, must be transferred to and
1511 deposited in the disability account of the Florida Retirement
1512 System Trust Fund; and

1513 b. The monthly disability benefits payable under this
1514 paragraph shall be paid from the disability account of the
1515 Florida Retirement System Trust Fund.

1516 (n) *Death of retiree or beneficiary.*—Upon the death of a
1517 disabled retiree or beneficiary of the retiree who is receiving
1518 monthly disability benefits under this subsection, the monthly
1519 benefits shall be paid through the last day of the month of
1520 death and ~~shall~~ terminate, or be adjusted, if applicable, as of
1521 that date in accordance with the optional form of benefit
1522 selected at the time of retirement. The department may adopt
1523 rules necessary to administer this paragraph.

1524 (3) DEATH BENEFITS.—Under the Florida Retirement System
1525 Investment Plan:

1526 (a) Survivor benefits are payable in accordance with the
1527 following terms and conditions:

1528 1. To the extent vested, benefits are payable only to a
1529 member's beneficiary or beneficiaries as designated by the
1530 member under ~~as provided in~~ s. 121.4501(20).

1531 2. Benefits shall be paid by the third-party administrator
1532 or designated approved providers in accordance with ~~the~~ law, the
1533 contracts, and any applicable state board rule or policy.

1534 3. ~~To receive benefits,~~ The member must be deceased.

1535 (b) In the event of a member's death, all vested
1536 accumulations as described in s. 121.4501(6), less withholding
1537 taxes remitted to the Internal Revenue Service, shall be

585-02467B-12

20122024c1

1538 distributed, as provided in paragraph (c) or as described in s.
1539 121.4501(20), as if the member retired on the date of death. No
1540 other death benefits are available for survivors of members,
1541 except for benefits, or coverage for benefits, as are otherwise
1542 provided by law or separately provided by the employer, at the
1543 employer's discretion.

1544 (c) Upon receipt by the third-party administrator of a
1545 properly executed application for distribution of benefits, the
1546 total accumulated benefit is payable by the third-party
1547 administrator to the member's surviving beneficiary or
1548 beneficiaries, as:

1549 1. A lump-sum distribution payable to the beneficiary or
1550 beneficiaries, or to the deceased member's estate;

1551 2. An eligible rollover distribution, if permitted, on
1552 behalf of the surviving spouse of a deceased member, whereby all
1553 accrued benefits, plus interest and investment earnings, are
1554 paid from the deceased member's account directly to the
1555 custodian of an eligible retirement plan, as described in s.
1556 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
1557 surviving spouse; or

1558 3. A partial lump-sum payment whereby a portion of the
1559 accrued benefit is paid to the deceased member's surviving
1560 spouse or other designated beneficiaries, less withholding taxes
1561 remitted to the Internal Revenue Service, and the remaining
1562 amount is transferred directly to the custodian of an eligible
1563 retirement plan, if permitted, as described in s. 402(c)(8)(B)
1564 of the Internal Revenue Code, on behalf of the surviving spouse.
1565 The proportions must be specified by the member or the surviving
1566 beneficiary.

585-02467B-12

20122024c1

1567

1568 This paragraph does not abrogate other applicable provisions of
1569 state or federal law providing for payment of death benefits.

1570 (4) LIMITATION ON LEGAL PROCESS.—The benefits payable to
1571 any person under the Florida Retirement System Investment Plan,
1572 and any contributions accumulated under the plan, are not
1573 subject to assignment, execution, attachment, or any legal
1574 process, except for qualified domestic relations orders by a
1575 court of competent jurisdiction, income deduction orders as
1576 provided in s. 61.1301, and federal income tax levies.

1577 Section 12. Subsection (7) of section 1012.875, Florida
1578 Statutes, is amended to read:

1579 1012.875 State Community College System Optional Retirement
1580 Program.—Each Florida College System institution may implement
1581 an optional retirement program, if such program is established
1582 therefor pursuant to s. 1001.64(20), under which annuity or
1583 other contracts providing retirement and death benefits may be
1584 purchased by, and on behalf of, eligible employees who
1585 participate in the program, in accordance with s. 403(b) of the
1586 Internal Revenue Code. Except as otherwise provided herein, this
1587 retirement program, which shall be known as the State Community
1588 College System Optional Retirement Program, may be implemented
1589 and administered only by an individual Florida College System
1590 institution or by a consortium of Florida College System
1591 institutions.

1592 (7) Benefits, including employee contributions, are not
1593 payable for employee hardships, unforeseeable emergencies,
1594 loans, medical expenses, educational expenses, purchase of a
1595 principal residence, payments necessary to prevent eviction or

585-02467B-12

20122024c1

1596 foreclosure on an employee's principal residence, or any other
1597 reason except for a requested distribution for retirement, a
1598 mandatory de minimis distribution authorized by the college, or
1599 a minimum distribution required pursuant to the Internal Revenue
1600 Code before termination from all employment relationships with
1601 participating employers for 3 calendar months.

1602 Section 13. This act shall take effect July 1, 2012.