

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

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1 A bill to be entitled
2 An act relating to retirement; amending s. 121.021,
3 F.S.; revising the definition of "vested" or "vesting"
4 to provide that a member initially enrolled in the
5 Florida Retirement System after a certain date is
6 vested in the pension plan after completing 10 years
7 of creditable service; amending s. 121.051, F.S.;
8 conforming cross-references; providing for compulsory
9 membership in the Florida Retirement System Investment
10 Plan for certain employees in the Elected Officers'
11 Class or the Senior Management Service Class initially
12 enrolled after a specified date; amending s. 121.052,
13 F.S.; prohibiting members of the Elected Officers'
14 Class from joining the Senior Management Service Class
15 after a specified date; amending s. 121.053, F.S.;
16 authorizing renewed membership in the retirement
17 system for retirees who are reemployed in a position
18 eligible for the Elected Officers' Class under certain
19 circumstances; amending s. 121.055, F.S., relating to
20 the Senior Management Service Class; limiting the
21 options of elected officers employed after a certain
22 date to enroll in the class or in the Senior
23 Management Service Optional Annuity Program; closing
24 the Senior Management Optional Annuity Program to new
25 members after a specified date; amending s. 121.091,
26 F.S.; providing that certain members are entitled to a
27 monthly disability benefit; revising provisions to
28 conform to changes made by the act; amending s.
29 121.122, F.S.; requiring that certain retirees who are

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30 employed on or after a specified date be renewed
31 members in the investment plan; providing exceptions;
32 providing that creditable service does not accrue for
33 a reemployed retiree during a specified period;
34 prohibiting certain funds from being paid into a
35 renewed member's investment plan account for a
36 specified period of employment; requiring the renewed
37 member to satisfy vesting requirements; prohibiting a
38 renewed member from receiving disability benefits;
39 specifying requirements and limitations; requiring the
40 employer and the retiree to make applicable
41 contributions to the member's investment plan account;
42 providing for the administration of the employer and
43 employee contributions; prohibiting the purchase of
44 past service in the investment plan during certain
45 dates; authorizing a renewed member to receive
46 additional credit toward the health insurance subsidy
47 under certain circumstances; providing that a retiree
48 employed on or after a specified date in a regularly
49 established position eligible for the State University
50 System Optional Retirement Program is a renewed member
51 of that program; specifying requirements and
52 limitations; requiring the employer and the retiree to
53 make applicable contributions; prohibiting the
54 purchase of past service in the program during certain
55 dates; providing that a retiree employed on or after a
56 specified date in a regularly established position
57 eligible for the State Community College System
58 Optional Retirement Program is a renewed member of

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59 that program; specifying requirements and limitations;
60 requiring the employer and the retiree to make
61 applicable contributions; prohibiting the purchase of
62 past service in the program for certain dates;
63 amending s. 121.35, F.S.; providing that certain
64 participants in the optional retirement program for
65 the State University System have a choice between the
66 optional retirement program and the Florida Retirement
67 System Investment Plan; conforming cross-references;
68 amending s. 121.4501, F.S.; requiring certain
69 employees initially enrolled in the Florida Retirement
70 System on or after a specified date to be compulsory
71 members of the investment plan; revising the
72 definition of "eligible employee" and "member" or
73 "employee"; revising a provision relating to
74 acknowledgement of an employee's election to
75 participate in the investment plan; placing certain
76 employees in the pension plan from his or her date of
77 hire until they are automatically enrolled in the
78 investment plan or timely elect enrollment in the
79 pension plan; authorizing certain employees to elect
80 to participate in the pension plan, rather than the
81 default investment plan, within a specified time;
82 specifying that a retiree who has returned to covered
83 employment before a specified date may continue
84 membership in his or her selected retirement plan;
85 conforming a provision to changes made by the act;
86 providing for the transfer of certain contributions;
87 revising the education component; deleting the

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88 obligation of system employers to communicate the
89 existence of both retirement plans; conforming
90 provisions and cross-references to changes made by the
91 act; amending s. 121.591, F.S.; revising provisions
92 relating to disability retirement benefits; amending
93 s. 121.71, F.S.; decreasing the employee retirement
94 contribution rates for investment plan members;
95 amending ss. 238.072, 413.051, and 1012.875, F.S.;
96 conforming cross-references; providing that the act
97 fulfills an important state interest; providing an
98 effective date.

99

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

101

102 Section 1. Subsection (45) of section 121.021, Florida
103 Statutes, is amended to read:

104 121.021 Definitions.—The following words and phrases as
105 used in this chapter have the respective meanings set forth
106 unless a different meaning is plainly required by the context:

107 (45) "Vested" or "vesting" means the guarantee that a
108 member is eligible to receive a future retirement benefit upon
109 completion of the required years of creditable service for the
110 employee's class of membership, even though the member may have
111 terminated covered employment before reaching normal or early
112 retirement date. Being vested does not entitle a member to a
113 disability benefit. Provisions governing entitlement to
114 disability benefits are set forth under s. 121.091(4).

115 (a) Effective July 1, 2001, through June 30, 2011, a 6-year
116 vesting requirement shall be implemented for the Florida

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117 Retirement System Pension Plan:

118 1. Any member employed in a regularly established position
119 on July 1, 2001, who completes or has completed a total of 6
120 years of creditable service is considered vested.

121 2. Any member initially enrolled in the Florida Retirement
122 System before July 1, 2001, but not employed in a regularly
123 established position on July 1, 2001, shall be deemed vested
124 upon completion of 6 years of creditable service if such member
125 is employed in a covered position for at least 1 work year after
126 July 1, 2001. However, a member is not required to complete more
127 years of creditable service than would have been required for
128 that member to vest under retirement laws in effect before July
129 1, 2001.

130 3. Any member initially enrolled in the Florida Retirement
131 System on July 1, 2001, through June 30, 2011, shall be deemed
132 vested upon completion of 6 years of creditable service.

133 (b) Any member initially enrolled in the Florida Retirement
134 System on ~~or after~~ July 1, 2011, through June 30, 2015, shall be
135 vested in the pension plan upon completion of 8 years of
136 creditable service.

137 (c) Any member initially enrolled in the Florida Retirement
138 System on or after July 1, 2015, shall be vested in the pension
139 plan upon completion of 10 years of creditable service.

140 Section 2. Paragraph (c) of subsection (2) of section
141 121.051, Florida Statutes, is amended, present subsections (3)
142 through (9) of that section are renumbered as subsections (4)
143 through (10), respectively, and a new subsection (3) is added to
144 that section, to read:

145 121.051 Participation in the system.-

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146 (2) OPTIONAL PARTICIPATION.—

147 (c) Employees of public community colleges or charter
148 technical career centers sponsored by public community colleges,
149 designated in s. 1000.21(3), who are members of the Regular
150 Class of the Florida Retirement System and who comply with the
151 criteria set forth in this paragraph and s. 1012.875 may, in
152 lieu of participating in the Florida Retirement System, elect to
153 withdraw from the system altogether and participate in the State
154 Community College System Optional Retirement Program provided by
155 the employing agency under s. 1012.875.

156 1.a. Through June 30, 2001, the cost to the employer for
157 benefits under the optional retirement program is equal to
158 ~~equals~~ the normal cost portion of the employer retirement
159 contribution which would be required if the employee were a
160 member of the pension plan's Regular Class, plus the portion of
161 the contribution rate required by s. 112.363(8) which would
162 otherwise be assigned to the Retiree Health Insurance Subsidy
163 Trust Fund.

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

169 c. Effective July 1, 2011, through June 30, 2012, each
170 member shall contribute an amount equal to the employee
171 contribution required under s. 121.71(3) (a). The employer shall
172 contribute on behalf of each program member an amount equal to
173 the difference between 10.43 percent of the employee's gross
174 monthly compensation and the employee's required contribution

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175 based on the employee's gross monthly compensation.

176 d. Effective July 1, 2012, each member shall contribute an
177 amount equal to the employee contribution required under s.
178 121.71(3) (a). The employer shall contribute on behalf of each
179 program member an amount equal to the difference between 8.15
180 percent of the employee's gross monthly compensation and the
181 employee's required contribution based on the employee's gross
182 monthly compensation.

183 e. The employer shall contribute an additional amount to
184 the Florida Retirement System Trust Fund equal to the unfunded
185 actuarial accrued liability portion of the Regular Class
186 contribution rate.

187 2. The decision to participate in the optional retirement
188 program is irrevocable as long as the employee holds a position
189 eligible for participation, except as provided in subparagraph
190 3. Any service creditable under the Florida Retirement System is
191 retained after the member withdraws from the system; however,
192 additional service credit in the system may not be earned while
193 the employee is a member of the optional retirement program.

194 3. An employee who has elected to participate in the
195 optional retirement program shall have one opportunity, at the
196 employee's discretion, to transfer from the optional retirement
197 program to the pension plan of the Florida Retirement System or
198 to the investment plan established under part II of this
199 chapter, subject to the terms of the applicable optional
200 retirement program contracts.

201 a. If the employee chooses to move to the investment plan,
202 any contributions, interest, and earnings creditable to the
203 employee under the optional retirement program are retained by

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204 the employee in the optional retirement program, and the
205 applicable provisions of s. 121.4501(4) govern the election.

206 b. If the employee chooses to move to the pension plan of
207 the Florida Retirement System, the employee shall receive
208 service credit equal to his or her years of service under the
209 optional retirement program.

210 (I) The cost for such credit is the amount representing the
211 present value of the employee's accumulated benefit obligation
212 for the affected period of service. The cost shall be calculated
213 as if the benefit commencement occurs on the first date the
214 employee becomes eligible for unreduced benefits, using the
215 discount rate and other relevant actuarial assumptions that were
216 used to value the Florida Retirement System Pension Plan
217 liabilities in the most recent actuarial valuation. The
218 calculation must include any service already maintained under
219 the pension plan in addition to the years under the optional
220 retirement program. The present value of any service already
221 maintained must be applied as a credit to total cost resulting
222 from the calculation. The division must ensure that the transfer
223 sum is prepared using a formula and methodology certified by an
224 enrolled actuary.

225 (II) The employee must transfer from his or her optional
226 retirement program account and from other employee moneys as
227 necessary, a sum representing the present value of the
228 employee's accumulated benefit obligation immediately following
229 the time of such movement, determined assuming that attained
230 service equals the sum of service in the pension plan and
231 service in the optional retirement program.

232 4. Participation in the optional retirement program is

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233 limited to employees who satisfy the following eligibility
234 criteria:

235 a. The employee is otherwise eligible for membership or
236 renewed membership in the Regular Class of the Florida
237 Retirement System, as provided in s. 121.021(11) and (12) or s.
238 121.122.

239 b. The employee is employed in a full-time position
240 classified in the Accounting Manual for Florida's College System
241 ~~Public Community Colleges~~ as:

242 (I) Instructional; or

243 (II) Executive Management, Instructional Management, or
244 Institutional Management and the community college determines
245 that recruiting to fill a vacancy in the position is to be
246 conducted in the national or regional market, and the duties and
247 responsibilities of the position include the formulation,
248 interpretation, or implementation of policies, or the
249 performance of functions that are unique or specialized within
250 higher education and that frequently support the mission of the
251 community college.

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

255 5. Members of the program are subject to the same
256 reemployment limitations, renewed membership provisions, and
257 forfeiture provisions applicable to regular members of the
258 Florida Retirement System under ss. 121.091(9), 121.122, and
259 121.091(5), respectively. A member who receives a program
260 distribution funded by employer and required employee
261 contributions is deemed to be retired from a state-administered

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262 retirement system if the member is subsequently employed with an
263 employer that participates in the Florida Retirement System.

264 6. Eligible community college employees are compulsory
265 members of the Florida Retirement System until, pursuant to s.
266 1012.875, a written election to withdraw from the system and
267 participate in the optional retirement program is filed with the
268 program administrator and received by the division.

269 a. A community college employee whose program eligibility
270 results from initial employment shall be enrolled in the
271 optional retirement program retroactive to the first day of
272 eligible employment. The employer and employee retirement
273 contributions paid through the month of the employee plan change
274 shall be transferred to the community college to the employee's
275 optional program account, and, effective the first day of the
276 next month, the employer shall pay the applicable contributions
277 based upon subparagraph 1.

278 b. A community college employee whose program eligibility
279 is due to the subsequent designation of the employee's position
280 as one of those specified in subparagraph 4., or due to the
281 employee's appointment, promotion, transfer, or reclassification
282 to a position specified in subparagraph 4., must be enrolled in
283 the program on the first day of the first full calendar month
284 that such change in status becomes effective. The employer and
285 employee retirement contributions paid from the effective date
286 through the month of the employee plan change must be
287 transferred to the community college to the employee's optional
288 program account, and, effective the first day of the next month,
289 the employer shall pay the applicable contributions based upon
290 subparagraph 1.

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291 7. Effective July 1, 2003, through December 31, 2008, a ~~any~~
292 member of the optional retirement program who has service credit
293 in the pension plan of the Florida Retirement System for the
294 period between his or her first eligibility to transfer from the
295 pension plan to the optional retirement program and the actual
296 date of transfer may, during employment, transfer to the
297 optional retirement program a sum representing the present value
298 of the accumulated benefit obligation under the defined benefit
299 retirement program for the period of service credit. Upon
300 transfer, all service credit previously earned under the pension
301 plan during this period is nullified for purposes of entitlement
302 to a future benefit under the pension plan.

303 (3) COMPULSORY INVESTMENT PLAN MEMBERSHIP.-

304 (a) Employees initially enrolled on or after July 1, 2015,
305 in positions covered by the Elected Officers' Class or the
306 Senior Management Service Class are compulsory members of the
307 investment plan, except those eligible to withdraw from the
308 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
309 eligible for optional retirement programs under paragraph
310 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
311 membership continues if there is subsequent employment in a
312 position covered by another membership class. Membership in the
313 pension plan is not permitted except as provided in s.
314 121.591(2). Employees initially enrolled in the Florida
315 Retirement System before July 1, 2015, may retain their
316 membership in the pension plan or investment plan and are
317 eligible to use the election opportunity specified in s.
318 121.4501(4)(f); employees initially enrolled on or after July 1,
319 2015, are not eligible to use the election opportunity.

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320 (b) Employees eligible to withdraw from the system under s.
321 121.052(3)(d) or s. 121.055(1)(b)2. may withdraw from the system
322 or participate in the investment plan as provided under those
323 provisions. Employees eligible for optional retirement programs
324 under paragraph (2)(c) or s. 121.35 may participate in the
325 optional retirement program or the investment plan as provided
326 in those provisions. Eligible employees required to participate
327 pursuant to paragraph (1)(a) in the optional retirement program
328 as provided under s. 121.35 must participate in the investment
329 plan if employed in a position not eligible for the optional
330 retirement program.

331 Section 3. Paragraph (c) of subsection (3) of section
332 121.052, Florida Statutes, is amended to read:

333 121.052 Membership class of elected officers.—

334 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
335 1, 1990, participation in the Elected Officers' Class shall be
336 compulsory for elected officers listed in paragraphs (2)(a)-(d)
337 and (f) assuming office on or after said date, unless the
338 elected officer elects membership in another class or withdraws
339 from the Florida Retirement System as provided in paragraphs
340 (3)(a)-(d):

341 (c) Before July 1, 2015, an ~~any~~ elected officer may, within
342 6 months after assuming office, or within 6 months after this
343 act becomes a law for serving elected officers, elect membership
344 in the Senior Management Service Class as provided in s. 121.055
345 in lieu of membership in the Elected Officers' Class. ~~Any~~ Such
346 election made by a county elected officer has ~~shall have~~ no
347 effect upon the statutory limit on the number of nonelective
348 full-time positions that may be designated by a local agency

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349 employer for inclusion in the Senior Management Service Class
350 under s. 121.055(1)(b)1.

351 Section 4. Subsections (3) and (5) of section 121.053,
352 Florida Statutes, are amended to read:

353 121.053 Participation in the Elected Officers' Class for
354 retired members.—

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

356 (a) A retiree of a state-administered retirement system who
357 is initially reemployed in ~~elected or appointed for the first~~
358 ~~time to~~ an elective office in a regularly established position
359 with a covered employer may not reenroll in the Florida
360 Retirement System, except as provided in s. 121.122.

361 (b) An elected officer who is elected or appointed to an
362 elective office and is participating in the Deferred Retirement
363 Option Program is subject to termination as defined in s.
364 121.021 upon completion of his or her DROP participation period.
365 An elected official may defer termination as provided in
366 subsection (7).

367 (5) A ~~Any~~ renewed member, as described in s. 121.122(1),
368 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
369 receiving the maximum health insurance subsidy provided in s.
370 112.363 is entitled to earn additional credit toward the maximum
371 health insurance subsidy. Any additional subsidy due because of
372 such additional credit may be received only at the time of
373 payment of the second career retirement benefit. The total
374 health insurance subsidy received from initial and renewed
375 membership may not exceed the maximum allowed in s. 112.363.

376 Section 5. Paragraph (f) of subsection (1) and paragraph
377 (c) of subsection (6) of section 121.055, Florida Statutes, are

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378 amended to read:

379 121.055 Senior Management Service Class.—There is hereby
380 established a separate class of membership within the Florida
381 Retirement System to be known as the “Senior Management Service
382 Class,” which shall become effective February 1, 1987.

383 (1)

384 (f) Effective July 1, 1997, through June 30, 2015:

385 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
386 4., an elected state officer eligible for membership in the
387 Elected Officers’ Class under s. 121.052(2)(a), (b), or (c) who
388 elects membership in the Senior Management Service Class under
389 s. 121.052(3)(c) may, within 6 months after assuming office or
390 within 6 months after this act becomes a law for serving elected
391 state officers, elect to participate in the Senior Management
392 Service Optional Annuity Program, as provided in subsection (6),
393 in lieu of membership in the Senior Management Service Class.

394 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
395 4., an elected officer of a local agency employer eligible for
396 membership in the Elected Officers’ Class under s. 121.052(2)(d)
397 who elects membership in the Senior Management Service Class
398 under s. 121.052(3)(c) may, within 6 months after assuming
399 office, or within 6 months after this act becomes a law for
400 serving elected officers of a local agency employer, elect to
401 withdraw from the Florida Retirement System, as provided in
402 subparagraph (b)2., in lieu of membership in the Senior
403 Management Service Class.

404 3. A retiree of a state-administered retirement system who
405 is initially reemployed in a regularly established position on
406 ~~or after~~ July 1, 2010, through December 31, 2014, as an elected

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407 official eligible for the Elected Officers' Class may not be
408 enrolled in renewed membership in the Senior Management Service
409 Class or in the Senior Management Service Optional Annuity
410 Program as provided in subsection (6), and may not withdraw from
411 the Florida Retirement System as a renewed member as provided in
412 subparagraph (b)2., as applicable, in lieu of membership in the
413 Senior Management Service Class. Effective January 1, 2015, a
414 retiree of the Senior Management Service Optional Annuity
415 Program who retired before July 1, 2010, and is reemployed in a
416 regularly established position with a covered employer shall be
417 enrolled as a renewed member as provided in s. 121.122.

418 4. On or after July 1, 2015, an elected officer eligible
419 for membership in the Elected Officers' Class may not be
420 enrolled in the Senior Management Service Class or in the Senior
421 Management Service Optional Annuity Program as provided in
422 subsection (6).

423 (6)

424 (c) *Participation.*—

425 1. An eligible employee who is employed on or before
426 February 1, 1987, may elect to participate in the optional
427 annuity program in lieu of participating in the Senior
428 Management Service Class. Such election must be ~~made~~ in writing
429 and filed with the department and the personnel officer of the
430 employer on or before May 1, 1987. An eligible employee who is
431 employed on or before February 1, 1987, and who fails to make an
432 election to participate in the optional annuity program by May
433 1, 1987, shall be deemed to have elected membership in the
434 Senior Management Service Class.

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

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436 becomes eligible to participate in the optional annuity program
437 by reason of initial employment commencing after February 1,
438 1987, may, within 90 days after the date of commencing
439 employment, elect to participate in the optional annuity
440 program. Such election must be ~~made~~ in writing and filed with
441 the personnel officer of the employer. An eligible employee who
442 does not within 90 days after commencing employment elect to
443 participate in the optional annuity program shall be deemed to
444 have elected membership in the Senior Management Service Class.

445 3. A person who is appointed to a position in the Senior
446 Management Service Class and who is a member of an existing
447 retirement system or the Special Risk or Special Risk
448 Administrative Support Classes of the Florida Retirement System
449 may elect to remain in such system or class in lieu of
450 participating in the Senior Management Service Class or optional
451 annuity program. Such election must be ~~made~~ in writing and filed
452 with the department and the personnel officer of the employer
453 within 90 days after such appointment. An eligible employee who
454 fails to make an election to participate in the existing system,
455 the Special Risk Class of the Florida Retirement System, the
456 Special Risk Administrative Support Class of the Florida
457 Retirement System, or the optional annuity program shall be
458 deemed to have elected membership in the Senior Management
459 Service Class.

460 4. Except as provided in subparagraph 5., an employee's
461 election to participate in the optional annuity program is
462 irrevocable if the employee continues to be employed in an
463 eligible position and continues to meet the eligibility
464 requirements set forth in this paragraph.

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465 5. Effective from July 1, 2002, through September 30, 2002,
466 an active employee in a regularly established position who has
467 elected to participate in the Senior Management Service Optional
468 Annuity Program has one opportunity to choose to move from the
469 Senior Management Service Optional Annuity Program to the
470 Florida Retirement System Pension Plan.

471 a. The election must be ~~made~~ in writing and must be filed
472 with the department and the personnel officer of the employer
473 before October 1, 2002, or, in the case of an active employee
474 who is on a leave of absence on July 1, 2002, within 90 days
475 after the conclusion of the leave of absence. This election is
476 irrevocable.

477 b. The employee shall receive service credit under the
478 pension plan equal to his or her years of service under the
479 Senior Management Service Optional Annuity Program. The cost for
480 such credit is the amount representing the present value of that
481 employee's accumulated benefit obligation for the affected
482 period of service.

483 c. The employee must transfer the total accumulated
484 employer contributions and earnings on deposit in his or her
485 Senior Management Service Optional Annuity Program account. If
486 the transferred amount is not sufficient to pay the amount due,
487 the employee must pay a sum representing the remainder of the
488 amount due. The employee may not retain any employer
489 contributions or earnings from the Senior Management Service
490 Optional Annuity Program account.

491 6. A retiree of a state-administered retirement system who
492 is initially reemployed on ~~or after~~ July 1, 2010, through
493 December 31, 2014, may not renew membership in the Senior

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494 Management Service Optional Annuity Program. Effective January
495 1, 2015, a retiree of the Senior Management Service Optional
496 Annuity Program who retired before July 1, 2010, and is
497 reemployed in a regularly established position with a covered
498 employer shall be enrolled as a renewed member as provided in s.
499 121.122.

500 7. Effective July 1, 2015, the Senior Management Service
501 Optional Annuity Program is closed to new members. Members
502 enrolled in the Senior Management Service Optional Annuity
503 Program before July 1, 2015, may retain their membership in the
504 annuity program.

505 Section 6. Paragraph (a) of subsection (4) of section
506 121.091, Florida Statutes, is amended to read:

507 121.091 Benefits payable under the system.—Benefits may not
508 be paid under this section unless the member has terminated
509 employment as provided in s. 121.021(39) (a) or begun
510 participation in the Deferred Retirement Option Program as
511 provided in subsection (13), and a proper application has been
512 filed in the manner prescribed by the department. The department
513 may cancel an application for retirement benefits when the
514 member or beneficiary fails to timely provide the information
515 and documents required by this chapter and the department's
516 rules. The department shall adopt rules establishing procedures
517 for application for retirement benefits and for the cancellation
518 of such application when the required information or documents
519 are not received.

520 (4) DISABILITY RETIREMENT BENEFIT.—

521 (a) *Disability retirement; entitlement and effective date.*—

522 1.a. A member who becomes totally and permanently disabled,

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523 as defined in paragraph (b), after completing 5 years of
524 creditable service, or a member who becomes totally and
525 permanently disabled in the line of duty regardless of service,
526 is entitled to a monthly disability benefit, ~~+~~ except that any
527 member with less than 5 years of creditable service on July 1,
528 1980, or any person who becomes a member of the Florida
529 Retirement System on or after such date must have completed 10
530 years of creditable service before becoming totally and
531 permanently disabled in order to receive disability retirement
532 benefits for a any disability that ~~which~~ occurs other than in
533 the line of duty. However, if a member employed on July 1, 1980,
534 who has less than 5 years of creditable service as of that date
535 becomes totally and permanently disabled after completing 5
536 years of creditable service and is found not to have attained
537 fully insured status for benefits under the federal Social
538 Security Act, such member is entitled to a monthly disability
539 benefit.

540 b. Effective July 1, 2001, a member of the pension plan
541 initially enrolled before July 1, 2015, who becomes totally and
542 permanently disabled, as defined in paragraph (b), after
543 completing 8 years of creditable service, or a member who
544 becomes totally and permanently disabled in the line of duty
545 regardless of service, is entitled to a monthly disability
546 benefit.

547 c. Effective July 1, 2015, a member of the pension plan
548 initially enrolled on or after July 1, 2015, who becomes totally
549 and permanently disabled, as defined in paragraph (b), after
550 completing 10 years of creditable service, or a member who
551 becomes totally and permanently disabled in the line of duty

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552 regardless of service, is entitled to a monthly disability
553 benefit.

554 2. If the division ~~has received from the employer~~ the
555 required documentation of the member's termination of employment
556 from the employer, the effective retirement date for a member
557 who applies and is approved for disability retirement shall be
558 as established by rule of the division.

559 3. For a member who is receiving Workers' Compensation
560 payments, the effective disability retirement date may not
561 precede the date the member reaches Maximum Medical Improvement
562 (MMI), unless the member terminates employment before reaching
563 MMI.

564 Section 7. Subsection (2) of section 121.122, Florida
565 Statutes, is amended, and subsections (3), (4), and (5) are
566 added to that section, to read:

567 121.122 Renewed membership in system.—

568 (2) Except as provided in subsections (3)-(5), a retiree of
569 a state-administered retirement system who is initially
570 reemployed in a regularly established position on or after July
571 1, 2010, may not be enrolled as a renewed member.

572 (3) A retiree of the investment plan, the State University
573 System Optional Retirement Program, the Senior Management
574 Service Optional Annuity Program, or the State Community College
575 System Optional Retirement Program who retired before July 1,
576 2010, but did not complete 10 years of creditable service and is
577 employed in a regularly established position with a covered
578 employer on or after January 1, 2015, shall be a renewed member
579 of the Regular Class of the investment plan regardless of the
580 position held, unless employed in a position eligible for

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581 participation in the State University System Optional Retirement
582 Program or the State Community College System Optional
583 Retirement Program as provided in subsections (4) and (5),
584 respectively. The renewed member must satisfy the vesting
585 requirements and other provisions of this chapter.

586 (a) Creditable service, including credit toward the retiree
587 health insurance subsidy provided in s. 112.363, does not accrue
588 for a retiree's employment in a regularly established position
589 with a covered employer from July 1, 2010, through December 31,
590 2014.

591 (b) Employer and employee contributions, interest,
592 earnings, or any other funds may not be paid into a renewed
593 member's investment plan account for any employment in a
594 regularly established position with a covered employer from July
595 1, 2010, through December 31, 2014, by the renewed member or the
596 employer on behalf of the member.

597 (c) To be eligible to receive a retirement benefit, the
598 renewed member must satisfy the vesting requirements in s.
599 121.4501(6).

600 (d) The member is ineligible to receive disability benefits
601 as provided in s. 121.091(4) or s. 121.591(2).

602 (e) The member is subject to the reemployment after
603 retirement limitations provided in s. 121.091(9), as applicable.

604 (f) The member must satisfy the requirements for
605 termination from employment provided in s. 121.021(39).

606 (g) Upon the renewed membership or reemployment of a
607 retiree, the employer and the retiree shall pay the applicable
608 employer and employee contributions required under ss. 112.363,
609 121.71, 121.74, and 121.76. The contributions are payable only

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610 for employment and salary earned in a regularly established
611 position with a covered employer on or after January 1, 2015.
612 The employer and employee contributions shall be transferred to
613 the investment plan and placed in a default fund as designated
614 by the state board. The retiree may move the contributions once
615 an account is activated in the investment plan.

616 (h) The member may not purchase any past service in the
617 investment plan, including employment in a regularly established
618 position with a covered employer from July 1, 2010, through
619 December 31, 2014.

620 (i) A renewed member who is a retiree of the investment
621 plan and who is not receiving the maximum health insurance
622 subsidy provided in s. 112.363 is entitled to earn additional
623 credit toward the subsidy. Such credit may be earned only for
624 employment in a regularly established position with a covered
625 employer on or after January 1, 2015. Any additional subsidy due
626 because of additional credit may be received only at the time of
627 paying the second career retirement benefit. The total health
628 insurance subsidy received by a retiree receiving benefits from
629 initial and renewed membership may not exceed the maximum
630 allowed under s. 112.363.

631 (4) A retiree of the investment plan, the State University
632 System Optional Retirement Program, the Senior Management
633 Service Optional Annuity Program, or the State Community College
634 System Optional Retirement Program who retired before July 1,
635 2010, and is employed in a regularly established position
636 eligible for participation in the State University System
637 Optional Retirement Program on or after January 1, 2015, shall
638 become a renewed member of the optional retirement program. The

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639 renewed member must satisfy the vesting requirements and other
640 provisions of this chapter. Once enrolled, a renewed member
641 remains enrolled in the optional retirement program while
642 employed in an eligible position for the optional retirement
643 program. If employment in a different covered position results
644 in the retiree's enrollment in the investment plan, the retiree
645 is no longer eligible to participate in the optional retirement
646 program unless employed in a mandatory position under s. 121.35.

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

649 (b) The member must satisfy the requirements for
650 termination of employment provided in s. 121.021(39).

651 (c) Upon renewed membership or reemployment of a retiree,
652 the employer and the retiree shall pay the applicable employer
653 and employee contributions required under s. 121.35.

654 (d) The member, or the employer on behalf of the member,
655 may not purchase any prior service in the optional retirement
656 program or employment from July 1, 2010, to December 31, 2014,
657 when renewed membership is not available.

658 (5) A retiree of the investment plan, the State University
659 System Optional Retirement Program, the Senior Management
660 Service System Optional Annuity Program, or the State Community
661 College System Optional Retirement Program who retired before
662 July 1, 2010, and is employed in a regularly established
663 position eligible for participation in the State Community
664 College System Optional Retirement Program as provided in s.
665 121.051(2)(c)4. on or after January 1, 2015, shall become a
666 renewed member of the optional retirement program. The renewed
667 member must satisfy the eligibility requirements of this chapter

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668 and s. 1012.875 for the optional retirement program. Once
669 enrolled, a renewed member remains enrolled in the optional
670 retirement program while employed in an eligible position for
671 the optional retirement program. If employment in a different
672 covered position results in the retiree's enrollment in the
673 investment plan, the retiree is no longer eligible to
674 participate in the optional retirement program.

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

677 (b) The member must satisfy the requirements for
678 termination of employment provided in s. 121.021(39).

679 (c) Upon renewed membership or reemployment of a retiree,
680 the employer and the retiree shall pay the applicable employer
681 and employee contributions required under ss. 121.051(2)(c) and
682 1012.875.

683 (d) The member, or the employer on behalf of the member,
684 may not purchase any past service in the optional retirement
685 program or employment accrued from July 1, 2010, to December 31,
686 2014.

687 Section 8. Paragraph (c) of subsection (3) and paragraph
688 (a) of subsection (4) of section 121.35, Florida Statutes, are
689 amended to read:

690 121.35 Optional retirement program for the State University
691 System.—

692 (3) ELECTION OF OPTIONAL PROGRAM.—

693 (c) Any employee who becomes eligible to participate in the
694 optional retirement program on or after January 1, 1993, shall
695 be a compulsory participant of the program unless such employee
696 elects membership in the Florida Retirement System. Such

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697 election shall be made in writing and filed with the personnel
698 officer of the employer. Any eligible employee who fails to make
699 such election within the prescribed time period shall be deemed
700 to have elected to participate in the optional retirement
701 program.

702 1. Any employee whose optional retirement program
703 eligibility results from initial employment shall be enrolled in
704 the program at the commencement of employment. If, within 90
705 days after commencement of employment, the employee elects
706 membership in the Florida Retirement System, such membership
707 shall be effective retroactive to the date of commencement of
708 employment as provided in s. 121.4501(4).

709 2. Any employee whose optional retirement program
710 eligibility results from a change in status due to the
711 subsequent designation of the employee's position as one of
712 those specified in paragraph (2)(a) or due to the employee's
713 appointment, promotion, transfer, or reclassification to a
714 position specified in paragraph (2)(a) shall be enrolled in the
715 optional retirement program upon such change in status and shall
716 be notified by the employer of such action. If, within 90 days
717 after the date of such notification, the employee elects to
718 retain membership in the Florida Retirement System, such
719 continuation of membership shall be retroactive to the date of
720 the change in status.

721 3. Notwithstanding the provisions of this paragraph,
722 effective July 1, 1997, an ~~any~~ employee who is eligible to
723 participate in the Optional Retirement Program and who fails to
724 execute a contract with one of the approved companies and to
725 notify the department in writing as provided in subsection (4)

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726 within 90 days after the date of eligibility shall be deemed to
727 have elected membership in the Florida Retirement System, except
728 as provided in s. 121.051(1)(a). This provision ~~shall~~ also
729 applies ~~apply~~ to an ~~any~~ employee who terminates employment in an
730 eligible position before executing the required investment
731 ~~annuity~~ contract and notifying the department. Such membership
732 is ~~shall be~~ retroactive to the date of eligibility, and all
733 appropriate contributions shall be transferred to the Florida
734 Retirement System Trust Fund and the Health Insurance Subsidy
735 Trust Fund.

736 (4) CONTRIBUTIONS.—

737 (a)1. Through June 30, 2001, each employer shall contribute
738 on behalf of each member of the optional retirement program an
739 amount equal to the normal cost portion of the employer
740 retirement contribution which would be required if the employee
741 were a regular member of the Florida Retirement System Pension
742 Plan, plus the portion of the contribution rate required in s.
743 112.363(8) which ~~that~~ would otherwise be assigned to the Retiree
744 Health Insurance Subsidy Trust Fund.

745 2. Effective July 1, 2001, through June 30, 2011, each
746 employer shall contribute on behalf of each member of the
747 optional retirement program an amount equal to 10.43 percent of
748 the employee's gross monthly compensation.

749 3. Effective July 1, 2011, through June 30, 2012, each
750 member of the optional retirement program shall contribute an
751 amount equal to the employee contribution required in s.
752 121.71(3) (a). The employer shall contribute on behalf of each
753 such member an amount equal to the difference between 10.43
754 percent of the employee's gross monthly compensation and the

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755 amount equal to the employee's required contribution based on
756 the employee's gross monthly compensation.

757 4. Effective July 1, 2012, each member of the optional
758 retirement program shall contribute an amount equal to the
759 employee contribution required in s. 121.71(3) (a). The employer
760 shall contribute on behalf of each such member an amount equal
761 to the difference between 8.15 percent of the employee's gross
762 monthly compensation and the amount equal to the employee's
763 required contribution based on the employee's gross monthly
764 compensation.

765 5. The payment of the contributions, including
766 contributions by the employee, shall be made by the employer to
767 the department, which shall forward the contributions to the
768 designated company or companies contracting for payment of
769 benefits for members of the program. However, such contributions
770 paid on behalf of an employee described in paragraph (3)(c) may
771 not be forwarded to a company and do not begin to accrue
772 interest until the employee has executed a contract and notified
773 the department. The department shall deduct an amount from the
774 contributions to provide for the administration of this program.

775 Section 9. Subsection (1), paragraphs (e) and (i) of
776 subsection (2), paragraph (b) of subsection (3), subsection (4),
777 paragraph (c) of subsection (5), subsection (8), and paragraphs
778 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
779 Florida Statutes, are amended to read:

780 121.4501 Florida Retirement System Investment Plan.—

781 (1) The Trustees of the State Board of Administration shall
782 establish a defined contribution program called the "Florida
783 Retirement System Investment Plan" or "investment plan" for

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784 members of the Florida Retirement System under which retirement
 785 benefits will be provided for eligible employees who elect to
 786 participate in the program and for employees initially enrolled
 787 on or after July 1, 2015, in positions covered by the Elected
 788 Officers' Class or the Senior Management Service Class and who
 789 are compulsory members of the investment plan unless otherwise
 790 eligible to withdraw from the system under s. 121.052(3)(d) or
 791 s. 121.055(1)(b)2., or to participate in an optional retirement
 792 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
 793 Investment plan membership continues if there is subsequent
 794 employment in a position covered by another membership class.
 795 The retirement benefits shall be provided through member-
 796 directed investments, in accordance with s. 401(a) of the
 797 Internal Revenue Code and related regulations. The employer and
 798 employee shall make contributions, as provided in this section
 799 and ss. 121.571 and 121.71, to the Florida Retirement System
 800 Investment Plan Trust Fund toward the funding of benefits.

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

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

804 1. Is a member of, or is eligible for membership in, the
 805 Florida Retirement System, including any renewed member of the
 806 Florida Retirement System initially enrolled before July 1,
 807 2010; ~~or~~

808 2. Participates in, or is eligible to participate in, the
 809 Senior Management Service Optional Annuity Program as
 810 established under s. 121.055(6), the State Community College
 811 System Optional Retirement Program as established under s.
 812 121.051(2)(c), or the State University System Optional

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813 Retirement Program established under s. 121.35; or
814 3. Is a retired member of the investment plan, the State
815 University System Optional Retirement Program, the Senior
816 Management Service Optional Annuity Program, or the State
817 Community College System Optional Retirement Program who retired
818 before July 1, 2010 and is employed in a regularly established
819 position on or after January 1, 2015, as provided in s. 121.122.
820

821 The term does not include any member participating in the
822 Deferred Retirement Option Program established under s.
823 121.091(13), a retiree of a state-administered retirement system
824 who retired ~~initially reemployed in a regularly established~~
825 ~~position~~ on or after July 1, 2010, or a mandatory participant of
826 the State University System Optional Retirement Program
827 established under s. 121.35.

828 (i) "Member" or "employee" means an eligible employee who
829 enrolls in or is defaulted into the investment plan as provided
830 in subsection (4), a terminated Deferred Retirement Option
831 Program member as described in subsection (21), or a beneficiary
832 or alternate payee of a member or employee.

833 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

834 (b) Notwithstanding paragraph (a), an eligible employee who
835 elects to participate in or is defaulted into the investment
836 plan and establishes one or more individual member accounts may
837 elect to transfer to the investment plan a sum representing the
838 present value of the employee's accumulated benefit obligation
839 under the pension plan, except as provided in paragraph (4)(b).
840 Upon transfer, all service credit earned under the pension plan
841 is nullified for purposes of entitlement to a future benefit

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842 under the pension plan. A member may not transfer the
843 accumulated benefit obligation balance from the pension plan
844 after the time period for enrolling in the investment plan has
845 expired.

846 1. For purposes of this subsection, the present value of
847 the member's accumulated benefit obligation is based upon the
848 member's estimated creditable service and estimated average
849 final compensation under the pension plan, subject to
850 recomputation under subparagraph 2. For state employees, initial
851 estimates shall be based upon creditable service and average
852 final compensation as of midnight on June 30, 2002; for district
853 school board employees, initial estimates shall be based upon
854 creditable service and average final compensation as of midnight
855 on September 30, 2002; and for local government employees,
856 initial estimates shall be based upon creditable service and
857 average final compensation as of midnight on December 31, 2002.
858 The dates specified are the "estimate date" for these employees.
859 The actuarial present value of the employee's accumulated
860 benefit obligation shall be based on the following:

861 a. The discount rate and other relevant actuarial
862 assumptions used to value the Florida Retirement System Trust
863 Fund at the time the amount to be transferred is determined,
864 consistent with the factors provided in sub-subparagraphs b. and
865 c.

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

868 c. Except as provided under sub-subparagraph d., for a
869 member initially enrolled:

870 (I) Before July 1, 2011, the benefit commencement age is

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871 the younger of the following, but may not be younger than the
872 member's age as of the estimate date:

873 (A) Age 62; or

874 (B) The age the member would attain if the member completed
875 30 years of service with an employer, assuming the member worked
876 continuously from the estimate date, and disregarding any
877 vesting requirement that would otherwise apply under the pension
878 plan.

879 (II) On or after July 1, 2011, the benefit commencement age
880 is the younger of the following, but may not be younger than the
881 member's age as of the estimate date:

882 (A) Age 65; or

883 (B) The age the member would attain if the member completed
884 33 years of service with an employer, assuming the member worked
885 continuously from the estimate date, and disregarding any
886 vesting requirement that would otherwise apply under the pension
887 plan.

888 d. For members of the Special Risk Class and for members of
889 the Special Risk Administrative Support Class entitled to retain
890 the special risk normal retirement date:

891 (I) Initially enrolled before July 1, 2011, the benefit
892 commencement age is the younger of the following, but may not be
893 younger than the member's age as of the estimate date:

894 (A) Age 55; or

895 (B) The age the member would attain if the member completed
896 25 years of service with an employer, assuming the member worked
897 continuously from the estimate date, and disregarding any
898 vesting requirement that would otherwise apply under the pension
899 plan.

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900 (II) Initially enrolled on or after July 1, 2011, the
901 benefit commencement age is the younger of the following, but
902 may not be younger than the member's age as of the estimate
903 date:

904 (A) Age 60; or

905 (B) The age the member would attain if the member completed
906 30 years of service with an employer, assuming the member worked
907 continuously from the estimate date, and disregarding any
908 vesting requirement that would otherwise apply under the pension
909 plan.

910 e. The calculation must disregard vesting requirements and
911 early retirement reduction factors that would otherwise apply
912 under the pension plan.

913 2. For each member who elects to transfer moneys from the
914 pension plan to his or her account in the investment plan, the
915 division shall recompute the amount transferred under
916 subparagraph 1. within 60 days after the actual transfer of
917 funds based upon the member's actual creditable service and
918 actual final average compensation as of the initial date of
919 participation in the investment plan. If the recomputed amount
920 differs from the amount transferred by \$10 or more, the division
921 shall:

922 a. Transfer, or cause to be transferred, from the Florida
923 Retirement System Trust Fund to the member's account the excess,
924 if any, of the recomputed amount over the previously transferred
925 amount together with interest from the initial date of transfer
926 to the date of transfer under this subparagraph, based upon the
927 effective annual interest equal to the assumed return on the
928 actuarial investment which was used in the most recent actuarial

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929 valuation of the system, compounded annually.

930 b. Transfer, or cause to be transferred, from the member's
931 account to the Florida Retirement System Trust Fund the excess,
932 if any, of the previously transferred amount over the recomputed
933 amount, together with interest from the initial date of transfer
934 to the date of transfer under this subparagraph, based upon 6
935 percent effective annual interest, compounded annually, pro rata
936 based on the member's allocation plan.

937 3. If contribution adjustments are made as a result of
938 employer errors or corrections, including plan corrections,
939 following recomputation of the amount transferred under
940 subparagraph 1., the member is entitled to the additional
941 contributions or is responsible for returning any excess
942 contributions resulting from the correction. However, a any
943 return of such erroneous excess pretax contribution by the plan
944 must be made within the period allowed by the Internal Revenue
945 Service. The present value of the member's accumulated benefit
946 obligation may ~~shall~~ not be recalculated.

947 4. As directed by the member, the state board shall
948 transfer or cause to be transferred the appropriate amounts to
949 the designated accounts within 30 days after the effective date
950 of the member's participation in the investment plan unless the
951 major financial markets for securities available for a transfer
952 are seriously disrupted by an unforeseen event that causes the
953 suspension of trading on a any national securities exchange in
954 the country where the securities were issued. In that event, the
955 30-day period may be extended by a resolution of the state
956 board. Transfers are not commissionable or subject to other fees
957 and may be in the form of securities or cash, as determined by

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958 the state board. Such securities are valued as of the date of
959 receipt in the member's account.

960 5. If the state board or the division receives notification
961 from the United States Internal Revenue Service that this
962 paragraph or any portion of this paragraph will cause the
963 retirement system, or a portion thereof, to be disqualified for
964 tax purposes under the Internal Revenue Code, the portion that
965 will cause the disqualification does not apply. Upon such
966 notice, the state board and the division shall notify the
967 presiding officers of the Legislature.

968 (4) PARTICIPATION; ENROLLMENT.—

969 (a)1. Effective June 1, 2002, through February 28, 2003, a
970 90-day election period, preceded by a 90-day education period,
971 was provided to each eligible employee participating in the
972 Florida Retirement System which permitted each eligible employee
973 to elect membership in the investment plan, and an employee who
974 failed to elect the investment plan during the election period
975 remained in the pension plan. An eligible employee who was
976 employed in a regularly established position during the election
977 period was granted the option to make one subsequent election,
978 as provided in paragraph (f). With respect to an eligible
979 employee who did not participate in the initial election period
980 or who is initially ~~employee who is~~ employed in a regularly
981 established position after the close of the initial election
982 period but before July 1, 2015, on June 1, 2002, by a state
983 employer:

984 a. ~~Any such employee may elect to participate in the~~
985 ~~investment plan in lieu of retaining his or her membership in~~
986 ~~the pension plan. The election must be made in writing or by~~

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987 ~~electronic means and must be filed with the third party~~
988 ~~administrator by August 31, 2002, or, in the case of an active~~
989 ~~employee who is on a leave of absence on April 1, 2002, by the~~
990 ~~last business day of the 5th month following the month the leave~~
991 ~~of absence concludes. This election is irrevocable, except as~~
992 ~~provided in paragraph (g). Upon making such election, the~~
993 ~~employee shall be enrolled as a member of the investment plan,~~
994 ~~the employee's membership in the Florida Retirement System is~~
995 ~~governed by the provisions of this part, and the employee's~~
996 ~~membership in the pension plan terminates. The employee's~~
997 ~~enrollment in the investment plan is effective the first day of~~
998 ~~the month for which a full month's employer contribution is made~~
999 ~~to the investment plan.~~

1000 ~~b. Any such employee who fails to elect to participate in~~
1001 ~~the investment plan within the prescribed time period is deemed~~
1002 ~~to have elected to retain membership in the pension plan, and~~
1003 ~~the employee's option to elect to participate in the investment~~
1004 ~~plan is forfeited.~~

1005 ~~2. With respect to employees who become eligible to~~
1006 ~~participate in the investment plan by reason of employment in a~~
1007 ~~regularly established position with a state employer commencing~~
1008 ~~after April 1, 2002:~~

1009 ~~a. Any such employee shall, by default, be enrolled in the~~
1010 ~~pension plan at the commencement of employment, and may, by the~~
1011 ~~last business day of the 5th month following the employee's~~
1012 ~~month of hire, elect to participate in the investment plan. The~~
1013 ~~employee's election must be made in writing or by electronic~~
1014 ~~means and must be filed with the third-party administrator. The~~
1015 ~~election to participate in the investment plan is irrevocable,~~

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1016 except as provided in paragraph (f) ~~(g)~~.

1017 ~~a.b.~~ If the employee files such election within the
1018 prescribed time period, enrollment in the investment plan is
1019 effective on the first day of employment. The retirement
1020 contributions paid through the month of the employee plan change
1021 shall be transferred to the investment program, and, effective
1022 the first day of the next month, the employer and employee must
1023 pay the applicable contributions based on the employee
1024 membership class in the program.

1025 ~~b.e.~~ An employee who fails to elect to participate in the
1026 investment plan within the prescribed time period is deemed to
1027 have elected to retain membership in the pension plan, and the
1028 employee's option to elect to participate in the investment plan
1029 is forfeited.

1030 ~~2.3.~~ With respect to employees who become eligible to
1031 participate in the investment plan pursuant to s.
1032 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
1033 participate in the investment plan in lieu of retaining his or
1034 her membership in the State Community College System Optional
1035 Retirement Program or the State University System Optional
1036 Retirement Program. The election must be ~~made~~ in writing or by
1037 electronic means and must be filed with the third-party
1038 administrator. This election is irrevocable, except as provided
1039 in paragraph (f) ~~(g)~~. Upon making such election, the employee
1040 shall be enrolled as a member in the investment plan, the
1041 employee's membership in the Florida Retirement System is
1042 governed by the provisions of this part, and the employee's
1043 participation in the State Community College System Optional
1044 Retirement Program or the State University System Optional

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1045 Retirement Program terminates. The employee's enrollment in the
1046 investment plan is effective on the first day of the month for
1047 which a full month's employer and employee contribution is made
1048 to the investment plan.

1049 ~~4. For purposes of this paragraph, "state employer" means~~
1050 ~~any agency, board, branch, commission, community college,~~
1051 ~~department, institution, institution of higher education, or~~
1052 ~~water management district of the state, which participates in~~
1053 ~~the Florida Retirement System for the benefit of certain~~
1054 ~~employees.~~

1055 (b) With respect to employees who become eligible to
1056 participate in the investment plan, except as provided in
1057 paragraph (g), by reason of employment in a regularly
1058 established position commencing on or after July 1, 2015, such
1059 employee shall be enrolled in the pension plan at the
1060 commencement of employment and may, by the last business day of
1061 the 8th month following the employee's month of hire, elect to
1062 participate in the pension plan or the investment plan. Eligible
1063 employees may make a plan election only if they are earning
1064 service credit in an employer-employee relationship consistent
1065 with s. 121.021(17)(b), excluding leaves of absence without pay.

1066 1. The employee's election must be in writing or by
1067 electronic means and must be filed with the third-party
1068 administrator. The election to participate in the pension plan
1069 or investment plan is irrevocable, except as provided in
1070 paragraph (f).

1071 2. If the employee fails to make an election of the pension
1072 plan or investment plan within 8 months following the month of
1073 hire, the employee is deemed to have elected the investment plan

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1074 and will be defaulted into the investment plan retroactively to
1075 the employee's date of employment. The employee's option to
1076 participate in the pension plan is forfeited, except as provided
1077 in paragraph (f).

1078 3. The amount of the employee and employer contributions
1079 paid before the default to the investment plan shall be
1080 transferred to the investment plan and placed in a default fund
1081 as designated by the State Board of Administration. The employee
1082 may move the contributions once an account is activated in the
1083 investment plan.

1084 4. Effective the first day of the month after an eligible
1085 employee makes a plan election of the pension plan or investment
1086 plan, or after the month of default to the investment plan, the
1087 employee and employer shall pay the applicable contributions
1088 based on the employee membership class in the pension plan or
1089 investment plan.

1090 ~~(b)1. With respect to an eligible employee who is employed~~
1091 ~~in a regularly established position on September 1, 2002, by a~~
1092 ~~district school board employer:~~

1093 ~~a. Any such employee may elect to participate in the~~
1094 ~~investment plan in lieu of retaining his or her membership in~~
1095 ~~the pension plan. The election must be made in writing or by~~
1096 ~~electronic means and must be filed with the third party~~
1097 ~~administrator by November 30, or, in the case of an active~~
1098 ~~employee who is on a leave of absence on July 1, 2002, by the~~
1099 ~~last business day of the 5th month following the month the leave~~
1100 ~~of absence concludes. This election is irrevocable, except as~~
1101 ~~provided in paragraph (g). Upon making such election, the~~
1102 ~~employee shall be enrolled as a member of the investment plan,~~

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1103 ~~the employee's membership in the Florida Retirement System is~~
1104 ~~governed by the provisions of this part, and the employee's~~
1105 ~~membership in the pension plan terminates. The employee's~~
1106 ~~enrollment in the investment plan is effective the first day of~~
1107 ~~the month for which a full month's employer contribution is made~~
1108 ~~to the investment program.~~

1109 ~~b. Any such employee who fails to elect to participate in~~
1110 ~~the investment plan within the prescribed time period is deemed~~
1111 ~~to have elected to retain membership in the pension plan, and~~
1112 ~~the employee's option to elect to participate in the investment~~
1113 ~~plan is forfeited.~~

1114 ~~2. With respect to employees who become eligible to~~
1115 ~~participate in the investment plan by reason of employment in a~~
1116 ~~regularly established position with a district school board~~
1117 ~~employer commencing after July 1, 2002:~~

1118 ~~a. Any such employee shall, by default, be enrolled in the~~
1119 ~~pension plan at the commencement of employment, and may, by the~~
1120 ~~last business day of the 5th month following the employee's~~
1121 ~~month of hire, elect to participate in the investment plan. The~~
1122 ~~employee's election must be made in writing or by electronic~~
1123 ~~means and must be filed with the third party administrator. The~~
1124 ~~election to participate in the investment plan is irrevocable,~~
1125 ~~except as provided in paragraph (g).~~

1126 ~~b. If the employee files such election within the~~
1127 ~~prescribed time period, enrollment in the investment plan is~~
1128 ~~effective on the first day of employment. The employer~~
1129 ~~retirement contributions paid through the month of the employee~~
1130 ~~plan change shall be transferred to the investment plan, and,~~
1131 ~~effective the first day of the next month, the employer shall~~

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1132 ~~pay the applicable contributions based on the employee~~
1133 ~~membership class in the investment plan.~~

1134 ~~e. Any such employee who fails to elect to participate in~~
1135 ~~the investment plan within the prescribed time period is deemed~~
1136 ~~to have elected to retain membership in the pension plan, and~~
1137 ~~the employee's option to elect to participate in the investment~~
1138 ~~plan is forfeited.~~

1139 ~~3. For purposes of this paragraph, "district school board~~
1140 ~~employer" means any district school board that participates in~~
1141 ~~the Florida Retirement System for the benefit of certain~~
1142 ~~employees, or a charter school or charter technical career~~
1143 ~~center that participates in the Florida Retirement System as~~
1144 ~~provided in s. 121.051(2) (d).~~

1145 ~~(c)1. With respect to an eligible employee who is employed~~
1146 ~~in a regularly established position on December 1, 2002, by a~~
1147 ~~local employer:~~

1148 ~~a. Any such employee may elect to participate in the~~
1149 ~~investment plan in lieu of retaining his or her membership in~~
1150 ~~the pension plan. The election must be made in writing or by~~
1151 ~~electronic means and must be filed with the third party~~
1152 ~~administrator by February 28, 2003, or, in the case of an active~~
1153 ~~employee who is on a leave of absence on October 1, 2002, by the~~
1154 ~~last business day of the 5th month following the month the leave~~
1155 ~~of absence concludes. This election is irrevocable, except as~~
1156 ~~provided in paragraph (g). Upon making such election, the~~
1157 ~~employee shall be enrolled as a participant of the investment~~
1158 ~~plan, the employee's membership in the Florida Retirement System~~
1159 ~~is governed by the provisions of this part, and the employee's~~
1160 ~~membership in the pension plan terminates. The employee's~~

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1161 ~~enrollment in the investment plan is effective the first day of~~
1162 ~~the month for which a full month's employer contribution is made~~
1163 ~~to the investment plan.~~

1164 ~~b. Any such employee who fails to elect to participate in~~
1165 ~~the investment plan within the prescribed time period is deemed~~
1166 ~~to have elected to retain membership in the pension plan, and~~
1167 ~~the employee's option to elect to participate in the investment~~
1168 ~~plan is forfeited.~~

1169 ~~2. With respect to employees who become eligible to~~
1170 ~~participate in the investment plan by reason of employment in a~~
1171 ~~regularly established position with a local employer commencing~~
1172 ~~after October 1, 2002:~~

1173 ~~a. Any such employee shall, by default, be enrolled in the~~
1174 ~~pension plan at the commencement of employment, and may, by the~~
1175 ~~last business day of the 5th month following the employee's~~
1176 ~~month of hire, elect to participate in the investment plan. The~~
1177 ~~employee's election must be made in writing or by electronic~~
1178 ~~means and must be filed with the third party administrator. The~~
1179 ~~election to participate in the investment plan is irrevocable,~~
1180 ~~except as provided in paragraph (g).~~

1181 ~~b. If the employee files such election within the~~
1182 ~~prescribed time period, enrollment in the investment plan is~~
1183 ~~effective on the first day of employment. The employer~~
1184 ~~retirement contributions paid through the month of the employee~~
1185 ~~plan change shall be transferred to the investment plan, and,~~
1186 ~~effective the first day of the next month, the employer shall~~
1187 ~~pay the applicable contributions based on the employee~~
1188 ~~membership class in the investment plan.~~

1189 ~~e. Any such employee who fails to elect to participate in~~

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1190 ~~the investment plan within the prescribed time period is deemed~~
1191 ~~to have elected to retain membership in the pension plan, and~~
1192 ~~the employee's option to elect to participate in the investment~~
1193 ~~plan is forfeited.~~

1194 ~~3. For purposes of this paragraph, "local employer" means~~
1195 ~~any employer not included in paragraph (a) or paragraph (b).~~

1196 (c)~~(d)~~ Contributions available for self-direction by a
1197 member who has not selected one or more specific investment
1198 products shall be allocated as prescribed by the state board.
1199 The third-party administrator shall notify the member at least
1200 quarterly that the member should take an affirmative action to
1201 make an asset allocation among the investment products.

1202 (d)~~(e)~~ On or after July 1, 2011, a member of the pension
1203 plan who obtains a refund of employee contributions retains his
1204 or her prior plan choice upon return to employment in a
1205 regularly established position with a participating employer.

1206 (e)~~(f)~~ A member of the investment plan who takes a
1207 distribution of any contributions from his or her investment
1208 plan account is considered a retiree. A member retiree who
1209 retires ~~is initially reemployed in a regularly established~~
1210 ~~position~~ on or after July 1, 2010, is not eligible to be
1211 enrolled in renewed membership. A member who retired before July
1212 1, 2010, and is employed on or after January 1, 2015, in a
1213 regularly established position shall be a renewed member as
1214 provided in s. 121.122, except that a retiree who has returned
1215 to covered employment before July 1, 2010, may continue
1216 membership in the plan he or she chooses.

1217 (f)~~(g)~~ After the period during which an eligible employee
1218 had the choice to elect the pension plan or the investment plan,

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1219 or the month following the receipt of the eligible employee's
1220 plan election, if sooner, the employee shall have one
1221 opportunity, at the employee's discretion, to ~~choose to~~ move
1222 from the pension plan to the investment plan or from the
1223 investment plan to the pension plan. Eligible employees may
1224 elect to move between plans only if they are earning service
1225 credit in an employer-employee relationship consistent with s.
1226 121.021(17)(b), excluding leaves of absence without pay.
1227 Effective July 1, 2005, such elections are effective on the
1228 first day of the month following the receipt of the election by
1229 the third-party administrator and are not subject to the
1230 requirements regarding an employer-employee relationship or
1231 receipt of contributions for the eligible employee in the
1232 effective month, except when the election is received by the
1233 third-party administrator. This paragraph is contingent upon
1234 approval by the Internal Revenue Service. This paragraph is not
1235 applicable to compulsory investment plan members under paragraph
1236 (g).

1237 1. If the employee chooses to move to the investment plan,
1238 ~~the provisions of~~ subsection (3) governs ~~govern~~ the transfer.

1239 2. If the employee chooses to move to the pension plan, the
1240 employee must transfer from his or her investment plan account,
1241 and from other employee moneys as necessary, a sum representing
1242 the present value of that employee's accumulated benefit
1243 obligation immediately following the time of such movement,
1244 determined assuming that attained service equals the sum of
1245 service in the pension plan and service in the investment plan.
1246 Benefit commencement occurs on the first date the employee is
1247 eligible for unreduced benefits, using the discount rate and

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1248 other relevant actuarial assumptions that were used to value the
1249 pension plan liabilities in the most recent actuarial valuation.
1250 For an ~~any~~ employee who, at the time of the second election,
1251 already maintains an accrued benefit amount in the pension plan,
1252 the then-present value of the accrued benefit is deemed part of
1253 the required transfer amount. The division must ensure that the
1254 transfer sum is prepared using a formula and methodology
1255 certified by an enrolled actuary. A refund of any employee
1256 contributions or additional member payments made which exceed
1257 the employee contributions that would have accrued had the
1258 member remained in the pension plan and not transferred to the
1259 investment plan is not permitted.

1260 3. Notwithstanding subparagraph 2., an employee who chooses
1261 to move to the pension plan and who became eligible to
1262 participate in the investment plan by reason of employment in a
1263 regularly established position with a state employer after June
1264 1, 2002; a district school board employer after September 1,
1265 2002; or a local employer after December 1, 2002, must transfer
1266 from his or her investment plan account, and from other employee
1267 moneys as necessary, a sum representing the employee's actuarial
1268 accrued liability. A refund of any employee contributions or
1269 additional member ~~participant~~ payments made which exceed the
1270 employee contributions that would have accrued had the member
1271 remained in the pension plan and not transferred to the
1272 investment plan is not permitted.

1273 4. An employee's ability to transfer from the pension plan
1274 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
1275 ~~(d)~~, and the ability of a current employee to have an option to
1276 later transfer back into the pension plan under subparagraph 2.,

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1277 shall be deemed a significant system amendment. Pursuant to s.
1278 121.031(4), any resulting unfunded liability arising from actual
1279 original transfers from the pension plan to the investment plan
1280 must be amortized within 30 plan years as a separate unfunded
1281 actuarial base independent of the reserve stabilization
1282 mechanism described ~~defined~~ in s. 121.031(3)(f). For the first
1283 25 years, a direct amortization payment may not be calculated
1284 for this base. During this 25-year period, the separate base
1285 shall be used to offset the impact of employees exercising their
1286 second program election under this paragraph. The actuarial
1287 funded status of the pension plan will not be affected by such
1288 second program elections in any significant manner, after due
1289 recognition of the separate unfunded actuarial base. Following
1290 the initial 25-year period, any remaining balance of the
1291 original separate base shall be amortized over the remaining 5
1292 years of the required 30-year amortization period.

1293 5. If the employee chooses to transfer from the investment
1294 plan to the pension plan and retains an excess account balance
1295 in the investment plan after satisfying the buy-in requirements
1296 under this paragraph, the excess may not be distributed until
1297 the member retires from the pension plan. The excess account
1298 balance may be rolled over to the pension plan and used to
1299 purchase service credit or upgrade creditable service in the
1300 pension plan.

1301 (g) All employees initially enrolled on or after July 1,
1302 2015, in positions covered by the Elected Officers' Class or the
1303 Senior Management Service Class are compulsory members of the
1304 investment plan, except those eligible to withdraw from the
1305 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those

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1306 eligible for optional retirement programs under s.
1307 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
1308 eligible to withdraw from the system under s. 121.052(3)(d) or
1309 s. 121.055(1)(b)2. may withdraw from the system or participate
1310 in the investment plan as provided in those sections. Employees
1311 eligible for optional retirement programs under s. 121.051(2)(c)
1312 or s. 121.35, except as provided in s. 121.051(1)(a), may
1313 participate in the optional retirement program or the investment
1314 plan as provided in those sections. Investment plan membership
1315 continues if there is subsequent employment in a position
1316 covered by another membership class.

1317 1. Membership in the pension plan is not permitted except
1318 as provided in s. 121.591(2). Employees initially enrolled in
1319 the Florida Retirement System before July 1, 2015, may retain
1320 their membership in the pension plan or investment plan and are
1321 eligible to use the election opportunity specified in paragraph
1322 (f).

1323 2. Employees initially enrolled on or after July 1, 2015,
1324 may not use the election opportunity specified in paragraph (f).

1325 3. The amount of retirement contributions paid by the
1326 employee and employer, as required under s. 121.72, shall be
1327 placed in a default fund as designated by the state board, until
1328 an account is activated in the investment plan, at which time
1329 the member may move the contributions from the default fund to
1330 other funds provided in the investment plan.

1331 (5) CONTRIBUTIONS.—

1332 (c) The state board, acting as plan fiduciary, shall ~~must~~
1333 ensure that all plan assets are held in a trust, pursuant to s.
1334 401 of the Internal Revenue Code. The fiduciary shall ~~must~~

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1335 ensure that such contributions are allocated as follows:

1336 1. The employer and employee contribution portion earmarked
1337 for member accounts shall be used to purchase interests in the
1338 appropriate investment vehicles as specified by the member, or
1339 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1340 2. The employer contribution portion earmarked for
1341 administrative and educational expenses shall be transferred to
1342 the Florida Retirement System Investment Plan Trust Fund.

1343 3. The employer contribution portion earmarked for
1344 disability benefits shall be transferred to the Florida
1345 Retirement System Trust Fund.

1346 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1347 shall be administered by the state board and affected employers.
1348 The state board may require oaths, by affidavit or otherwise,
1349 and acknowledgments from persons in connection with the
1350 administration of its statutory duties and responsibilities for
1351 the investment plan. An oath, by affidavit or otherwise, is ~~may~~
1352 not ~~be~~ required of a member at the time of enrollment.

1353 Acknowledgment of an employee's election to participate in the
1354 program may ~~shall~~ be no greater than necessary to confirm the
1355 employee's election except for members initially enrolled on or
1356 after July 1, 2015, as provided in paragraph (4) (g). The state
1357 board shall adopt rules to carry out its statutory duties with
1358 respect to administering the investment plan, including
1359 establishing the roles and responsibilities of affected state,
1360 local government, and education-related employers, the state
1361 board, the department, and third-party contractors. The
1362 department shall adopt rules necessary to administer the
1363 investment plan in coordination with the pension plan and the

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1364 disability benefits available under the investment plan.

1365 (a)1. The state board shall select and contract with a
1366 third-party administrator to provide administrative services if
1367 those services cannot be competitively and contractually
1368 provided by the division. With the approval of the state board,
1369 the third-party administrator may subcontract to provide
1370 components of the administrative services. As a cost of
1371 administration, the state board may compensate ~~any~~ such
1372 contractor for its services, in accordance with the terms of the
1373 contract, as is deemed necessary or proper by the board. The
1374 third-party administrator may not be an approved provider or be
1375 affiliated with an approved provider.

1376 2. These administrative services may include, but are not
1377 limited to, enrollment of eligible employees, collection of
1378 employer and employee contributions, disbursement of
1379 contributions to approved providers in accordance with the
1380 allocation directions of members; services relating to
1381 consolidated billing; individual and collective recordkeeping
1382 and accounting; asset purchase, control, and safekeeping; and
1383 direct disbursement of funds to and from the third-party
1384 administrator, the division, the state board, employers,
1385 members, approved providers, and beneficiaries. This section
1386 does not prevent or prohibit a bundled provider from providing
1387 any administrative or customer service, including accounting and
1388 administration of individual member benefits and contributions;
1389 individual member recordkeeping; asset purchase, control, and
1390 safekeeping; direct execution of the member's instructions as to
1391 asset and contribution allocation; calculation of daily net
1392 asset values; direct access to member account information; or

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1393 periodic reporting to members, at least quarterly, on account
1394 balances and transactions, if these services are authorized by
1395 the state board as part of the contract.

1396 (b)1. The state board shall select and contract with one or
1397 more organizations to provide educational services. With
1398 approval of the state board, the organizations may subcontract
1399 to provide components of the educational services. As a cost of
1400 administration, the state board may compensate any such
1401 contractor for its services in accordance with the terms of the
1402 contract, as is deemed necessary or proper by the board. The
1403 education organization may not be an approved provider or be
1404 affiliated with an approved provider.

1405 2. Educational services shall be designed by the state
1406 board and department to assist employers, eligible employees,
1407 members, and beneficiaries in order to maintain compliance with
1408 United States Department of Labor regulations under s. 404(c) of
1409 the Employee Retirement Income Security Act of 1974 and to
1410 assist employees in their choice of pension plan or investment
1411 plan retirement alternatives. Educational services include, but
1412 are not limited to, disseminating educational materials;
1413 providing retirement planning education; explaining the pension
1414 plan and the investment plan; and offering financial planning
1415 guidance on matters such as investment diversification,
1416 investment risks, investment costs, and asset allocation. An
1417 approved provider may also provide educational information,
1418 including retirement planning and investment allocation
1419 information concerning its products and services.

1420 (c)1. In evaluating and selecting a third-party
1421 administrator, the state board shall establish criteria for

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1422 evaluating the relative capabilities and qualifications of each
1423 proposed administrator. In developing such criteria, the state
1424 board shall consider:

1425 a. The administrator's demonstrated experience in providing
1426 administrative services to public or private sector retirement
1427 systems.

1428 b. The administrator's demonstrated experience in providing
1429 daily valued recordkeeping to defined contribution programs.

1430 c. The administrator's ability and willingness to
1431 coordinate its activities with employers, the state board, and
1432 the division, and to supply to such employers, the board, and
1433 the division the information and data they require, including,
1434 but not limited to, monthly management reports, quarterly member
1435 reports, and ad hoc reports requested by the department or state
1436 board.

1437 d. The cost-effectiveness and levels of the administrative
1438 services provided.

1439 e. The administrator's ability to interact with the
1440 members, the employers, the state board, the division, and the
1441 providers; the means by which members may access account
1442 information, direct investment of contributions, make changes to
1443 their accounts, transfer moneys between available investment
1444 vehicles, and transfer moneys between investment products; and
1445 any fees that apply to such activities.

1446 f. Any other factor deemed necessary by the state board.

1447 2. In evaluating and selecting an educational provider, the
1448 state board shall establish criteria under which it shall
1449 consider the relative capabilities and qualifications of each
1450 proposed educational provider. In developing such criteria, the

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1451 state board shall consider:

1452 a. Demonstrated experience in providing educational
1453 services to public or private sector retirement systems.

1454 b. Ability and willingness to coordinate its activities
1455 with the employers, the state board, and the division, and to
1456 supply to such employers, the board, and the division the
1457 information and data they require, including, but not limited
1458 to, reports on educational contacts.

1459 c. The cost-effectiveness and levels of the educational
1460 services provided.

1461 d. Ability to provide educational services via different
1462 media, including, but not limited to, the Internet, personal
1463 contact, seminars, brochures, and newsletters.

1464 e. Any other factor deemed necessary by the state board.

1465 3. The establishment of the criteria shall be solely within
1466 the discretion of the state board.

1467 (d) The state board shall develop the form and content of
1468 any contracts to be offered under the investment plan. In
1469 developing the contracts, the board shall consider:

1470 1. The nature and extent of the rights and benefits to be
1471 afforded in relation to the contributions required under the
1472 plan.

1473 2. The suitability of the rights and benefits provided and
1474 the interests of employers in the recruitment and retention of
1475 eligible employees.

1476 (e)1. The state board may contract for professional
1477 services, including legal, consulting, accounting, and actuarial
1478 services, deemed necessary to implement and administer the
1479 investment plan. The state board may enter into a contract with

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1480 one or more vendors to provide low-cost investment advice to
1481 members, supplemental to education provided by the third-party
1482 administrator. All fees under any such contract shall be paid by
1483 those members who choose to use the services of the vendor.

1484 2. The department may contract for professional services,
1485 including legal, consulting, accounting, and actuarial services,
1486 deemed necessary to implement and administer the investment plan
1487 in coordination with the pension plan. The department, in
1488 coordination with the state board, may enter into a contract
1489 with the third-party administrator in order to coordinate
1490 services common to the various programs within the Florida
1491 Retirement System.

1492 (f) The third-party administrator may not receive direct or
1493 indirect compensation from an approved provider, except as
1494 specifically provided ~~for~~ in the contract with the state board.

1495 (g) The state board shall receive and resolve member
1496 complaints against the program, the third-party administrator,
1497 or any program vendor or provider; shall resolve any conflict
1498 between the third-party administrator and an approved provider
1499 if such conflict threatens the implementation or administration
1500 of the program or the quality of services to employees; and may
1501 resolve any other conflicts. The third-party administrator shall
1502 retain all member records for at least 5 years for use in
1503 resolving ~~any~~ member conflicts. The state board, the third-party
1504 administrator, or a provider is not required to produce
1505 documentation or an audio recording to justify action taken with
1506 regard to a member if the action occurred 5 or more years before
1507 the complaint is submitted to the state board. It is presumed
1508 that all action taken 5 or more years before the complaint is

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1509 submitted was taken at the request of the member and with the
1510 member's full knowledge and consent. To overcome this
1511 presumption, the member must present documentary evidence or an
1512 audio recording demonstrating otherwise.

1513 (10) EDUCATION COMPONENT.—

1514 (a) The state board, in coordination with the department,
1515 shall provide ~~for~~ an education component for eligible employees
1516 ~~system members~~ in a manner consistent with ~~the provisions of~~
1517 this subsection ~~section~~. ~~The education component must be~~
1518 ~~available to eligible employees at least 90 days prior to the~~
1519 ~~beginning date of the election period for the employees of the~~
1520 ~~respective types of employers.~~

1521 (b) Except for members initially enrolled on or after July
1522 1, 2015, as provided in paragraph (4) (g), the education
1523 component must provide system members with impartial and
1524 balanced information about plan choices. The education component
1525 must involve multimedia formats. Program comparisons must, to
1526 the greatest extent possible, be based upon the retirement
1527 income that different retirement programs may provide to the
1528 member. The state board shall monitor the performance of the
1529 contract to ensure that the program is conducted in accordance
1530 with the contract, applicable law, and the rules of the state
1531 board.

1532 (c) Except for members initially enrolled on or after July
1533 1, 2015, as provided in paragraph (4) (g), the state board, in
1534 coordination with the department, shall provide for an initial
1535 and ongoing transfer education component to provide system
1536 members with information necessary to make informed plan choice
1537 decisions. The transfer education component must include, but is

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1538 not limited to, information on:

1539 1. The amount of money available to a member to transfer to
1540 the defined contribution program.

1541 2. The features of and differences between the pension plan
1542 and the defined contribution program, both generally and
1543 specifically, as those differences may affect the member.

1544 3. The expected benefit available if the member were to
1545 retire under each of the retirement programs, based on
1546 appropriate alternative sets of assumptions.

1547 4. The rate of return from investments in the defined
1548 contribution program and the period of time over which such rate
1549 of return must be achieved to equal or exceed the expected
1550 monthly benefit payable to the member under the pension plan.

1551 5. The historical rates of return for the investment
1552 alternatives available in the defined contribution programs.

1553 6. The benefits and historical rates of return on
1554 investments available in a typical deferred compensation plan or
1555 a typical plan under s. 403(b) of the Internal Revenue Code for
1556 which the employee may be eligible.

1557 7. The program choices available to employees of the State
1558 University System and the comparative benefits of each available
1559 program, if applicable.

1560 8. Payout options available in each of the retirement
1561 programs.

1562 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1563 ~~System employers have an obligation to regularly communicate the~~
1564 ~~existence of the two Florida Retirement System plans and the~~
1565 ~~plan choice in the natural course of administering their~~
1566 ~~personnel functions, using the educational materials supplied by~~

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1567 ~~the state board and the Department of Management Services.~~

1568 Section 10. Paragraph (b) of subsection (2) of section
1569 121.591, Florida Statutes, is amended to read:

1570 121.591 Payment of benefits.—Benefits may not be paid under
1571 the Florida Retirement System Investment Plan unless the member
1572 has terminated employment as provided in s. 121.021(39)(a) or is
1573 deceased and a proper application has been filed as prescribed
1574 by the state board or the department. Benefits, including
1575 employee contributions, are not payable under the investment
1576 plan for employee hardships, unforeseeable emergencies, loans,
1577 medical expenses, educational expenses, purchase of a principal
1578 residence, payments necessary to prevent eviction or foreclosure
1579 on an employee's principal residence, or any other reason except
1580 a requested distribution for retirement, a mandatory de minimis
1581 distribution authorized by the administrator, or a required
1582 minimum distribution provided pursuant to the Internal Revenue
1583 Code. The state board or department, as appropriate, may cancel
1584 an application for retirement benefits if the member or
1585 beneficiary fails to timely provide the information and
1586 documents required by this chapter and the rules of the state
1587 board and department. In accordance with their respective
1588 responsibilities, the state board and the department shall adopt
1589 rules establishing procedures for application for retirement
1590 benefits and for the cancellation of such application if the
1591 required information or documents are not received. The state
1592 board and the department, as appropriate, are authorized to cash
1593 out a de minimis account of a member who has been terminated
1594 from Florida Retirement System covered employment for a minimum
1595 of 6 calendar months. A de minimis account is an account

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1596 containing employer and employee contributions and accumulated
1597 earnings of not more than \$5,000 made under the provisions of
1598 this chapter. Such cash-out must be a complete lump-sum
1599 liquidation of the account balance, subject to the provisions of
1600 the Internal Revenue Code, or a lump-sum direct rollover
1601 distribution paid directly to the custodian of an eligible
1602 retirement plan, as defined by the Internal Revenue Code, on
1603 behalf of the member. Any nonvested accumulations and associated
1604 service credit, including amounts transferred to the suspense
1605 account of the Florida Retirement System Investment Plan Trust
1606 Fund authorized under s. 121.4501(6), shall be forfeited upon
1607 payment of any vested benefit to a member or beneficiary, except
1608 for de minimis distributions or minimum required distributions
1609 as provided under this section. If any financial instrument
1610 issued for the payment of retirement benefits under this section
1611 is not presented for payment within 180 days after the last day
1612 of the month in which it was originally issued, the third-party
1613 administrator or other duly authorized agent of the state board
1614 shall cancel the instrument and credit the amount of the
1615 instrument to the suspense account of the Florida Retirement
1616 System Investment Plan Trust Fund authorized under s.
1617 121.4501(6). Any amounts transferred to the suspense account are
1618 payable upon a proper application, not to include earnings
1619 thereon, as provided in this section, within 10 years after the
1620 last day of the month in which the instrument was originally
1621 issued, after which time such amounts and any earnings
1622 attributable to employer contributions shall be forfeited. Any
1623 forfeited amounts are assets of the trust fund and are not
1624 subject to chapter 717.

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1625 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1626 this subsection are payable in lieu of the benefits that would
1627 otherwise be payable under the provisions of subsection (1).
1628 Such benefits must be funded from employer contributions made
1629 under s. 121.571, transferred employee contributions and funds
1630 accumulated pursuant to paragraph (a), and interest and earnings
1631 thereon.

1632 (b) *Disability retirement; entitlement.*—

1633 1.a. A member of the investment plan initially enrolled
1634 before July 1, 2015, who becomes totally and permanently
1635 disabled, as defined in paragraph (d), after completing 8 years
1636 of creditable service, or a member who becomes totally and
1637 permanently disabled in the line of duty regardless of length of
1638 service, is entitled to a monthly disability benefit.

1639 b. A member of the investment plan initially enrolled on or
1640 after July 1, 2015, who becomes totally and permanently
1641 disabled, as defined in paragraph (d), after completing 10 years
1642 of creditable service, or a member who becomes totally and
1643 permanently disabled in the line of duty regardless of service,
1644 is entitled to a monthly disability benefit.

1645 2. In order for service to apply toward the 8 years of
1646 creditable service required for regular disability benefits, or
1647 toward the creditable service used in calculating a service-
1648 based benefit as provided under paragraph (g), the service must
1649 be creditable service as described below:

1650 a. The member's period of service under the investment plan
1651 shall be considered creditable service, except as provided in
1652 subparagraph d.

1653 b. If the member has elected to retain credit for service

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1654 under the pension plan as provided under s. 121.4501(3), all
 1655 such service is ~~shall be~~ considered creditable service.

1656 c. If the member elects to transfer to his or her member
 1657 accounts a sum representing the present value of his or her
 1658 retirement credit under the pension plan as provided under s.
 1659 121.4501(3), the period of service under the pension plan
 1660 represented in the present value amounts transferred is ~~shall be~~
 1661 considered creditable service, except as provided in
 1662 subparagraph d.

1663 d. If a member has terminated employment and has taken
 1664 distribution of his or her funds as provided in subsection (1),
 1665 all creditable service represented by such distributed funds is
 1666 forfeited for purposes of this subsection.

1667 Section 11. Subsection (3) of section 121.71, Florida
 1668 Statutes, is amended to read:

1669 121.71 Uniform rates; process; calculations; levy.—

1670 (3) (a) Required employee retirement contribution rates for
 1671 each membership class and subclass of the Florida Retirement
 1672 System for the pension plan ~~both retirement plans~~ are as
 1673 follows:

1674

| | |
|------------------|---------------|
| | Percentage of |
| | Gross |
| | Compensation, |
| | Effective |
| Membership Class | July 1, 2011 |

1675

1676

| | | |
|------|---|------------|
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| 1677 | Regular Class | 3.00% |
| 1678 | Special Risk Class | 3.00% |
| 1679 | Special Risk Administrative Support Class | 3.00% |
| 1680 | Elected Officers' Class-- Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders | 3.00% |
| 1681 | Elected Officers' Class-- Justices, Judges | 3.00% |
| 1682 | Elected Officers' Class-- County Elected Officers | 3.00% |
| 1683 | Senior Management Service Class | 3.00% |
| 1684 | DROP | 0.00% |
| 1685 | <u>(b) Required employee retirement contribution rates for</u> | |
| 1686 | <u>each membership class and subclass of the Florida Retirement</u> | |
| 1687 | <u>System for the investment plan are as follows:</u> | |
| 1688 | | |

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| <u>Membership Class</u> | <u>Percentage of Gross Compensation, Effective July 1, 2011</u> | <u>Percentage of Gross Compensation, Effective July 1, 2015</u> |
|--|---|---|
| <u>Regular Class</u> | <u>3.00%</u> | <u>2.00%</u> |
| <u>Special Risk Class</u> | <u>3.00%</u> | <u>2.00%</u> |
| <u>Special Risk Administrative Support Class</u> | <u>3.00%</u> | <u>2.00%</u> |
| <u>Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,</u> | <u>3.00%</u> | <u>2.00%</u> |

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State Attorneys,
Public Defenders

1699

Elected Officers' 3.00% 2.00%

Class—
Justices, Judges

1700

Elected Officers' 3.00% 2.00%

Class—
County Elected
Officers

1701

Senior Management 3.00% 2.00%

Service Class

1702

1703

1704 Section 12. Section 238.072, Florida Statutes, is amended
1705 to read:

1706 238.072 Special service provisions for extension
1707 personnel.—All state and county cooperative extension personnel
1708 holding appointments by the United States Department of
1709 Agriculture for extension work in agriculture and home economics
1710 in this state who are joint representatives of the University of
1711 Florida and the United States Department of Agriculture, as
1712 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
1713 Teachers' Retirement System, chapter 238, and who are prohibited
1714 from transferring to and participating in the Florida Retirement
1715 System, chapter 121, may retire with full benefits upon
1716 completion of 30 years of creditable service and shall be

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1717 considered to have attained normal retirement age under this
1718 chapter, any law to the contrary notwithstanding. In order to
1719 comply with ~~the provisions of~~ s. 14, Art. X of the State
1720 Constitution, any liability accruing to the Florida Retirement
1721 System Trust Fund as a result of ~~the provisions of~~ this section
1722 shall be paid on an annual basis from the General Revenue Fund.

1723 Section 13. Subsection (11) of section 413.051, Florida
1724 Statutes, is amended to read:

1725 413.051 Eligible blind persons; operation of vending
1726 stands.-

1727 (11) Effective July 1, 1996, blind licensees who remain
1728 members of the Florida Retirement System pursuant to s.
1729 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1730 retirement costs from their net profits or from program income.
1731 Within 30 days after the effective date of this act, each blind
1732 licensee who is eligible to maintain membership in the Florida
1733 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1734 who elects to withdraw from the system as provided in s.
1735 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1736 1996, notify the Division of Blind Services and the Department
1737 of Management Services in writing of his or her election to
1738 withdraw. Failure to timely notify the divisions shall be deemed
1739 a decision to remain a compulsory member of the Florida
1740 Retirement System. However, if, at any time after July 1, 1996,
1741 sufficient funds are not paid by a blind licensee to cover the
1742 required contribution to the Florida Retirement System, that
1743 blind licensee shall become ineligible to participate in the
1744 Florida Retirement System on the last day of the first month for
1745 which no contribution is made or the amount contributed is

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1746 insufficient to cover the required contribution. For any blind
1747 licensee who becomes ineligible to participate in the Florida
1748 Retirement System as described in this subsection, ~~no~~ creditable
1749 service may not ~~shall~~ be earned under the Florida Retirement
1750 System for any period following the month that retirement
1751 contributions ceased to be reported. However, ~~any~~ such person
1752 may participate in the Florida Retirement System in the future
1753 if employed by a participating employer in a covered position.

1754 Section 14. Paragraph (a) of subsection (4) of section
1755 1012.875, Florida Statutes, is amended to read:

1756 1012.875 State Community College System Optional Retirement
1757 Program.—Each Florida College System institution may implement
1758 an optional retirement program, if such program is established
1759 therefor pursuant to s. 1001.64(20), under which annuity or
1760 other contracts providing retirement and death benefits may be
1761 purchased by, and on behalf of, eligible employees who
1762 participate in the program, in accordance with s. 403(b) of the
1763 Internal Revenue Code. Except as otherwise provided herein, this
1764 retirement program, which shall be known as the State Community
1765 College System Optional Retirement Program, may be implemented
1766 and administered only by an individual Florida College System
1767 institution or by a consortium of Florida College System
1768 institutions.

1769 (4) (a) 1. Through June 30, 2011, each college must
1770 contribute on behalf of each program member an amount equal to
1771 10.43 percent of the employee's gross monthly compensation.

1772 2. Effective July 1, 2011, through June 30, 2012, each
1773 member shall contribute an amount equal to the employee
1774 contribution required under s. 121.71(3) (a). The employer shall

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1775 contribute on behalf of each program member an amount equal to
1776 the difference between 10.43 percent of the employee's gross
1777 monthly compensation and the employee's required contribution
1778 based on the employee's gross monthly compensation.

1779 3. Effective July 1, 2012, each member shall contribute an
1780 amount equal to the employee contribution required under s.
1781 121.71(3) (a). The employer shall contribute on behalf of each
1782 program member an amount equal to the difference between 8.15
1783 percent of the employee's gross monthly compensation and the
1784 employee's required contribution based on the employee's gross
1785 monthly compensation.

1786 4. The college shall deduct an amount approved by the
1787 district board of trustees of the college to provide for the
1788 administration of the optional retirement program. Payment of
1789 this contribution must be made directly by the college or
1790 through the program administrator to the designated company
1791 contracting for payment of benefits to the program member.

1792 Section 15. The Legislature finds that a proper and
1793 legitimate state purpose is served when employees and retirees
1794 of the state and its political subdivisions, and the dependents,
1795 survivors, and beneficiaries of such employees and retirees, are
1796 extended the basic protections afforded by governmental
1797 retirement systems. These persons must be provided benefits that
1798 are fair and adequate and that are managed, administered, and
1799 funded in an actuarially sound manner, as required by s. 14,
1800 Article X of the State Constitution and part VII of chapter 112,
1801 Florida Statutes. Therefore, the Legislature determines and
1802 declares that this act fulfills an important state interest.

1803 Section 16. This act shall take effect July 1, 2014.