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LEGISLATIVE ACTION

Senate

House

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04/30/2013 03:19 PM

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Senator Simpson moved the following:

1           **Senate Substitute for Amendment (750668) (with title**  
2 **amendment)**

3  
4           Delete everything after the enacting clause  
5 and insert:

6           Section 1. Paragraph (c) of subsection (2) of section  
7 121.051, Florida Statutes, is amended, subsections (3) through  
8 (9) of that section are renumbered as subsections (4) through  
9 (10), respectively, and a new subsection (3) is added to that  
10 section, to read:

11           121.051 Participation in the system.—

12           (2) OPTIONAL PARTICIPATION.—

13           (c) Employees of public community colleges or charter



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14 technical career centers sponsored by public community colleges,  
15 designated in s. 1000.21(3), who are members of the Regular  
16 Class of the Florida Retirement System and who comply with the  
17 criteria set forth in this paragraph and s. 1012.875 may, in  
18 lieu of participating in the Florida Retirement System, elect to  
19 withdraw from the system altogether and participate in the State  
20 Community College System Optional Retirement Program provided by  
21 the employing agency under s. 1012.875.

22 1.a. Through June 30, 2001, the cost to the employer for  
23 benefits under the optional retirement program equals the normal  
24 cost portion of the employer retirement contribution which would  
25 be required if the employee were a member of the pension plan's  
26 Regular Class, plus the portion of the contribution rate  
27 required by s. 112.363(8) which would otherwise be assigned to  
28 the Retiree Health Insurance Subsidy Trust Fund.

29 b. Effective July 1, 2001, through June 30, 2011, each  
30 employer shall contribute on behalf of each member of the  
31 optional program an amount equal to 10.43 percent of the  
32 employee's gross monthly compensation. The employer shall deduct  
33 an amount for the administration of the program.

34 c. Effective July 1, 2011, through June 30, 2012, each  
35 member shall contribute an amount equal to the employee  
36 contribution required under s. 121.71(3). The employer shall  
37 contribute on behalf of each program member an amount equal to  
38 the difference between 10.43 percent of the employee's gross  
39 monthly compensation and the employee's required contribution  
40 based on the employee's gross monthly compensation.

41 d. Effective July 1, 2012, each member shall contribute an  
42 amount equal to the employee contribution required under s.



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43 121.71(3). The employer shall contribute on behalf of each  
44 program member an amount equal to the difference between 8.15  
45 percent of the employee's gross monthly compensation and the  
46 employee's required contribution based on the employee's gross  
47 monthly compensation.

48 e. The employer shall contribute an additional amount to  
49 the Florida Retirement System Trust Fund equal to the unfunded  
50 actuarial accrued liability portion of the Regular Class  
51 contribution rate.

52 2. The decision to participate in the optional retirement  
53 program is irrevocable as long as the employee holds a position  
54 eligible for participation, except as provided in subparagraph  
55 3. Any service creditable under the Florida Retirement System is  
56 retained after the member withdraws from the system; however,  
57 additional service credit in the system may not be earned while  
58 a member of the optional retirement program.

59 3. Effective July 1, 2003, through December 31, 2014, an  
60 employee who has elected to participate in the optional  
61 retirement program shall have one opportunity, at the employee's  
62 discretion, to transfer from the optional retirement program to  
63 the pension plan of the Florida Retirement System or to the  
64 investment plan established under part II of this chapter,  
65 subject to the terms of the applicable optional retirement  
66 program contracts. Except as provided in subsection (3), an  
67 employee participating in the optional retirement program on or  
68 after January 1, 2015, is not eligible to transfer to the  
69 Florida Retirement System.

70 a. If the employee chooses to move to the investment plan,  
71 any contributions, interest, and earnings creditable to the



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72 employee under the optional retirement program are retained by  
73 the employee in the optional retirement program, and the  
74 applicable provisions of s. 121.4501(4) govern the election.

75 b. If the employee chooses to move to the pension plan of  
76 the Florida Retirement System, the employee shall receive  
77 service credit equal to his or her years of service under the  
78 optional retirement program.

79 (I) The cost for such credit is the amount representing the  
80 present value of the employee's accumulated benefit obligation  
81 for the affected period of service. The cost shall be calculated  
82 as if the benefit commencement occurs on the first date the  
83 employee becomes eligible for unreduced benefits, using the  
84 discount rate and other relevant actuarial assumptions that were  
85 used to value the Florida Retirement System Pension Plan  
86 liabilities in the most recent actuarial valuation. The  
87 calculation must include any service already maintained under  
88 the pension plan in addition to the years under the optional  
89 retirement program. The present value of any service already  
90 maintained must be applied as a credit to total cost resulting  
91 from the calculation. The division must ensure that the transfer  
92 sum is prepared using a formula and methodology certified by an  
93 enrolled actuary.

94 (II) The employee must transfer from his or her optional  
95 retirement program account and from other employee moneys as  
96 necessary, a sum representing the present value of the  
97 employee's accumulated benefit obligation immediately following  
98 the time of such movement, determined assuming that attained  
99 service equals the sum of service in the pension plan and  
100 service in the optional retirement program.



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101           4. Participation in the optional retirement program is  
102 limited to employees who satisfy the following eligibility  
103 criteria:

104           a. The employee is otherwise eligible for membership or  
105 renewed membership in the Regular Class of the Florida  
106 Retirement System, as provided in s. 121.021(11) and (12) or s.  
107 121.122.

108           b. The employee is employed in a full-time position  
109 classified in the Accounting Manual for Florida's Public  
110 Community Colleges as:

111           (I) Instructional; or

112           (II) Executive Management, Instructional Management, or  
113 Institutional Management and the community college determines  
114 that recruiting to fill a vacancy in the position is to be  
115 conducted in the national or regional market, and the duties and  
116 responsibilities of the position include the formulation,  
117 interpretation, or implementation of policies, or the  
118 performance of functions that are unique or specialized within  
119 higher education and that frequently support the mission of the  
120 community college.

121           c. The employee is employed in a position not included in  
122 the Senior Management Service Class of the Florida Retirement  
123 System as described in s. 121.055.

124           5. Members of the program are subject to the same  
125 reemployment limitations, renewed membership provisions, and  
126 forfeiture provisions applicable to regular members of the  
127 Florida Retirement System under ss. 121.091(9), 121.122, and  
128 121.091(5), respectively. A member who receives a program  
129 distribution funded by employer and required employee



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130 contributions is deemed to be retired from a state-administered  
131 retirement system if the member is subsequently employed with an  
132 employer that participates in the Florida Retirement System.

133 6. Eligible community college employees are compulsory  
134 members of the Florida Retirement System until, pursuant to s.  
135 1012.875, a written election to withdraw from the system and  
136 participate in the optional retirement program is filed with the  
137 program administrator and received by the division.

138 a. A community college employee whose program eligibility  
139 results from initial employment shall be enrolled in the  
140 optional retirement program retroactive to the first day of  
141 eligible employment. The employer and employee retirement  
142 contributions paid through the month of the employee plan change  
143 shall be transferred to the community college to the employee's  
144 optional program account, and, effective the first day of the  
145 next month, the employer shall pay the applicable contributions  
146 based upon subparagraph 1.

147 b. A community college employee whose program eligibility  
148 is due to the subsequent designation of the employee's position  
149 as one of those specified in subparagraph 4., or due to the  
150 employee's appointment, promotion, transfer, or reclassification  
151 to a position specified in subparagraph 4., must be enrolled in  
152 the program on the first day of the first full calendar month  
153 that such change in status becomes effective. The employer and  
154 employee retirement contributions paid from the effective date  
155 through the month of the employee plan change must be  
156 transferred to the community college to the employee's optional  
157 program account, and, effective the first day of the next month,  
158 the employer shall pay the applicable contributions based upon



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159 subparagraph 1.

160 7. Effective July 1, 2003, through December 31, 2008, any  
161 member of the optional retirement program who has service credit  
162 in the pension plan of the Florida Retirement System for the  
163 period between his or her first eligibility to transfer from the  
164 pension plan to the optional retirement program and the actual  
165 date of transfer may, during employment, transfer to the  
166 optional retirement program a sum representing the present value  
167 of the accumulated benefit obligation under the defined benefit  
168 retirement program for the period of service credit. Upon  
169 transfer, all service credit previously earned under the pension  
170 plan during this period is nullified for purposes of entitlement  
171 to a future benefit under the pension plan.

172 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.-

173 (a) All eligible employees, except those eligible to  
174 withdraw from the system under s. 121.052(3)(d) or s.  
175 121.055(1)(b)2., or those eligible for optional retirement  
176 programs under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35,  
177 initially enrolled on or after January 1, 2015, are compulsory  
178 members of the investment plan, and membership in the pension  
179 plan is not permitted. Employees initially enrolled on or after  
180 January 1, 2015, are not eligible to use the election  
181 opportunity specified in s. 121.4501(4)(e).

182 (b) Employees eligible to withdraw from the system under s.  
183 121.052(3)(d) or s. 121.055(1)(b)2., may choose to withdraw from  
184 the system or to participate in the investment plan as provided  
185 in those sections. Employees eligible for optional retirement  
186 programs under s. 121.051(2)(c) or s. 121.35, may choose to  
187 participate in the optional retirement program or the investment



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188 plan as provided in those sections. Eligible employees required  
189 to participate in the optional retirement program under s.  
190 121.35, pursuant to s. 121.051(1)(a), must participate in the  
191 investment plan when employed in a position not eligible for the  
192 optional retirement program.

193 Section 2. Paragraph (c) of subsection (3) of section  
194 121.052, Florida Statutes, is amended to read:

195 121.052 Membership class of elected officers.—

196 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July  
197 1, 1990, participation in the Elected Officers' Class shall be  
198 compulsory for elected officers listed in paragraphs (2)(a)-(d)  
199 and (f) assuming office on or after said date, unless the  
200 elected officer elects membership in another class or withdraws  
201 from the Florida Retirement System as provided in paragraphs  
202 (3)(a)-(d):

203 (c) Before January 1, 2014, any elected officer may, within  
204 6 months after assuming office, or within 6 months after this  
205 act becomes a law for serving elected officers, elect membership  
206 in the Senior Management Service Class as provided in s. 121.055  
207 in lieu of membership in the Elected Officers' Class. Any such  
208 election made by a county elected officer shall have no effect  
209 upon the statutory limit on the number of nonelective full-time  
210 positions that may be designated by a local agency employer for  
211 inclusion in the Senior Management Service Class under s.  
212 121.055(1)(b)1.

213 Section 3. Paragraph (f) of subsection (1) and paragraph  
214 (c) of subsection (6) of section 121.055, Florida Statutes, are  
215 amended to read:

216 121.055 Senior Management Service Class.—There is hereby





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217 established a separate class of membership within the Florida  
218 Retirement System to be known as the "Senior Management Service  
219 Class," which shall become effective February 1, 1987.

220 (1)

221 (f) Effective July 1, 1997, through December 31, 2013:

222 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
223 4., an elected state officer eligible for membership in the  
224 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
225 elects membership in the Senior Management Service Class under  
226 s. 121.052(3)(c) may, within 6 months after assuming office or  
227 within 6 months after this act becomes a law for serving elected  
228 state officers, elect to participate in the Senior Management  
229 Service Optional Annuity Program, as provided in subsection (6),  
230 in lieu of membership in the Senior Management Service Class.

231 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
232 4., an elected officer of a local agency employer eligible for  
233 membership in the Elected Officers' Class under s. 121.052(2)(d)  
234 who elects membership in the Senior Management Service Class  
235 under s. 121.052(3)(c) may, within 6 months after assuming  
236 office, or within 6 months after this act becomes a law for  
237 serving elected officers of a local agency employer, elect to  
238 withdraw from the Florida Retirement System, as provided in  
239 subparagraph (b)2., in lieu of membership in the Senior  
240 Management Service Class.

241 3. A retiree of a state-administered retirement system who  
242 is initially reemployed in a regularly established position on  
243 or after July 1, 2010, as an elected official eligible for the  
244 Elected Officers' Class may not be enrolled in renewed  
245 membership in the Senior Management Service Class or in the



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246 Senior Management Service Optional Annuity Program as provided  
247 in subsection (6), and may not withdraw from the Florida  
248 Retirement System as a renewed member as provided in  
249 subparagraph (b)2., as applicable, in lieu of membership in the  
250 Senior Management Service Class.

251 4. On or after January 1, 2014, an elected official  
252 eligible for membership in the Elected Officers' Class may not  
253 be enrolled in the Senior Management Service Class or in the  
254 Senior Management Service Optional Annuity Program as provided  
255 in subsection (6).

256 (6)

257 (c) *Participation.*—

258 1. An eligible employee who is employed on or before  
259 February 1, 1987, may elect to participate in the optional  
260 annuity program in lieu of participating in the Senior  
261 Management Service Class. Such election must be made in writing  
262 and filed with the department and the personnel officer of the  
263 employer on or before May 1, 1987. An eligible employee who is  
264 employed on or before February 1, 1987, and who fails to make an  
265 election to participate in the optional annuity program by May  
266 1, 1987, shall be deemed to have elected membership in the  
267 Senior Management Service Class.

268 2. Except as provided in subparagraph 6., an employee who  
269 becomes eligible to participate in the optional annuity program  
270 by reason of initial employment commencing after February 1,  
271 1987, may, within 90 days after the date of commencing  
272 employment, elect to participate in the optional annuity  
273 program. Such election must be made in writing and filed with  
274 the personnel officer of the employer. An eligible employee who



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275 does not within 90 days after commencing employment elect to  
276 participate in the optional annuity program shall be deemed to  
277 have elected membership in the Senior Management Service Class.

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

293 4. Except as provided in subparagraph 5., an employee's  
294 election to participate in the optional annuity program is  
295 irrevocable if the employee continues to be employed in an  
296 eligible position and continues to meet the eligibility  
297 requirements set forth in this paragraph.

298 5. Effective from July 1, 2002, through September 30, 2002,  
299 an active employee in a regularly established position who has  
300 elected to participate in the Senior Management Service Optional  
301 Annuity Program has one opportunity to choose to move from the  
302 Senior Management Service Optional Annuity Program to the  
303 Florida Retirement System Pension Plan.



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

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

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

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

328 7. Effective January 1, 2014, the Senior Management Service  
329 Optional Annuity Program is closed to new members. Members  
330 enrolled in the Senior Management Service Optional Annuity  
331 Program before January 1, 2014, may retain their membership in  
332 the annuity program.



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333 Section 4. Paragraph (c) of subsection (3) of section  
334 121.35, Florida Statutes, is amended to read:

335 121.35 Optional retirement program for the State University  
336 System.—

337 (3) ELECTION OF OPTIONAL PROGRAM.—

338 (c) Any employee who becomes eligible to participate in the  
339 optional retirement program on or after January 1, 1993, shall  
340 be a compulsory participant of the program unless such employee  
341 elects membership in the Florida Retirement System. Such  
342 election shall be made in writing and filed with the personnel  
343 officer of the employer. Any eligible employee who fails to make  
344 such election within the prescribed time period shall be deemed  
345 to have elected to participate in the optional retirement  
346 program.

347 1. Any employee whose optional retirement program  
348 eligibility results from initial employment shall be enrolled in  
349 the program at the commencement of employment. If, within 90  
350 days after commencement of employment, the employee elects  
351 membership in the Florida Retirement System, such membership  
352 shall be effective retroactive to the date of commencement of  
353 employment as provided in s. 121.4501(4).

354 2. Any employee whose optional retirement program  
355 eligibility results from a change in status due to the  
356 subsequent designation of the employee's position as one of  
357 those specified in paragraph (2)(a) or due to the employee's  
358 appointment, promotion, transfer, or reclassification to a  
359 position specified in paragraph (2)(a) shall be enrolled in the  
360 optional retirement program upon such change in status and shall  
361 be notified by the employer of such action. If, within 90 days



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362 after the date of such notification, the employee elects to  
363 retain membership in the Florida Retirement System, such  
364 continuation of membership shall be retroactive to the date of  
365 the change in status.

366 3. Notwithstanding subparagraphs 1. and 2. the provisions  
367 of this paragraph, effective July 1, 1997, any employee who is  
368 eligible to participate in the Optional Retirement Program and  
369 who fails to execute a contract with one of the approved  
370 companies and to notify the department in writing as provided in  
371 subsection (4) within 90 days after the date of eligibility  
372 shall be deemed to have elected membership in the Florida  
373 Retirement System, except as provided in s. 121.051(1)(a). This  
374 provision shall also apply to any employee who terminates  
375 employment in an eligible position before executing the required  
376 investment annuity contract and notifying the department. Such  
377 membership shall be retroactive to the date of eligibility, and  
378 all appropriate contributions shall be transferred to the  
379 Florida Retirement System Trust Fund and the Health Insurance  
380 Subsidy Trust Fund. If a member is initially enrolled on or  
381 after January 1, 2015, the member is deemed to have elected  
382 membership in the Florida Retirement System Investment Plan and  
383 such membership shall be retroactive to the date of eligibility.  
384 All contributions required under s. 121.72, shall be transferred  
385 to a default fund in the investment plan as provided in s.  
386 121.4501(4)(f), and the Health Insurance Subsidy Trust Fund.

387 Section 5. Subsections (1) and (4), paragraph (c) of  
388 subsection (5), subsection (8), paragraph (a) of subsection (9),  
389 paragraphs (a), (b), (c), and (h) of subsection (10), and  
390 paragraphs (a) and (c) of subsection (15) of section 121.4501,



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391 Florida Statutes, are amended, and paragraph (h) is added to  
392 subsection (9) of that section, to read:

393 121.4501 Florida Retirement System Investment Plan.—

394 (1) The Trustees of the State Board of Administration shall  
395 establish a defined contribution program called the "Florida  
396 Retirement System Investment Plan" or "investment plan" for  
397 members of the Florida Retirement System under which retirement  
398 benefits will be provided for eligible employees initially  
399 enrolled before January 1, 2015, who elect to participate in the  
400 program, and for all eligible employees initially enrolled on or  
401 after January 1, 2015, who shall be compulsory members unless  
402 otherwise eligible to withdraw from the system under s.  
403 121.052(3)(d) or s. 121.055(1)(b)2., or to participate in an  
404 optional retirement program under s. 121.051(1)(a), s.  
405 121.051(2)(c), or s. 121.35. The retirement benefits shall be  
406 provided through member-directed investments, in accordance with  
407 s. 401(a) of the Internal Revenue Code and related regulations.  
408 The employer and employee shall make contributions, as provided  
409 in this section and ss. 121.571 and 121.71, to the Florida  
410 Retirement System Investment Plan Trust Fund toward the funding  
411 of benefits.

412 (4) PARTICIPATION; ENROLLMENT.—

413 (a)1. Effective June 1, 2002, through February 28, 2003, a  
414 90-day election period is provided to each eligible employee  
415 participating in the Florida Retirement System, preceded by a  
416 90-day education period, permitting each eligible employee to  
417 elect membership in the investment plan, and an employee who  
418 fails to elect the investment plan during the election period  
419 remains in the pension plan. An eligible employee employed in a



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420 regularly established position during the election period is  
421 granted the option to make one subsequent election, as provided  
422 in paragraph (e). With respect to an eligible employee who does  
423 not participate in the initial election period or who is  
424 initially employed in a regularly established position after the  
425 close of the initial election period but before January 1, 2015,  
426 on June 1, 2002, by a state employer:

427 ~~a. Any such employee may elect to participate in the~~  
428 ~~investment plan in lieu of retaining his or her membership in~~  
429 ~~the pension plan. The election must be made in writing or by~~  
430 ~~electronic means and must be filed with the third-party~~  
431 ~~administrator by August 31, 2002, or, in the case of an active~~  
432 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
433 ~~last business day of the 5th month following the month the leave~~  
434 ~~of absence concludes. This election is irrevocable, except as~~  
435 ~~provided in paragraph (g). Upon making such election, the~~  
436 ~~employee shall be enrolled as a member of the investment plan,~~  
437 ~~the employee's membership in the Florida Retirement System is~~  
438 ~~governed by the provisions of this part, and the employee's~~  
439 ~~membership in the pension plan terminates. The employee's~~  
440 ~~enrollment in the investment plan is effective the first day of~~  
441 ~~the month for which a full month's employer contribution is made~~  
442 ~~to the investment plan.~~

443 ~~b. Any such employee who fails to elect to participate in~~  
444 ~~the investment plan within the prescribed time period is deemed~~  
445 ~~to have elected to retain membership in the pension plan, and~~  
446 ~~the employee's option to elect to participate in the investment~~  
447 ~~plan is forfeited.~~

448 ~~2. With respect to employees who become eligible to~~





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449 ~~participate in the investment plan by reason of employment in a~~  
450 ~~regularly established position with a state employer commencing~~  
451 ~~after April 1, 2002:~~

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

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

468 ~~b.e.~~ An employee who fails to elect to participate in the  
469 investment plan within the prescribed time period is deemed to  
470 have elected to retain membership in the pension plan, and the  
471 employee's option to elect to participate in the investment plan  
472 is forfeited.

473 ~~2.3.~~ With respect to employees who become eligible to  
474 participate in the investment plan pursuant to s.  
475 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
476 participate in the investment plan in lieu of retaining his or  
477 her membership in the State Community College System Optional



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478 Retirement Program or the State University System Optional  
479 Retirement Program. The election must be made in writing or by  
480 electronic means and must be filed with the third-party  
481 administrator. This election is irrevocable, except as provided  
482 in paragraph (e) ~~(g)~~. Upon making such election, the employee  
483 shall be enrolled as a member in the investment plan, the  
484 employee's membership in the Florida Retirement System is  
485 governed by the provisions of this part, and the employee's  
486 participation in the State Community College System Optional  
487 Retirement Program or the State University System Optional  
488 Retirement Program terminates. The employee's enrollment in the  
489 investment plan is effective on the first day of the month for  
490 which a full month's employer and employee contribution is made  
491 to the investment plan.

492 ~~4. For purposes of this paragraph, "state employer" means~~  
493 ~~any agency, board, branch, commission, community college,~~  
494 ~~department, institution, institution of higher education, or~~  
495 ~~water management district of the state, which participates in~~  
496 ~~the Florida Retirement System for the benefit of certain~~  
497 ~~employees.~~

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

501 ~~a. Any such employee may elect to participate in the~~  
502 ~~investment plan in lieu of retaining his or her membership in~~  
503 ~~the pension plan. The election must be made in writing or by~~  
504 ~~electronic means and must be filed with the third-party~~  
505 ~~administrator by November 30, or, in the case of an active~~  
506 ~~employee who is on a leave of absence on July 1, 2002, by the~~



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507 ~~last business day of the 5th month following the month the leave~~  
508 ~~of absence concludes. This election is irrevocable, except as~~  
509 ~~provided in paragraph (g). Upon making such election, the~~  
510 ~~employee shall be enrolled as a member of the investment plan,~~  
511 ~~the employee's membership in the Florida Retirement System is~~  
512 ~~governed by the provisions of this part, and the employee's~~  
513 ~~membership in the pension plan terminates. The employee's~~  
514 ~~enrollment in the investment plan is effective the first day of~~  
515 ~~the month for which a full month's employer contribution is made~~  
516 ~~to the investment program.~~

517 ~~b. Any such employee who fails to elect to participate in~~  
518 ~~the investment plan within the prescribed time period is deemed~~  
519 ~~to have elected to retain membership in the pension plan, and~~  
520 ~~the employee's option to elect to participate in the investment~~  
521 ~~plan is forfeited.~~

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

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

534 ~~b. If the employee files such election within the~~  
535 ~~prescribed time period, enrollment in the investment plan is~~



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536 ~~effective on the first day of employment. The employer~~  
537 ~~retirement contributions paid through the month of the employee~~  
538 ~~plan change shall be transferred to the investment plan, and,~~  
539 ~~effective the first day of the next month, the employer shall~~  
540 ~~pay the applicable contributions based on the employee~~  
541 ~~membership class in the investment plan.~~

542 ~~e. Any such employee who fails to elect to participate in~~  
543 ~~the investment plan within the prescribed time period is deemed~~  
544 ~~to have elected to retain membership in the pension plan, and~~  
545 ~~the employee's option to elect to participate in the investment~~  
546 ~~plan is forfeited.~~

547 ~~3. For purposes of this paragraph, "district school board~~  
548 ~~employer" means any district school board that participates in~~  
549 ~~the Florida Retirement System for the benefit of certain~~  
550 ~~employees, or a charter school or charter technical career~~  
551 ~~center that participates in the Florida Retirement System as~~  
552 ~~provided in s. 121.051(2) (d).~~

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

556 ~~a. Any such employee may elect to participate in the~~  
557 ~~investment plan in lieu of retaining his or her membership in~~  
558 ~~the pension plan. The election must be made in writing or by~~  
559 ~~electronic means and must be filed with the third-party~~  
560 ~~administrator by February 28, 2003, or, in the case of an active~~  
561 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
562 ~~last business day of the 5th month following the month the leave~~  
563 ~~of absence concludes. This election is irrevocable, except as~~  
564 ~~provided in paragraph (g). Upon making such election, the~~



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565 ~~employee shall be enrolled as a participant of the investment~~  
566 ~~plan, the employee's membership in the Florida Retirement System~~  
567 ~~is governed by the provisions of this part, and the employee's~~  
568 ~~membership in the pension plan terminates. The employee's~~  
569 ~~enrollment in the investment plan is effective the first day of~~  
570 ~~the month for which a full month's employer contribution is made~~  
571 ~~to the investment plan.~~

572 ~~b. Any such employee who fails to elect to participate in~~  
573 ~~the investment plan within the prescribed time period is deemed~~  
574 ~~to have elected to retain membership in the pension plan, and~~  
575 ~~the employee's option to elect to participate in the investment~~  
576 ~~plan is forfeited.~~

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

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

589 ~~b. If the employee files such election within the~~  
590 ~~prescribed time period, enrollment in the investment plan is~~  
591 ~~effective on the first day of employment. The employer~~  
592 ~~retirement contributions paid through the month of the employee~~  
593 ~~plan change shall be transferred to the investment plan, and,~~



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594 ~~effective the first day of the next month, the employer shall~~  
595 ~~pay the applicable contributions based on the employee~~  
596 ~~membership class in the investment plan.~~

597 ~~e. Any such employee who fails to elect to participate in~~  
598 ~~the investment plan within the prescribed time period is deemed~~  
599 ~~to have elected to retain membership in the pension plan, and~~  
600 ~~the employee's option to elect to participate in the investment~~  
601 ~~plan is forfeited.~~

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

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

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

614 ~~(d)(f)~~ A member of the investment plan who takes a  
615 distribution of any contributions from his or her investment  
616 plan account is considered a retiree. A retiree who is initially  
617 reemployed in a regularly established position on or after July  
618 1, 2010, is not eligible to be enrolled in renewed membership.

619 ~~(e)(g)~~ After the period during which an eligible employee  
620 initially enrolled before January 1, 2015, had the choice to  
621 elect the pension plan or the investment plan, or the month  
622 following the receipt of the eligible employee's plan election,



623 if sooner, the employee shall have one opportunity, at the  
624 employee's discretion, to choose to move from the pension plan  
625 to the investment plan or from the investment plan to the  
626 pension plan. Eligible employees may elect to move between plans  
627 only if they are earning service credit in an employer-employee  
628 relationship consistent with s. 121.021(17)(b), excluding leaves  
629 of absence without pay. Effective July 1, 2005, such elections  
630 are effective on the first day of the month following the  
631 receipt of the election by the third-party administrator and are  
632 not subject to the requirements regarding an employer-employee  
633 relationship or receipt of contributions for the eligible  
634 employee in the effective month, except when the election is  
635 received by the third-party administrator. This paragraph is  
636 contingent upon approval by the Internal Revenue Service.

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

639 2. If the employee chooses to move to the pension plan, the  
640 employee must transfer from his or her investment plan account,  
641 and from other employee moneys as necessary, a sum representing  
642 the present value of that employee's accumulated benefit  
643 obligation immediately following the time of such movement,  
644 determined assuming that attained service equals the sum of  
645 service in the pension plan and service in the investment plan.  
646 Benefit commencement occurs on the first date the employee is  
647 eligible for unreduced benefits, using the discount rate and  
648 other relevant actuarial assumptions that were used to value the  
649 pension plan liabilities in the most recent actuarial valuation.  
650 For any employee who, at the time of the second election,  
651 already maintains an accrued benefit amount in the pension plan,



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652 the then-present value of the accrued benefit is deemed part of  
653 the required transfer amount. The division must ensure that the  
654 transfer sum is prepared using a formula and methodology  
655 certified by an enrolled actuary. A refund of any employee  
656 contributions or additional member payments made which exceed  
657 the employee contributions that would have accrued had the  
658 member remained in the pension plan and not transferred to the  
659 investment plan is not permitted.

660 3. Notwithstanding subparagraph 2., an employee who chooses  
661 to move to the pension plan and who became eligible to  
662 participate in the investment plan by reason of employment in a  
663 regularly established position with a state employer after June  
664 1, 2002; a district school board employer after September 1,  
665 2002; or a local employer after December 1, 2002, must transfer  
666 from his or her investment plan account, and from other employee  
667 moneys as necessary, a sum representing the employee's actuarial  
668 accrued liability. A refund of any employee contributions or  
669 additional member participant payments made which exceed the  
670 employee contributions that would have accrued had the member  
671 remained in the pension plan and not transferred to the  
672 investment plan is not permitted.

673 4. An employee's ability to transfer from the pension plan  
674 to the investment plan pursuant to paragraph (a) ~~paragraphs (a)-~~  
675 ~~(d)~~, and the ability of a current employee to have an option to  
676 later transfer back into the pension plan under subparagraph 2.,  
677 shall be deemed a significant system amendment. Pursuant to s.  
678 121.031(4), any resulting unfunded liability arising from actual  
679 original transfers from the pension plan to the investment plan  
680 must be amortized within 30 plan years as a separate unfunded





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681 actuarial base independent of the reserve stabilization  
682 mechanism defined in s. 121.031(3)(f). For the first 25 years, a  
683 direct amortization payment may not be calculated for this base.  
684 During this 25-year period, the separate base shall be used to  
685 offset the impact of employees exercising their second program  
686 election under this paragraph. The actuarial funded status of  
687 the pension plan will not be affected by such second program  
688 elections in any significant manner, after due recognition of  
689 the separate unfunded actuarial base. Following the initial 25-  
690 year period, any remaining balance of the original separate base  
691 shall be amortized over the remaining 5 years of the required  
692 30-year amortization period.

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

701 (f) All eligible employees, except those eligible to  
702 withdraw from the system under s. 121.052(3)(d) or s.  
703 121.055(1)(b)2., or those eligible for optional retirement  
704 programs under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35,  
705 initially enrolled on or after January 1, 2015, are compulsory  
706 members of the investment plan. Employees eligible to withdraw  
707 from the system under s. 121.052(3)(d) or s. 121.055(1)(b)2.,  
708 may choose to withdraw from the system or to participate in the  
709 investment plan as provided in those sections. Employees



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710 eligible for optional retirement programs under s. 121.051(2)(c)  
711 or s. 121.35, except as provided in s. 121.051(1)(a), may choose  
712 to participate in the optional retirement program or the  
713 investment plan as provided in those sections. Membership in the  
714 pension plan is not permitted except as provided in s.  
715 121.591(2).

716 1. Employees initially enrolled on or after January 1,  
717 2015, are not permitted to use the election opportunity  
718 specified in paragraph (e).

719 2. The amount of retirement contributions paid by the  
720 employee and employer, as required under s. 121.72, shall be  
721 placed in a default fund as designated by the state board, until  
722 an account is activated in the investment plan, at which time  
723 the member may move the contributions from the default fund to  
724 other funds provided in the investment plan.

725 (5) CONTRIBUTIONS.—

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

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

734 2. The employer contribution portion earmarked for  
735 administrative and educational expenses shall be transferred to  
736 the Florida Retirement System Investment Plan Trust Fund.

737 3. The employer contribution portion earmarked for  
738 disability benefits shall be transferred to the Florida



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739 Retirement System Trust Fund.

740 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
741 shall be administered by the state board and affected employers.  
742 The state board may require oaths, by affidavit or otherwise,  
743 and acknowledgments from persons in connection with the  
744 administration of its statutory duties and responsibilities for  
745 the investment plan. An oath, by affidavit or otherwise, may not  
746 be required of a member at the time of enrollment. For members  
747 initially enrolled before January 1, 2015, acknowledgment of an  
748 employee's election to participate in the program shall be no  
749 greater than necessary to confirm the employee's election. The  
750 state board shall adopt rules to carry out its statutory duties  
751 with respect to administering the investment plan, including  
752 establishing the roles and responsibilities of affected state,  
753 local government, and education-related employers, the state  
754 board, the department, and third-party contractors. The  
755 department shall adopt rules necessary to administer the  
756 investment plan in coordination with the pension plan and the  
757 disability benefits available under the investment plan.

758 (a)1. The state board shall select and contract with a  
759 third-party administrator to provide administrative services if  
760 those services cannot be competitively and contractually  
761 provided by the division. With the approval of the state board,  
762 the third-party administrator may subcontract to provide  
763 components of the administrative services. As a cost of  
764 administration, the state board may compensate any such  
765 contractor for its services, in accordance with the terms of the  
766 contract, as is deemed necessary or proper by the board. The  
767 third-party administrator may not be an approved provider or be



768 affiliated with an approved provider.

769         2. These administrative services may include, but are not  
770 limited to, enrollment of eligible employees, collection of  
771 employer and employee contributions, disbursement of  
772 contributions to approved providers in accordance with the  
773 allocation directions of members; services relating to  
774 consolidated billing; individual and collective recordkeeping  
775 and accounting; asset purchase, control, and safekeeping; and  
776 direct disbursement of funds to and from the third-party  
777 administrator, the division, the state board, employers,  
778 members, approved providers, and beneficiaries. This section  
779 does not prevent or prohibit a bundled provider from providing  
780 any administrative or customer service, including accounting and  
781 administration of individual member benefits and contributions;  
782 individual member recordkeeping; asset purchase, control, and  
783 safekeeping; direct execution of the member's instructions as to  
784 asset and contribution allocation; calculation of daily net  
785 asset values; direct access to member account information; or  
786 periodic reporting to members, at least quarterly, on account  
787 balances and transactions, if these services are authorized by  
788 the state board as part of the contract.

789         (b)1. The state board shall select and contract with one or  
790 more organizations to provide educational services. With  
791 approval of the state board, the organizations may subcontract  
792 to provide components of the educational services. As a cost of  
793 administration, the state board may compensate any such  
794 contractor for its services in accordance with the terms of the  
795 contract, as is deemed necessary or proper by the board. The  
796 education organization may not be an approved provider or be



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797 affiliated with an approved provider.

798         2. Educational services shall be designed by the state  
799 board and department to assist employers, eligible employees,  
800 members, and beneficiaries in order to maintain compliance with  
801 United States Department of Labor regulations under s. 404(c) of  
802 the Employee Retirement Income Security Act of 1974 and to  
803 assist employees in their choice of pension plan or investment  
804 plan retirement alternatives. Educational services include, but  
805 are not limited to, disseminating educational materials;  
806 providing retirement planning education; explaining the pension  
807 plan and the investment plan; and offering financial planning  
808 guidance on matters such as investment diversification,  
809 investment risks, investment costs, and asset allocation. An  
810 approved provider may also provide educational information,  
811 including retirement planning and investment allocation  
812 information concerning its products and services.

813         (c)1. In evaluating and selecting a third-party  
814 administrator, the state board shall establish criteria for  
815 evaluating the relative capabilities and qualifications of each  
816 proposed administrator. In developing such criteria, the state  
817 board shall consider:

818             a. The administrator's demonstrated experience in providing  
819 administrative services to public or private sector retirement  
820 systems.

821             b. The administrator's demonstrated experience in providing  
822 daily valued recordkeeping to defined contribution programs.

823             c. The administrator's ability and willingness to  
824 coordinate its activities with employers, the state board, and  
825 the division, and to supply to such employers, the board, and



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826 the division the information and data they require, including,  
827 but not limited to, monthly management reports, quarterly member  
828 reports, and ad hoc reports requested by the department or state  
829 board.

830 d. The cost-effectiveness and levels of the administrative  
831 services provided.

832 e. The administrator's ability to interact with the  
833 members, the employers, the state board, the division, and the  
834 providers; the means by which members may access account  
835 information, direct investment of contributions, make changes to  
836 their accounts, transfer moneys between available investment  
837 vehicles, and transfer moneys between investment products; and  
838 any fees that apply to such activities.

839 f. Any other factor deemed necessary by the state board.

840 2. In evaluating and selecting an educational provider, the  
841 state board shall establish criteria under which it shall  
842 consider the relative capabilities and qualifications of each  
843 proposed educational provider. In developing such criteria, the  
844 state board shall consider:

845 a. Demonstrated experience in providing educational  
846 services to public or private sector retirement systems.

847 b. Ability and willingness to coordinate its activities  
848 with the employers, the state board, and the division, and to  
849 supply to such employers, the board, and the division the  
850 information and data they require, including, but not limited  
851 to, reports on educational contacts.

852 c. The cost-effectiveness and levels of the educational  
853 services provided.

854 d. Ability to provide educational services via different



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855 media, including, but not limited to, the Internet, personal  
856 contact, seminars, brochures, and newsletters.

857 e. Any other factor deemed necessary by the state board.

858 3. The establishment of the criteria shall be solely within  
859 the discretion of the state board.

860 (d) The state board shall develop the form and content of  
861 any contracts to be offered under the investment plan. In  
862 developing the contracts, the board shall consider:

863 1. The nature and extent of the rights and benefits to be  
864 afforded in relation to the contributions required under the  
865 plan.

866 2. The suitability of the rights and benefits provided and  
867 the interests of employers in the recruitment and retention of  
868 eligible employees.

869 (e)1. The state board may contract for professional  
870 services, including legal, consulting, accounting, and actuarial  
871 services, deemed necessary to implement and administer the  
872 investment plan. The state board may enter into a contract with  
873 one or more vendors to provide low-cost investment advice to  
874 members, supplemental to education provided by the third-party  
875 administrator. All fees under any such contract shall be paid by  
876 those members who choose to use the services of the vendor.

877 2. The department may contract for professional services,  
878 including legal, consulting, accounting, and actuarial services,  
879 deemed necessary to implement and administer the investment plan  
880 in coordination with the pension plan. The department, in  
881 coordination with the state board, may enter into a contract  
882 with the third-party administrator in order to coordinate  
883 services common to the various programs within the Florida



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884 Retirement System.

885 (f) The third-party administrator may not receive direct or  
886 indirect compensation from an approved provider, except as  
887 specifically provided for in the contract with the state board.

888 (g) The state board shall receive and resolve member  
889 complaints against the program, the third-party administrator,  
890 or any program vendor or provider; shall resolve any conflict  
891 between the third-party administrator and an approved provider  
892 if such conflict threatens the implementation or administration  
893 of the program or the quality of services to employees; and may  
894 resolve any other conflicts. The third-party administrator shall  
895 retain all member records for at least 5 years for use in  
896 resolving any member conflicts. The state board, the third-party  
897 administrator, or a provider is not required to produce  
898 documentation or an audio recording to justify action taken with  
899 regard to a member if the action occurred 5 or more years before  
900 the complaint is submitted to the state board. It is presumed  
901 that all action taken 5 or more years before the complaint is  
902 submitted was taken at the request of the member and with the  
903 member's full knowledge and consent. To overcome this  
904 presumption, the member must present documentary evidence or an  
905 audio recording demonstrating otherwise.

906 (9) INVESTMENT OPTIONS OR PRODUCTS; PERFORMANCE REVIEW.—

907 (a) The state board shall develop policy and procedures for  
908 selecting, evaluating, and monitoring the performance of  
909 approved providers and investment products under the investment  
910 plan. In accordance with such policy and procedures, the state  
911 board shall designate and contract for a number of investment  
912 products as determined by the board. The board shall also select





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913 one or more bundled providers, each of which may offer multiple  
914 investment options and related services, if such approach is  
915 determined by the board to provide value to the members  
916 otherwise not available through individual investment products.  
917 Each approved bundled provider may offer investment options that  
918 provide members with the opportunity to invest in each of the  
919 following asset classes, to be composed of individual options  
920 that represent a single asset class or a combination thereof:  
921 money markets, United States fixed income, United States  
922 equities, and foreign stock. The state board shall review and  
923 manage all educational materials, contract terms, fee schedules,  
924 and other aspects of the approved provider relationships to  
925 ensure that no provider is unduly favored or penalized by virtue  
926 of its status within the investment plan. Additionally, the  
927 state board, consistent with its fiduciary responsibilities,  
928 shall develop one or more investment products to be offered in  
929 the investment plan.

930 (h) A self-directed brokerage account shall be offered as a  
931 service to investment plan members.

932 1. Notwithstanding any other provision of this section, the  
933 state board shall select a provider to offer investment plan  
934 members additional investment alternatives by providing a self-  
935 directed brokerage account.

936 2. The state board shall contract with a provider to offer  
937 a self-directed brokerage account. In selecting the provider,  
938 the state board shall consider the following:

939 a. Financial strength and stability as evidenced by the  
940 highest ratings assigned by nationally recognized rating  
941 services when comparing proposed providers that are so rated.



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942           b. Reasonableness of fees compared to other providers  
943 taking into consideration the quantity and quality of services  
944 being offered.

945           c. Compliance with the Internal Revenue Code and all  
946 applicable federal and state securities laws.

947           d. Available methods for members to interact with the  
948 provider and the means by which members may access account  
949 information, direct investment of funds, transfer funds, and  
950 receive funds prospectuses and related investment materials as  
951 required by state and federal regulations.

952           e. The ability to provide prompt, efficient, and accurate  
953 responses to member directions, as well as providing  
954 confirmations and quarterly account statements in a timely  
955 fashion.

956           f. The process by which assets are invested, as well as any  
957 waiting periods when monies are transferred.

958           g. Organizational factors, including, but not limited to,  
959 financial solvency, organizational depth, and experience in  
960 providing self-directed brokerage account services to public  
961 defined contribution plans.

962           3. The provider of the self-directed brokerage account  
963 shall:

964           a. Make the self-directed brokerage account available under  
965 the most beneficial terms available to any customer.

966           b. Agree not to sell or distribute member lists generated  
967 through services rendered to the investment plan.

968           c. Not be a bundled provider.

969           d. Provide for an education component approved by the state  
970 board that is available in multimedia formats and that provides



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971 impartial and balanced information about investment options and  
972 fees associated with participation in the self-directed  
973 brokerage account.

974 4. The provider, as well as any of its related entities,  
975 may not offer any proprietary products as investment  
976 alternatives in the self-directed brokerage account.

977 5. The state board shall monitor the selected provider to  
978 ensure continued compliance with established selection criteria,  
979 board policy and procedures, state and federal regulations, and  
980 any contractual provisions.

981 6. The provider shall ensure that a member opening a self-  
982 directed brokerage account is provided a quarterly statement  
983 that details member investments in the self-directed brokerage  
984 account. The statement shall be in lieu of, and satisfy the  
985 requirements of, subsection (11) with respect to the member  
986 investments in the self-directed brokerage account. The provider  
987 shall include in the statement the following details:

988 a. Account investment options.

989 b. The market value of the account at the close of the  
990 current quarter and the previous quarter.

991 c. Account gains and losses.

992 d. Transfers into and out of the account.

993 e. Any fees, charges, penalties, and deductions that apply  
994 to the account.

995 7. The self-directed brokerage account may include the  
996 following securities as investment alternatives:

997 a. Stocks listed on a Securities and Exchange Commission  
998 regulated national exchange.

999 b. Exchange traded funds.



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- 1000        c. Mutual funds.
- 1001        8. The self-directed brokerage account may not include the  
1002 following as investment alternatives:
- 1003        a. Illiquid investments.
- 1004        b. Over-the-Counter Bulletin Board securities.
- 1005        c. Pink Sheet securities.
- 1006        d. Leveraged exchange traded funds.
- 1007        e. Direct ownership of foreign securities.
- 1008        f. Derivatives, including, but not limited to, futures and  
1009 options contracts on securities, market indexes, and  
1010 commodities.
- 1011        g. Buying or trading on margin.
- 1012        h. Investment plan products.
- 1013        i. Any investment that would jeopardize the investment  
1014 plan's tax qualified status.
- 1015        9. A member may participate in the self-directed brokerage  
1016 account if the member:
- 1017        a. Maintains a minimum balance of \$5,000 in the products  
1018 offered under the investment plan.
- 1019        b. Makes a minimum initial transfer of funds into the self-  
1020 directed brokerage account of \$1,000.
- 1021        c. Makes subsequent transfers of funds into the self-  
1022 directed brokerage account in amounts of \$1,000 or greater.
- 1023        d. Pays all trading fees, commissions, administrative fees,  
1024 and any other expenses associated with participating in the  
1025 self-directed brokerage account from the funds in the self-  
1026 directed brokerage account.
- 1027        e. Does not violate any trading restrictions established by  
1028 the provider, the investment plan, or state or federal law.



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1029           10. Employer and employee contributions shall be initially  
1030 deposited into investment plan products and may be transferred  
1031 to the self-directed brokerage account.

1032           11. Distributions are not permissible directly from assets  
1033 in the self-directed brokerage account. Assets must first be  
1034 transferred to investment plan products. A distribution may be  
1035 requested after the transfer is completed and all investment  
1036 plan distribution requirements are met.

1037           12. The state board must notify members that:

1038           a. The state board is not responsible for managing the  
1039 self-directed brokerage account beyond administrative  
1040 requirements as established between the state board and the  
1041 provider of the self-directed brokerage account.

1042           b. Investment alternatives available through the self-  
1043 directed brokerage account have not been subjected to any  
1044 selection process, are not monitored by the state board, require  
1045 investment expertise to prudently buy, manage, or dispose of,  
1046 and have a risk of substantial loss.

1047           c. The member is responsible for all administrative,  
1048 investment, and trading fees associated with participating in  
1049 the self-directed brokerage account.

1050           (10) EDUCATION COMPONENT.—

1051           (a) The state board, in coordination with the department,  
1052 shall provide for an education component for eligible employees  
1053 ~~system members~~ in a manner consistent with the provisions of  
1054 this subsection ~~section~~. ~~The education component must be~~  
1055 ~~available to eligible employees at least 90 days prior to the~~  
1056 ~~beginning date of the election period for the employees of the~~  
1057 ~~respective types of employers.~~



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1058 (b) The education component must provide system members  
1059 with impartial and balanced information about plan choices for  
1060 members initially enrolled before January 1, 2015. The education  
1061 component must involve multimedia formats. Program comparisons  
1062 must, to the greatest extent possible, be based upon the  
1063 retirement income that different retirement programs may provide  
1064 to the member. The state board shall monitor the performance of  
1065 the contract to ensure that the program is conducted in  
1066 accordance with the contract, applicable law, and the rules of  
1067 the state board.

1068 (c) The state board, in coordination with the department,  
1069 shall provide for an initial and ongoing transfer education  
1070 component to provide system members initially enrolled before  
1071 January 1, 2015, with information necessary to make informed  
1072 plan choice decisions. The transfer education component must  
1073 include, but is not limited to, information on:

1074 1. The amount of money available to a member to transfer to  
1075 the defined contribution program.

1076 2. The features of and differences between the pension plan  
1077 and the defined contribution program, both generally and  
1078 specifically, as those differences may affect the member.

1079 3. The expected benefit available if the member were to  
1080 retire under each of the retirement programs, based on  
1081 appropriate alternative sets of assumptions.

1082 4. The rate of return from investments in the defined  
1083 contribution program and the period of time over which such rate  
1084 of return must be achieved to equal or exceed the expected  
1085 monthly benefit payable to the member under the pension plan.

1086 5. The historical rates of return for the investment



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1087 alternatives available in the defined contribution programs.

1088         6. The benefits and historical rates of return on  
1089 investments available in a typical deferred compensation plan or  
1090 a typical plan under s. 403(b) of the Internal Revenue Code for  
1091 which the employee may be eligible.

1092         7. The program choices available to employees of the State  
1093 University System and the comparative benefits of each available  
1094 program, if applicable.

1095         8. Payout options available in each of the retirement  
1096 programs.

1097         ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
1098 ~~System employers have an obligation to regularly communicate the~~  
1099 ~~existence of the two Florida Retirement System plans and the~~  
1100 ~~plan choice in the natural course of administering their~~  
1101 ~~personnel functions, using the educational materials supplied by~~  
1102 ~~the state board and the Department of Management Services.~~

1103         (15) STATEMENT OF FIDUCIARY STANDARDS AND  
1104 RESPONSIBILITIES.-

1105         (a) Investment of investment ~~defined contribution~~ plan  
1106 assets shall be made for the sole interest and exclusive purpose  
1107 of providing benefits to members and beneficiaries and defraying  
1108 reasonable expenses of administering the plan. The program's  
1109 assets shall be invested on behalf of the program members with  
1110 the care, skill, and diligence that a prudent person acting in a  
1111 like manner would undertake. The performance of the investment  
1112 duties set forth in this paragraph shall comply with the  
1113 fiduciary standards set forth in the Employee Retirement Income  
1114 Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A)-(C). In case  
1115 of conflict with other provisions of law authorizing



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1116 investments, the investment and fiduciary standards set forth in  
1117 this subsection shall prevail.

1118 (c) Subparagraph (8)(b)2. and paragraph (b) incorporate the  
1119 federal law concept of participant control, established by  
1120 regulations of the United States Department of Labor under s.  
1121 404(c) of the Employee Retirement Income Security Act of 1974  
1122 (ERISA). The purpose of this paragraph is to assist employers  
1123 and the state board in maintaining compliance with s. 404(c),  
1124 while avoiding unnecessary costs and eroding member benefits  
1125 under the investment plan. Pursuant to 29 C.F.R. s. 2550.404a-  
1126 5(d)(4) ~~2550.404e-1(b)(2)(i)(B)(1)(viii)~~, the state board or its  
1127 designated agents shall deliver to members of the investment  
1128 plan a copy of the prospectus most recently provided to the  
1129 plan, ~~and, pursuant to 29 C.F.R. s. 2550.404e-~~  
1130 ~~1(b)(2)(i)(B)(2)(ii)~~, ~~shall provide such members an opportunity~~  
1131 ~~to obtain this information~~, except that:

1132 1. The requirement to deliver a prospectus shall be  
1133 satisfied by delivery of a fund profile or summary profile that  
1134 contains the information that would be included in a summary  
1135 prospectus as described by Rule 498 under the Securities Act of  
1136 1933, 17 C.F.R. s. 230.498. If the transaction fees, expense  
1137 information or other information provided by a mutual fund in  
1138 the prospectus does not reflect terms negotiated by the state  
1139 board or its designated agents, the requirement is satisfied by  
1140 delivery of a separate document described by Rule 498  
1141 substituting accurate information; and

1142 2. Delivery shall be effected if delivery is through  
1143 electronic means and the following standards are satisfied:

1144 a. Electronically-delivered documents are prepared and





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1145 provided consistent with style, format, and content requirements  
1146 applicable to printed documents;

1147       b. Each member is provided timely and adequate notice of  
1148 the documents that are to be delivered, and their significance,  
1149 and of the member's right to obtain a paper copy of such  
1150 documents free of charge;

1151       c. Members have adequate access to the electronic  
1152 documents, at locations such as their worksites or public  
1153 facilities, and have the ability to convert the documents to  
1154 paper free of charge by the state board, and the board or its  
1155 designated agents take appropriate and reasonable measures to  
1156 ensure that the system for furnishing electronic documents  
1157 results in actual receipt. Members have provided consent to  
1158 receive information in electronic format, which consent may be  
1159 revoked; and

1160       d. The state board, or its designated agent, actually  
1161 provides paper copies of the documents free of charge, upon  
1162 request.

1163       3. The state board is not required to deliver a prospectus  
1164 or other information for the underlying investments available  
1165 through the self-directed brokerage account authorized by  
1166 paragraph (9)(h).

1167       Section 6. Subsection (3) of section 121.591, Florida  
1168 Statutes, is amended to read:

1169       121.591 Payment of benefits.—Benefits may not be paid under  
1170 the Florida Retirement System Investment Plan unless the member  
1171 has terminated employment as provided in s. 121.021(39)(a) or is  
1172 deceased and a proper application has been filed as prescribed  
1173 by the state board or the department. Benefits, including



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1174 employee contributions, are not payable under the investment  
1175 plan for employee hardships, unforeseeable emergencies, loans,  
1176 medical expenses, educational expenses, purchase of a principal  
1177 residence, payments necessary to prevent eviction or foreclosure  
1178 on an employee's principal residence, or any other reason except  
1179 a requested distribution for retirement, a mandatory de minimis  
1180 distribution authorized by the administrator, or a required  
1181 minimum distribution provided pursuant to the Internal Revenue  
1182 Code. The state board or department, as appropriate, may cancel  
1183 an application for retirement benefits if the member or  
1184 beneficiary fails to timely provide the information and  
1185 documents required by this chapter and the rules of the state  
1186 board and department. In accordance with their respective  
1187 responsibilities, the state board and the department shall adopt  
1188 rules establishing procedures for application for retirement  
1189 benefits and for the cancellation of such application if the  
1190 required information or documents are not received. The state  
1191 board and the department, as appropriate, are authorized to cash  
1192 out a de minimis account of a member who has been terminated  
1193 from Florida Retirement System covered employment for a minimum  
1194 of 6 calendar months. A de minimis account is an account  
1195 containing employer and employee contributions and accumulated  
1196 earnings of not more than \$5,000 made under the provisions of  
1197 this chapter. Such cash-out must be a complete lump-sum  
1198 liquidation of the account balance, subject to the provisions of  
1199 the Internal Revenue Code, or a lump-sum direct rollover  
1200 distribution paid directly to the custodian of an eligible  
1201 retirement plan, as defined by the Internal Revenue Code, on  
1202 behalf of the member. Any nonvested accumulations and associated



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1203 service credit, including amounts transferred to the suspense  
1204 account of the Florida Retirement System Investment Plan Trust  
1205 Fund authorized under s. 121.4501(6), shall be forfeited upon  
1206 payment of any vested benefit to a member or beneficiary, except  
1207 for de minimis distributions or minimum required distributions  
1208 as provided under this section. If any financial instrument  
1209 issued for the payment of retirement benefits under this section  
1210 is not presented for payment within 180 days after the last day  
1211 of the month in which it was originally issued, the third-party  
1212 administrator or other duly authorized agent of the state board  
1213 shall cancel the instrument and credit the amount of the  
1214 instrument to the suspense account of the Florida Retirement  
1215 System Investment Plan Trust Fund authorized under s.  
1216 121.4501(6). Any amounts transferred to the suspense account are  
1217 payable upon a proper application, not to include earnings  
1218 thereon, as provided in this section, within 10 years after the  
1219 last day of the month in which the instrument was originally  
1220 issued, after which time such amounts and any earnings  
1221 attributable to employer contributions shall be forfeited. Any  
1222 forfeited amounts are assets of the trust fund and are not  
1223 subject to chapter 717.

1224 (3) DEATH BENEFITS.—Under the Florida Retirement System  
1225 Investment Plan:

1226 (a) 1. Survivor benefits are payable in accordance with the  
1227 following terms and conditions:

1228 a.1. To the extent vested, benefits are payable only to a  
1229 member's beneficiary or beneficiaries as designated by the  
1230 member as provided in s. 121.4501(20).

1231 b.2. Benefits shall be paid by the third-party



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1232 administrator or designated approved providers in accordance  
1233 with the law, the contracts, and any applicable state board rule  
1234 or policy.

1235 ~~c.3.~~ To receive benefits, the member must be deceased.

1236 ~~2.(b)~~ In the event of a member's death, all vested  
1237 accumulations as described in s. 121.4501(6), less withholding  
1238 taxes remitted to the Internal Revenue Service, shall be  
1239 distributed, as provided in subparagraph 3. ~~paragraph (e)~~ or as  
1240 described in s. 121.4501(20), as if the member retired on the  
1241 date of death. No other death benefits are available for  
1242 survivors of members, except for benefits, or coverage for  
1243 benefits, as are otherwise provided by law or separately  
1244 provided by the employer, at the employer's discretion.

1245 ~~3.(e)~~ Upon receipt by the third-party administrator of a  
1246 properly executed application for distribution of benefits, the  
1247 total accumulated benefit is payable by the third-party  
1248 administrator to the member's surviving beneficiary or  
1249 beneficiaries, as:

1250 ~~a.1.~~ A lump-sum distribution payable to the beneficiary or  
1251 beneficiaries, or to the deceased member's estate;

1252 ~~b.2.~~ An eligible rollover distribution, if permitted, on  
1253 behalf of the surviving spouse of a deceased member, whereby all  
1254 accrued benefits, plus interest and investment earnings, are  
1255 paid from the deceased member's account directly to the  
1256 custodian of an eligible retirement plan, as described in s.  
1257 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
1258 surviving spouse; or

1259 ~~c.3.~~ A partial lump-sum payment whereby a portion of the  
1260 accrued benefit is paid to the deceased member's surviving



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1261 spouse or other designated beneficiaries, less withholding taxes  
1262 remitted to the Internal Revenue Service, and the remaining  
1263 amount is transferred directly to the custodian of an eligible  
1264 retirement plan, if permitted, as described in s. 402(c)(8)(B)  
1265 of the Internal Revenue Code, on behalf of the surviving spouse.  
1266 The proportions must be specified by the member or the surviving  
1267 beneficiary.

1268 (b) Each employer participating in the Florida Retirement  
1269 System shall purchase a life insurance policy from a state term  
1270 contract for each member of the Special Risk Class of the  
1271 investment plan who is initially enrolled in the Florida  
1272 Retirement System on or after January 1, 2015.

1273 1. The Department of Management Services shall procure a  
1274 life insurance product on a state term contract with the  
1275 following attributes:

1276 a. The benefit must be limited to Special Risk Class  
1277 members who are killed in the line of duty.

1278 b. The benefit must be equal to 10 times the employee's  
1279 annual salary at the time of death or \$500,000, whichever is  
1280 greater.

1281 c. The benefit must provide for monthly benefit payments,  
1282 including interest, to be paid to the designated beneficiary or  
1283 beneficiaries over a 20-year period.

1284 d. The product must be guaranteed issue.

1285 e. The product must provide level premium rates for the  
1286 term of the policy.

1287 f. Any administrative fees shall be the responsibility of  
1288 the employer.

1289 2. Survivor benefits provided by the life insurance policy



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1290 are payable in addition to the survivor benefit provided under  
1291 paragraph (a).

1292  
1293 This subsection ~~paragraph~~ does not abrogate other applicable  
1294 provisions of state or federal law providing for payment of  
1295 death benefits.

1296 Section 7. Section 238.072, Florida Statutes, is amended to  
1297 read:

1298 238.072 Special service provisions for extension  
1299 personnel.—All state and county cooperative extension personnel  
1300 holding appointments by the United States Department of  
1301 Agriculture for extension work in agriculture and home economics  
1302 in this state who are joint representatives of the University of  
1303 Florida and the United States Department of Agriculture, as  
1304 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
1305 Teachers' Retirement System, chapter 238, and who are prohibited  
1306 from transferring to and participating in the Florida Retirement  
1307 System, chapter 121, may retire with full benefits upon  
1308 completion of 30 years of creditable service and shall be  
1309 considered to have attained normal retirement age under this  
1310 chapter, any law to the contrary notwithstanding. In order to  
1311 comply with the provisions of s. 14, Art. X of the State  
1312 Constitution, any liability accruing to the Florida Retirement  
1313 System Trust Fund as a result of the provisions of this section  
1314 shall be paid on an annual basis from the General Revenue Fund.

1315 Section 8. Subsection (11) of section 413.051, Florida  
1316 Statutes, is amended to read:

1317 413.051 Eligible blind persons; operation of vending  
1318 stands.—



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1319           (11) Effective July 1, 1996, blind licensees who remain  
1320 members of the Florida Retirement System pursuant to s.  
1321 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
1322 retirement costs from their net profits or from program income.  
1323 Within 30 days after the effective date of this act, each blind  
1324 licensee who is eligible to maintain membership in the Florida  
1325 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
1326 who elects to withdraw from the system as provided in s.  
1327 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
1328 1996, notify the Division of Blind Services and the Department  
1329 of Management Services in writing of his or her election to  
1330 withdraw. Failure to timely notify the divisions shall be deemed  
1331 a decision to remain a compulsory member of the Florida  
1332 Retirement System. However, if, at any time after July 1, 1996,  
1333 sufficient funds are not paid by a blind licensee to cover the  
1334 required contribution to the Florida Retirement System, that  
1335 blind licensee shall become ineligible to participate in the  
1336 Florida Retirement System on the last day of the first month for  
1337 which no contribution is made or the amount contributed is  
1338 insufficient to cover the required contribution. For any blind  
1339 licensee who becomes ineligible to participate in the Florida  
1340 Retirement System as described in this subsection, no creditable  
1341 service shall be earned under the Florida Retirement System for  
1342 any period following the month that retirement contributions  
1343 ceased to be reported. However, any such person may participate  
1344 in the Florida Retirement System in the future if employed by a  
1345 participating employer in a covered position.

1346           Section 9. Pension Reform Study Committee.-

1347           (1) The Pension Reform Study Committee is created for the



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1348 purpose of reviewing, analyzing, and evaluating the  
1349 sustainability of the Florida Retirement System and to recommend  
1350 reforms to maintain and enhance the long-term viability and  
1351 sustainability of the system.

1352 (2) The study committee shall be composed of six members:

1353 (a) Three members of the Senate appointed by the President  
1354 of the Senate.

1355 (b) Three members of the House of Representatives appointed  
1356 by the Speaker of the House of Representatives.

1357 (3) Members of the study committee must be appointed by  
1358 July 31, 2013. By August 31, 2013, the study committee shall  
1359 meet to establish procedures for the conduct of its business and  
1360 to elect a chair and vice chair. The study committee shall meet  
1361 at the call of the chair. A majority of the members constitutes  
1362 a quorum, and a quorum is necessary for the purpose of voting on  
1363 any action or recommendation of the study committee. All  
1364 meetings shall be held in Tallahassee, unless otherwise decided  
1365 by the study committee; however, no more than two such meetings  
1366 may be held in other locations for the purpose of taking public  
1367 testimony.

1368 (4) The President of the Senate and the Speaker of the  
1369 House of Representatives shall designate legislative staff  
1370 knowledgeable in public pensions and the Florida Retirement  
1371 System to assist the study committee and provide all necessary  
1372 data collection, analysis, research, and support services.

1373 (5) Study committee members shall serve without  
1374 compensation but are entitled to be reimbursed for per diem and  
1375 travel expenses as provided under s. 112.061, Florida Statutes.

1376 (6) In reviewing, analyzing, and evaluating the





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1377 sustainability of the Florida Retirement System, and  
1378 recommending reforms to maintain and enhance the long-term  
1379 viability and sustainability of the system, the study committee  
1380 shall, at a minimum, consider the funding structure of the  
1381 system, system funding levels, benefits provided, and the  
1382 benefits of reforming the system structure, which must include  
1383 the benefits of providing a hybrid or cash-balance option in  
1384 lieu of or in addition to the current plan choices.

1385 (7) The study committee shall submit a final report of its  
1386 recommendations to the President of the Senate and the Speaker  
1387 of the House of Representatives by January 1, 2014.

1388 (8) The study committee is terminated June 30, 2014.

1389 Section 10. (1) Effective January 1, 2015, in order to fund  
1390 the benefit changes provided in this act, the required employer  
1391 contribution rates for the unfunded actuarial liability of the  
1392 Florida Retirement System established in section 121.71(5),  
1393 Florida Statutes, shall be adjusted as follows:

1394 (a) Elected Officers' Class.—Legislators, the Governor, the  
1395 Lieutenant Governor, Cabinet Officers, State Attorneys, and  
1396 Public Defenders shall be increased by 0.02 percentage points.

1397 (b) Elected Officers' Class.—County Elected Officers shall  
1398 be increased by 0.02 percentage points.

1399 (c) Senior Management Service Class.—The Senior Management  
1400 Service Class shall be increased by 0.01 percentage points.

1401 (2) The adjustments provided in subsection (1) shall be in  
1402 addition to all other changes to such contribution rates which  
1403 may be enacted into law to take effect on July 1, 2014, and July  
1404 1, 2015. The Division of Law Revision and Information is  
1405 requested to adjust accordingly the contribution rates provided



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1406 in section 121.71, Florida Statutes.

1407 Section 11. Except for the amendments made by this act to  
1408 ss. 121.051, 121.052, and 121.055, Florida Statutes, which apply  
1409 only to members of the State Community College System Optional  
1410 Retirement Program, Elected Officers' Class, and the Senior  
1411 Management Service Class, respectively, this act does not modify  
1412 or limit any retirement benefit or plan choice currently  
1413 available to members who first enrolled in the Florida  
1414 Retirement System before January 1, 2015.

1415 Section 12. The Legislature finds that a proper and  
1416 legitimate state purpose is served when employees and retirees  
1417 of the state and its political subdivisions, and the dependents,  
1418 survivors, and beneficiaries of such employees and retirees, are  
1419 extended the basic protections afforded by governmental  
1420 retirement systems. These persons must be provided benefits that  
1421 are fair and adequate and that are managed, administered, and  
1422 funded in an actuarially sound manner, as required by s. 14,  
1423 Article X of the State Constitution and part VII of chapter 112,  
1424 Florida Statutes. Therefore, the Legislature determines and  
1425 declares that this act fulfills an important state interest.

1426 Section 13. (1) Effective upon this act becoming a law, the  
1427 State Board of Administration and the Department of Management  
1428 Services shall request, as soon as practicable, a determination  
1429 letter from the United States Internal Revenue Service. If the  
1430 Internal Revenue Service refuses to act upon a request for a  
1431 determination letter, then a legal opinion from a qualified tax  
1432 attorney or firm may be substituted for such letter.

1433 (2) If the board or the department receives notification  
1434 from the United States Internal Revenue Service that this act or



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1435 any portion of this act will cause the Florida Retirement  
1436 System, or a portion thereof, to be disqualified for tax  
1437 purposes under the Internal Revenue Code, then the portion that  
1438 will cause the disqualification does not apply. Upon such  
1439 notice, the state board and the department shall notify the  
1440 presiding officers of the Legislature.

1441 Section 14. Except as otherwise expressly provided in this  
1442 act and except for this section, which shall take effect upon  
1443 this act becoming a law, this act shall take effect July 1,  
1444 2013.

1445  
1446 ===== T I T L E A M E N D M E N T =====

1447 And the title is amended as follows:

1448 Delete everything before the enacting clause  
1449 and insert:

1450 A bill to be entitled  
1451 An act relating to the Florida Retirement System;  
1452 amending s. 121.051, F.S.; limiting the ability of  
1453 members of an optional retirement program to transfer  
1454 to the Florida Retirement System; providing for  
1455 compulsory membership in the Florida Retirement System  
1456 Investment Plan for employees initially enrolled after  
1457 a specified date; authorizing certain employees to  
1458 participate in the investment plan; amending s.  
1459 121.052, F.S.; prohibiting members of the Elected  
1460 Officers' Class from joining the Senior Management  
1461 Service Class after a specified date; amending s.  
1462 121.055, F.S.; closing the Senior Management Service  
1463 Optional Annuity Program to new members after a



1464 specified date; prohibiting an elected official  
1465 eligible for membership in the Elected Officers' Class  
1466 from enrolling in the Senior Management Service Class  
1467 or in the Senior Management Service Optional Annuity  
1468 Program; closing the Senior Management Service  
1469 Optional Annuity Program to new members after a  
1470 specified date; amending s. 121.35, F.S.; providing  
1471 that certain participants in the optional retirement  
1472 program for the State University System have a choice  
1473 between the optional retirement program and the  
1474 Florida Retirement System Investment Plan; providing  
1475 for compulsory membership in the investment plan for  
1476 certain employees; amending s. 121.4501, F.S.;  
1477 requiring certain employees initially enrolled in the  
1478 Florida Retirement System on or after a specified date  
1479 to be compulsory members of the investment plan;  
1480 providing for the transfer of certain contributions;  
1481 revising a provision relating to acknowledgment of an  
1482 employee's election to participate in the investment  
1483 plan; requiring the State Board of Administration to  
1484 develop investment products to be offered in the  
1485 investment plan; requiring the State Board of  
1486 Administration to provide a self-directed brokerage  
1487 account as an investment option; requiring the state  
1488 board to contract with a provider to provide a self-  
1489 directed brokerage account investment option;  
1490 providing self-directed brokerage account  
1491 requirements; revising the education component;  
1492 deleting the obligation of system employers to



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1493 communicate the existence of both retirement plans;  
1494 providing the state board and the provider of the  
1495 self-directed brokerage account investment option with  
1496 certain responsibilities; providing that the state  
1497 board is not required to deliver certain information  
1498 regarding the self-directed brokerage account; making  
1499 conforming changes; removing unnecessary language;  
1500 amending s. 121.591, F.S.; providing an additional  
1501 death benefit to specified members of the Special Risk  
1502 Class; amending ss. 238.072 and 413.051, F.S.;  
1503 conforming cross-references; creating a Pension Reform  
1504 Study Committee to evaluate and provide  
1505 recommendations relating to the Florida Retirement  
1506 System; providing for membership; requiring a report  
1507 to the Legislature; providing for termination;  
1508 adjusting the required employer contribution rates for  
1509 the unfunded actuarial liability of the Florida  
1510 Retirement System for select classes; providing a  
1511 directive to the Division of Law Revision and  
1512 Information; providing that the act does not modify or  
1513 limit benefits available to current members except as  
1514 specified; providing that the act fulfills an  
1515 important state interest; requiring the State Board of  
1516 Administration and the Department of Management  
1517 Services to request a determination letter from the  
1518 Internal Revenue Service; providing effective dates.