



1 A bill to be entitled
2 An act relating to public employees; amending s.
3 121.053, F.S.; authorizing renewed membership in the
4 Florida Retirement System for retirees who are
5 reemployed in a position eligible for the Elected
6 Officers' Class under certain circumstances; amending
7 s. 121.055, F.S.; providing for renewed membership in
8 the retirement system for retirees of the Senior
9 Management Service Optional Annuity Program who are
10 reemployed on or after a specified date; amending s.
11 121.091, F.S.; conforming a provision to changes made
12 by the act; amending s. 121.122, F.S.; requiring that
13 certain retirees who are reemployed on or after a
14 specified date be renewed members in the investment
15 plan; providing exceptions; specifying that creditable
16 service does not accrue for employment during a
17 specified period; prohibiting certain funds from being
18 paid into a renewed member's investment plan account
19 for a specified period of employment; requiring the
20 renewed member to satisfy vesting requirements;
21 prohibiting a renewed member from receiving specified
22 disability benefits; specifying limitations and
23 requirements; requiring the employer and the retiree
24 to make applicable contributions to the renewed
25 member's investment plan account; providing for the
26 transfer of contributions; authorizing a renewed



27 | member to receive additional credit toward the health
28 | insurance subsidy under certain circumstances;
29 | prohibiting participation in the pension plan;
30 | providing that a retiree reemployed on or after a
31 | specified date in a regularly established position
32 | eligible for the State University System Optional
33 | Retirement Program or State Community College System
34 | Optional Retirement Program is a renewed member of
35 | that program; specifying limitations and requirements;
36 | requiring the employer and the retiree to make
37 | applicable contributions; amending s. 121.4501, F.S.;
38 | revising definitions; revising a provision relating to
39 | acknowledgement of an employee's election to
40 | participate in the investment plan; enrolling certain
41 | employees in the pension plan from their date of hire
42 | until they are automatically enrolled in the
43 | investment plan or timely elect enrollment in the
44 | pension plan; providing certain members with a
45 | specified time to choose participation in the pension
46 | plan or the investment plan; conforming provisions to
47 | changes made by the act; amending s. 121.571, F.S.;
48 | conforming provisions to changes made by the act;
49 | amending s. 121.591, F.S.; authorizing payment of
50 | death benefits to the surviving spouse or surviving
51 | children of a member in the investment plan;
52 | establishing qualifications and eligibility



53 requirements for receipt of such benefits; prescribing
54 the method of calculating the benefit; specifying
55 circumstances under which benefit payments are
56 terminated; creating s. 121.5912, F.S.; providing
57 legislative intent; requiring the State Board of
58 Administration or the Division of Retirement of the
59 Department of Management Services to take certain
60 action upon receipt of notification of
61 disqualification from the Internal Revenue Service;
62 authorizing the state board and the department to
63 adopt rules; amending s. 121.71, F.S.; conforming
64 provisions to changes made by the act; creating s.
65 121.735, F.S.; providing for allocations for death
66 benefits authorized by the act; amending ss. 121.74
67 and 121.75, F.S.; conforming provisions to changes
68 made by the act; requiring the State Board of
69 Administration to transfer moneys to fund survivor
70 benefit payments under specified circumstances;
71 adjusting employer contribution rates in order to fund
72 changes made by the act; providing a directive to the
73 Division of Law Revision and Information; declaring
74 that the act fulfills an important state interest;
75 providing an appropriation; requiring the Legislature
76 to appropriate funds for certain purposes; providing
77 an effective date.

78



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

80

81 Section 1. Paragraph (a) of subsection (3) and subsection
82 (5) of section 121.053, Florida Statutes, are amended to read:

83 121.053 Participation in the Elected Officers' Class for
84 retired members.—

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

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

91 (5) Any renewed member, as described in s. 121.122(1),
92 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
93 receiving the maximum health insurance subsidy provided in s.
94 112.363 is entitled to earn additional credit toward the maximum
95 health insurance subsidy. Any additional subsidy due because of
96 such additional credit may be received only at the time of
97 payment of the second career retirement benefit. The total
98 health insurance subsidy received from initial and renewed
99 membership may not exceed the maximum allowed in s. 112.363.

100 Section 2. Paragraph (f) of subsection (1) and paragraph
101 (c) of subsection (6) of section 121.055, Florida Statutes, are
102 amended to read:

103 121.055 Senior Management Service Class.—There is hereby
104 established a separate class of membership within the Florida



105 Retirement System to be known as the "Senior Management Service
106 Class," which shall become effective February 1, 1987.

107 (1)

108 (f) Effective July 1, 1997:

109 1. Except as provided in subparagraph 3., an elected state
110 officer eligible for membership in the Elected Officers' Class
111 under s. 121.052(2)(a), (b), or (c) who elects membership in the
112 Senior Management Service Class under s. 121.052(3)(c) may,
113 within 6 months after assuming office or within 6 months after
114 this act becomes a law for serving elected state officers, elect
115 to participate in the Senior Management Service Optional Annuity
116 Program, as provided in subsection (6), in lieu of membership in
117 the Senior Management Service Class.

118 2. Except as provided in subparagraph 3., an elected
119 officer of a local agency employer eligible for membership in
120 the Elected Officers' Class under s. 121.052(2)(d) who elects
121 membership in the Senior Management Service Class under s.
122 121.052(3)(c) may, within 6 months after assuming office, or
123 within 6 months after this act becomes a law for serving elected
124 officers of a local agency employer, elect to withdraw from the
125 Florida Retirement System, as provided in subparagraph (b)2., in
126 lieu of membership in the Senior Management Service Class.

127 3. A retiree of a state-administered retirement system who
128 is initially reemployed in a regularly established position on
129 or after July 1, 2010, through June 30, 2016, as an elected
130 official eligible for the Elected Officers' Class may not be



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131 enrolled in renewed membership in the Senior Management Service
132 Class or in the Senior Management Service Optional Annuity
133 Program as provided in subsection (6), and may not withdraw from
134 the Florida Retirement System as a renewed member as provided in
135 subparagraph (b)2., as applicable, in lieu of membership in the
136 Senior Management Service Class. Effective July 1, 2016, a
137 retiree of the Senior Management Service Optional Annuity
138 Program who is reemployed in a regularly established position
139 with a covered employer shall be enrolled as a renewed member as
140 provided in s. 121.122.

141 (6)

142 (c) Participation.—

143 1. An eligible employee who is employed on or before
144 February 1, 1987, may elect to participate in the optional
145 annuity program in lieu of participating in the Senior
146 Management Service Class. Such election shall ~~must~~ be made in
147 writing and filed with the department and the personnel officer
148 of the employer on or before May 1, 1987. An eligible employee
149 who is employed on or before February 1, 1987, and who fails to
150 make an election to participate in the optional annuity program
151 by May 1, 1987, is ~~shall be~~ deemed to have elected membership in
152 the Senior Management Service Class.

153 2. Except as provided in subparagraph 6., an employee who
154 becomes eligible to participate in the optional annuity program
155 by reason of initial employment commencing after February 1,
156 1987, may, within 90 days after the date of commencing



157 employment, elect to participate in the optional annuity
158 program. Such election shall ~~must~~ be made in writing and filed
159 with the personnel officer of the employer. An eligible employee
160 who does not within 90 days after commencing employment elect to
161 participate in the optional annuity program is ~~shall be~~ deemed
162 to have elected membership in the Senior Management Service
163 Class.

164 3. A person who is appointed to a position in the Senior
165 Management Service Class and who is a member of an existing
166 retirement system or the Special Risk or Special Risk
167 Administrative Support Classes of the Florida Retirement System
168 may elect to remain in such system or class in lieu of
169 participating in the Senior Management Service Class or optional
170 annuity program. Such election shall ~~must~~ be made in writing and
171 filed with the department and the personnel officer of the
172 employer within 90 days after such appointment. An eligible
173 employee who fails to make an election to participate in the
174 existing system, the Special Risk Class of the Florida
175 Retirement System, the Special Risk Administrative Support Class
176 of the Florida Retirement System, or the optional annuity
177 program is ~~shall be~~ deemed to have elected membership in the
178 Senior Management Service Class.

179 4. Except as provided in subparagraph 5., an employee's
180 election to participate in the optional annuity program is
181 irrevocable if the employee continues to be employed in an
182 eligible position and continues to meet the eligibility



183 requirements set forth in this paragraph.

184 5. Effective from July 1, 2002, through September 30,
185 2002, an active employee in a regularly established position who
186 has elected to participate in the Senior Management Service
187 Optional Annuity Program has one opportunity to choose to move
188 from the Senior Management Service Optional Annuity Program to
189 the Florida Retirement System Pension Plan.

190 a. The election shall ~~must~~ be made in writing and ~~must be~~
191 filed with the department and the personnel officer of the
192 employer before October 1, 2002, or, in the case of an active
193 employee who is on a leave of absence on July 1, 2002, within 90
194 days after the conclusion of the leave of absence. This election
195 is irrevocable.

196 b. The employee shall receive service credit under the
197 pension plan equal to his or her years of service under the
198 Senior Management Service Optional Annuity Program. The cost for
199 such credit is the amount representing the present value of that
200 employee's accumulated benefit obligation for the affected
201 period of service.

202 c. The employee shall ~~must~~ transfer the total accumulated
203 employer contributions and earnings on deposit in his or her
204 Senior Management Service Optional Annuity Program account. If
205 the transferred amount is not sufficient to pay the amount due,
206 the employee shall ~~must~~ pay a sum representing the remainder of
207 the amount due. The employee may not retain any employer
208 contributions or earnings from the Senior Management Service



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209 Optional Annuity Program account.

210 6. A retiree of a state-administered retirement system who
211 is initially reemployed on or after July 1, 2010, may not renew
212 membership in the Senior Management Service Optional Annuity
213 Program. Effective July 1, 2016, a retiree of the Senior
214 Management Service Optional Annuity Program who is reemployed in
215 a regularly established position with a covered employer shall
216 be enrolled as a renewed member as provided in s. 121.122.

217 Section 3. Paragraph (c) of subsection (9) of section
218 121.091, Florida Statutes, is amended to read:

219 121.091 Benefits payable under the system.—Benefits may
220 not be paid under this section unless the member has terminated
221 employment as provided in s. 121.021(39)(a) or begun
222 participation in the Deferred Retirement Option Program as
223 provided in subsection (13), and a proper application has been
224 filed in the manner prescribed by the department. The department
225 may cancel an application for retirement benefits when the
226 member or beneficiary fails to timely provide the information
227 and documents required by this chapter and the department's
228 rules. The department shall adopt rules establishing procedures
229 for application for retirement benefits and for the cancellation
230 of such application when the required information or documents
231 are not received.

232 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

233 (c) Any person whose retirement is effective on or after
234 July 1, 2010, or whose participation in the Deferred Retirement



235 Option Program terminates on or after July 1, 2010, who is
236 retired under this chapter, except under the disability
237 retirement provisions of subsection (4) or as provided in s.
238 121.053, may be reemployed by an employer that participates in a
239 state-administered retirement system and receive retirement
240 benefits and compensation from that employer. However, a person
241 may not be reemployed by an employer participating in the
242 Florida Retirement System before meeting the definition of
243 termination in s. 121.021 and may not receive both a salary from
244 the employer and retirement benefits for 6 calendar months after
245 meeting the definition of termination. However, a DROP
246 participant shall continue employment and receive a salary
247 during the period of participation in the Deferred Retirement
248 Option Program, as provided in subsection (13).

249 1. The reemployed retiree may not renew membership in the
250 Florida Retirement System, except as provided in s. 121.122.

251 2. The employer shall pay retirement contributions in an
252 amount equal to the unfunded actuarial liability portion of the
253 employer contribution that would be required for active members
254 of the Florida Retirement System in addition to the
255 contributions required by s. 121.76.

256 3. A retiree initially reemployed in violation of this
257 paragraph and an employer that employs or appoints such person
258 are jointly and severally liable for reimbursement of any
259 retirement benefits paid to the retirement trust fund from which
260 the benefits were paid, including the Florida Retirement System



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261 Trust Fund and the Public Employee Optional Retirement Program
262 Trust Fund, as appropriate. The employer must have a written
263 statement from the employee that he or she is not retired from a
264 state-administered retirement system. Retirement benefits shall
265 remain suspended until repayment is made. Benefits suspended
266 beyond the end of the retiree's 6-month reemployment limitation
267 period shall apply toward the repayment of benefits received in
268 violation of this paragraph.

269 Section 4. Subsection (2) of section 121.122, Florida
270 Statutes, is amended, and subsections (3) through (5) are added
271 to that section, to read:

272 121.122 Renewed membership in system.—

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

277 (3) A retiree of the investment plan, the State University
278 System Optional Retirement Program, the Senior Management
279 Service Optional Annuity Program, or the State Community College
280 System Optional Retirement Program who is reemployed with a
281 covered employer in a regularly established position on or after
282 July 1, 2016, shall be enrolled as a renewed member of the
283 investment plan unless employed in a position eligible for
284 participation in the State University System Optional Retirement
285 Program as provided in subsection (4) or the State Community
286 College System Optional Retirement Program as provided in



287 subsection (5). The renewed member must satisfy the vesting
288 requirements and other provisions of this chapter.

289 (a) A renewed member of the investment plan shall be
290 enrolled in one of the following membership classes:

291 1. In the Regular Class, if the position does not meet the
292 requirements for membership under s. 121.0515, s. 121.053, or s.
293 121.055.

294 2. In the Special Risk Class, if the position meets the
295 requirements of s. 121.0515.

296 3. In the Elected Officers' Class, if the position meets
297 the requirements of s. 121.053.

298 4. In the Senior Management Service Class, if the position
299 meets the requirements of s. 121.055.

300 (b) Creditable service, including credit toward the
301 retiree health insurance subsidy provided in s. 112.363, does
302 not accrue for a renewed member's employment in a regularly
303 established position with a covered employer from July 1, 2010,
304 through June 30, 2016.

305 (c) Employer and employee contributions, interest,
306 earnings, or any other funds may not be paid into a renewed
307 member's investment plan account for any employment in a
308 regularly established position with a covered employer on or
309 after July 1, 2010, through June 30, 2016, by the renewed member
310 or the employer on behalf of the renewed member.

311 (d) To be eligible to receive a retirement benefit, the
312 renewed member must satisfy the vesting requirements in s.



313 121.4501(6).

314 (e) The renewed member is ineligible to receive disability
315 benefits as provided in s. 121.091(4) or s. 121.591(2).

316 (f) The renewed member is subject to the limitations on
317 reemployment after retirement provided in s. 121.091(9), as
318 applicable.

319 (g) The renewed member must satisfy the requirements for
320 termination from employment provided in s. 121.021(39).

321 (h) Upon renewed membership or reemployment of a retiree,
322 the employer and the renewed member shall pay the applicable
323 employer and employee contributions required under ss. 112.363,
324 121.71, 121.74, and 121.76. The contributions are payable only
325 for employment and salary earned in a regularly established
326 position with a covered employer on or after July 1, 2016. The
327 employer and employee contributions shall be transferred to the
328 investment plan and placed in a default fund as designated by
329 the state board. The renewed member may move the contributions
330 once an account is activated in the investment plan.

331 (i) A renewed member who earns creditable service under
332 the investment plan and who is not receiving the maximum health
333 insurance subsidy provided in s. 112.363 is entitled to earn
334 additional credit toward the subsidy. Such credit may be earned
335 only for employment in a regularly established position with a
336 covered employer on or after July 1, 2016. Any additional
337 subsidy due because of additional credit may be received only at
338 the time of paying the second career retirement benefit. The



339 total health insurance subsidy received by a retiree receiving
340 benefits from initial and renewed membership may not exceed the
341 maximum allowed under s. 112.363.

342 (j) Notwithstanding s. 121.4501(4)(f), the renewed member
343 is not eligible to elect membership in the pension plan.

344 (4) A retiree of the investment plan, the State University
345 System Optional Retirement Program, the Senior Management
346 Service Optional Annuity Program, or the State Community College
347 System Optional Retirement Program who is reemployed on or after
348 July 1, 2016, in a regularly established position eligible for
349 participation in the State University System Optional Retirement
350 Program shall become a renewed member of the optional retirement
351 program. The renewed member must satisfy the vesting
352 requirements and other provisions of this chapter. Once
353 enrolled, a renewed member remains enrolled in the optional
354 retirement program while employed in an eligible position for
355 the optional retirement program. If employment in a different
356 covered position results in the renewed member's enrollment in
357 the investment plan, the renewed member is no longer eligible to
358 participate in the optional retirement program unless employed
359 in a mandatory position under s. 121.35.

360 (a) The renewed member is subject to the limitations on
361 reemployment after retirement provided in s. 121.091(9), as
362 applicable.

363 (b) The renewed member must satisfy the requirements for
364 termination from employment provided in s. 121.021(39).



365 (c) Upon renewed membership or reemployment of a retiree,
366 the employer and the renewed member shall pay the applicable
367 employer and employee contributions required under s. 121.35.

368 (d) Employer and employee contributions, interest,
369 earnings, or any other funds may not be paid into a renewed
370 member's optional retirement program account for any employment
371 in a regularly established position with a covered employer on or
372 after July 1, 2010, through June 30, 2016, by the renewed member
373 or the employer on behalf of the renewed member.

374 (e) Notwithstanding s. 121.4501(4)(f), the renewed member
375 is not eligible to elect membership in the pension plan.

376 (5) A retiree of the investment plan, the State University
377 System Optional Retirement Program, the Senior Management
378 Service Optional Annuity Program, or the State Community College
379 System Optional Retirement Program who is reemployed on or after
380 July 1, 2016, in a regularly established position eligible for
381 participation in the State Community College System Optional
382 Retirement Program shall become a renewed member of the optional
383 retirement program. The renewed member must satisfy the
384 eligibility requirements of this chapter and s. 1012.875 for the
385 optional retirement program. Once enrolled, a renewed member
386 remains enrolled in the optional retirement program while
387 employed in an eligible position for the optional retirement
388 program. If employment in a different covered position results
389 in the renewed member's enrollment in the investment plan, the
390 renewed member is no longer eligible to participate in the



391 optional retirement program.

392 (a) The renewed member is subject to the limitations on
393 reemployment after retirement provided in s. 121.091(9), as
394 applicable.

395 (b) The renewed member must satisfy the requirements for
396 termination from employment provided in s. 121.021(39).

397 (c) Upon renewed membership or reemployment of a retiree,
398 the employer and the renewed member shall pay the applicable
399 employer and employee contributions required under ss.
400 121.051(2)(c) and 1012.875.

401 (d) Employer and employee contributions, interest,
402 earnings, or any other funds may not be paid into a renewed
403 member's optional retirement program account for any employment
404 in a regularly established position with a covered employer on
405 or after July 1, 2010, through June 30, 2016, by the renewed
406 member or the employer on behalf of the renewed member.

407 (e) Notwithstanding s. 121.4501(4)(f), the renewed member
408 is not eligible to elect membership in the pension plan.

409 Section 5. Paragraphs (e) and (i) of subsection (2),
410 paragraph (b) of subsection (3), subsection (4), paragraph (c)
411 of subsection (5), and paragraphs (a) and (h) of subsection (10)
412 of section 121.4501, Florida Statutes, are amended to read:

413 121.4501 Florida Retirement System Investment Plan.—

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

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



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417 1. Is a member of, or is eligible for membership in, the
418 Florida Retirement System, including any renewed member of the
419 Florida Retirement System initially enrolled before July 1,
420 2010; ~~or~~

421 2. Participates in, or is eligible to participate in, the
422 Senior Management Service Optional Annuity Program as
423 established under s. 121.055(6), the State Community College
424 System Optional Retirement Program as established under s.
425 121.051(2)(c), or the State University System Optional
426 Retirement Program established under s. 121.35; or

427 3. Is a retired member of the investment plan, the State
428 University System Optional Retirement Program, the Senior
429 Management Service Optional Annuity Program, or the State
430 Community College System Optional Retirement Program who is
431 reemployed in a regularly established position on or after July
432 1, 2016, and enrolled as a renewed member as provided in s.
433 121.122.

434
435 The term does not include any member participating in the
436 Deferred Retirement Option Program established under s.
437 121.091(13), a retiree of the pension plan who is reemployed in
438 a regularly established position on or after July 1, 2010, a
439 retiree of a state-administered retirement system initially
440 reemployed in a regularly established position on or after July
441 1, 2010, through June 30, 2016, or a mandatory participant of
442 the State University System Optional Retirement Program



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443 established under s. 121.35.

444 (i) "Member" or "employee" means an eligible employee who
445 enrolls in, or who defaults into, the investment plan as
446 provided in subsection (4), a terminated Deferred Retirement
447 Option Program member as described in subsection (21), or a
448 beneficiary or alternate payee of a member or employee.

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

450 (b) Notwithstanding paragraph (a), an eligible employee
451 who elects to participate in, or who defaults into, the
452 investment plan and establishes one or more individual member
453 accounts may elect to transfer to the investment plan a sum
454 representing the present value of the employee's accumulated
455 benefit obligation under the pension plan, except as provided in
456 paragraph (4)(b). Upon transfer, all service credit earned under
457 the pension plan is nullified for purposes of entitlement to a
458 future benefit under the pension plan. A member may not transfer
459 the accumulated benefit obligation balance from the pension plan
460 after the time period for enrolling in the investment plan has
461 expired.

462 1. For purposes of this subsection, the present value of
463 the member's accumulated benefit obligation is based upon the
464 member's estimated creditable service and estimated average
465 final compensation under the pension plan, subject to
466 recomputation under subparagraph 2. For state employees, initial
467 estimates shall be based upon creditable service and average
468 final compensation as of midnight on June 30, 2002; for district



469 school board employees, initial estimates shall be based upon
470 creditable service and average final compensation as of midnight
471 on September 30, 2002; and for local government employees,
472 initial estimates shall be based upon creditable service and
473 average final compensation as of midnight on December 31, 2002.
474 The dates specified are the "estimate date" for these employees.
475 The actuarial present value of the employee's accumulated
476 benefit obligation shall be based on the following:

477 a. The discount rate and other relevant actuarial
478 assumptions used to value the Florida Retirement System Trust
479 Fund at the time the amount to be transferred is determined,
480 consistent with the factors provided in sub-subparagraphs b. and
481 c.

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

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

486 (I) Before July 1, 2011, the benefit commencement age is
487 the younger of the following, but may not be younger than the
488 member's age as of the estimate date:

489 (A) Age 62; or

490 (B) The age the member would attain if the member
491 completed 30 years of service with an employer, assuming the
492 member worked continuously from the estimate date, and
493 disregarding any vesting requirement that would otherwise apply
494 under the pension plan.



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

498 (A) Age 65; or

499 (B) The age the member would attain if the member
500 completed 33 years of service with an employer, assuming the
501 member worked continuously from the estimate date, and
502 disregarding any vesting requirement that would otherwise apply
503 under the pension plan.

504 d. For members of the Special Risk Class and for members
505 of the Special Risk Administrative Support Class entitled to
506 retain the special risk normal retirement date:

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

510 (A) Age 55; or

511 (B) The age the member would attain if the member
512 completed 25 years of service with an employer, assuming the
513 member worked continuously from the estimate date, and
514 disregarding any vesting requirement that would otherwise apply
515 under the pension plan.

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

520 (A) Age 60; or



521 (B) The age the member would attain if the member
522 completed 30 years of service with an employer, assuming the
523 member worked continuously from the estimate date, and
524 disregarding any vesting requirement that would otherwise apply
525 under the pension plan.

526 e. The calculation must disregard vesting requirements and
527 early retirement reduction factors that would otherwise apply
528 under the pension plan.

529 2. For each member who elects to transfer moneys from the
530 pension plan to his or her account in the investment plan, the
531 division shall recompute the amount transferred under
532 subparagraph 1. within 60 days after the actual transfer of
533 funds based upon the member's actual creditable service and
534 actual final average compensation as of the initial date of
535 participation in the investment plan. If the recomputed amount
536 differs from the amount transferred by \$10 or more, the division
537 shall:

538 a. Transfer, or cause to be transferred, from the Florida
539 Retirement System Trust Fund to the member's account the excess,
540 if any, of the recomputed amount over the previously transferred
541 amount together with interest from the initial date of transfer
542 to the date of transfer under this subparagraph, based upon the
543 effective annual interest equal to the assumed return on the
544 actuarial investment which was used in the most recent actuarial
545 valuation of the system, compounded annually.

546 b. Transfer, or cause to be transferred, from the member's



547 account to the Florida Retirement System Trust Fund the excess,
548 if any, of the previously transferred amount over the recomputed
549 amount, together with interest from the initial date of transfer
550 to the date of transfer under this subparagraph, based upon 6
551 percent effective annual interest, compounded annually, pro rata
552 based on the member's allocation plan.

553 3. If contribution adjustments are made as a result of
554 employer errors or corrections, including plan corrections,
555 following recomputation of the amount transferred under
556 subparagraph 1., the member is entitled to the additional
557 contributions or is responsible for returning any excess
558 contributions resulting from the correction. However, a ~~any~~
559 return of such erroneous excess pretax contribution by the plan
560 must be made within the period allowed by the Internal Revenue
561 Service. The present value of the member's accumulated benefit
562 obligation may ~~shall~~ not be recalculated.

563 4. As directed by the member, the state board shall
564 transfer or cause to be transferred the appropriate amounts to
565 the designated accounts within 30 days after the effective date
566 of the member's participation in the investment plan unless the
567 major financial markets for securities available for a transfer
568 are seriously disrupted by an unforeseen event that causes the
569 suspension of trading on a ~~any~~ national securities exchange in
570 the country where the securities were issued. In that event, the
571 30-day period may be extended by a resolution of the state
572 board. Transfers are not commissionable or subject to other fees



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573 and may be in the form of securities or cash, as determined by
574 the state board. Such securities are valued as of the date of
575 receipt in the member's account.

576 5. If the state board or the division receives
577 notification from the United States Internal Revenue Service
578 that this paragraph or any portion of this paragraph will cause
579 the retirement system, or a portion thereof, to be disqualified
580 for tax purposes under the Internal Revenue Code, the portion
581 that will cause the disqualification does not apply. Upon such
582 notice, the state board and the division shall notify the
583 presiding officers of the Legislature.

584 (4) PARTICIPATION; ENROLLMENT.—

585 (a)1. Effective June 1, 2002, through February 28, 2003, a
586 90-day election period was provided to each eligible employee
587 participating in the Florida Retirement System, preceded by a
588 90-day education period, permitting each eligible employee to
589 elect membership in the investment plan. An employee who failed
590 to elect the investment plan during the election period remained
591 in the pension plan. An eligible employee who was employed in a
592 regularly established position during the election period was
593 granted the option to make one subsequent election, as provided
594 in paragraph (f). With respect to an eligible employee who did
595 not participate in the initial election period or who is
596 initially employed in a regularly established position after the
597 close of the initial election period but before July 1, 2017, ~~on~~
598 June 1, 2002, by a state employer:



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599 ~~a. Any such employee may elect to participate in the~~
600 ~~investment plan in lieu of retaining his or her membership in~~
601 ~~the pension plan. The election must be made in writing or by~~
602 ~~electronic means and must be filed with the third-party~~
603 ~~administrator by August 31, 2002, or, in the case of an active~~
604 ~~employee who is on a leave of absence on April 1, 2002, by the~~
605 ~~last business day of the 5th month following the month the leave~~
606 ~~of absence concludes. This election is irrevocable, except as~~
607 ~~provided in paragraph (g). Upon making such election, the~~
608 ~~employee shall be enrolled as a member of the investment plan,~~
609 ~~the employee's membership in the Florida Retirement System is~~
610 ~~governed by the provisions of this part, and the employee's~~
611 ~~membership in the pension plan terminates. The employee's~~
612 ~~enrollment in the investment plan is effective the first day of~~
613 ~~the month for which a full month's employer contribution is made~~
614 ~~to the investment plan.~~

615 ~~b. Any such employee who fails to elect to participate in~~
616 ~~the investment plan within the prescribed time period is deemed~~
617 ~~to have elected to retain membership in the pension plan, and~~
618 ~~the employee's option to elect to participate in the investment~~
619 ~~plan is forfeited.~~

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

624 ~~a. Any such employee shall, by default, be enrolled in the~~



625 pension plan at the commencement of employment, and may, by the
626 last business day of the 5th month following the employee's
627 month of hire, elect to participate in the investment plan. The
628 employee's election must be made in writing or by electronic
629 means and must be filed with the third-party administrator. The
630 election to participate in the investment plan is irrevocable,
631 except as provided in paragraph (f) ~~(g)~~.

632 a.b. If the employee files such election within the
633 prescribed time period, enrollment in the investment plan is
634 effective on the first day of employment. The retirement
635 contributions paid through the month of the employee plan change
636 shall be transferred to the investment program, and, effective
637 the first day of the next month, the employer and employee must
638 pay the applicable contributions based on the employee
639 membership class in the program.

640 b.e. An employee who fails to elect to participate in the
641 investment plan within the prescribed time period is deemed to
642 have elected to retain membership in the pension plan, and the
643 employee's option to elect to participate in the investment plan
644 is forfeited.

645 2.3. With respect to employees who become eligible to
646 participate in the investment plan pursuant to s.
647 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
648 participate in the investment plan in lieu of retaining his or
649 her membership in the State Community College System Optional
650 Retirement Program or the State University System Optional



651 Retirement Program. The election must be made in writing or by
652 electronic means and must be filed with the third-party
653 administrator. This election is irrevocable, except as provided
654 in paragraph (f) ~~(g)~~. Upon making such election, the employee
655 shall be enrolled as a member in the investment plan, the
656 employee's membership in the Florida Retirement System is
657 governed by the provisions of this part, and the employee's
658 participation in the State Community College System Optional
659 Retirement Program or the State University System Optional
660 Retirement Program terminates. The employee's enrollment in the
661 investment plan is effective on the first day of the month for
662 which a full month's employer and employee contribution is made
663 to the investment plan.

664 (b)1. With respect to employees who become eligible to
665 participate in the investment plan by reason of employment in a
666 regularly established position commencing on or after July 1,
667 2017, or who did not complete an election window before July 1,
668 2017, any such employee shall be enrolled in the pension plan at
669 the commencement of employment and may, by the last business day
670 of the 8th month following the employee's month of hire, elect
671 to participate in the pension plan or the investment plan.
672 Eligible employees may make a plan election only if they are
673 earning service credit in an employer-employee relationship
674 consistent with s. 121.021(17)(b), excluding leaves of absence
675 without pay.

676 2. The employee's election must be made in writing or by



677 electronic means and must be filed with the third-party
678 administrator. The election to participate in the pension plan
679 or investment plan is irrevocable, except as provided in
680 paragraph (f).

681 3. If the employee fails to make an election of the
682 pension plan or investment plan within 8 months following the
683 month of hire, the employee is deemed to have elected the
684 investment plan and shall default into the investment plan
685 retroactively to the employee's date of employment. The
686 employee's option to participate in the pension plan is
687 forfeited, except as provided in paragraph (f).

688 4. The amount of the employee and employer contributions
689 paid through the date of default to the investment plan shall be
690 transferred to the investment plan and shall be placed in a
691 default fund as designated by the State Board of Administration.
692 The employee may move the contributions once an account is
693 activated in the investment plan.

694 5. Effective the first day of the month after an eligible
695 employee makes a plan election of the pension plan or investment
696 plan, or the first day of the month after default to the
697 investment plan, the employee and employer shall pay the
698 applicable contributions based on the employee membership class
699 in the program.

700 ~~4. For purposes of this paragraph, "state employer" means~~
701 ~~any agency, board, branch, commission, community college,~~
702 ~~department, institution, institution of higher education, or~~



703 ~~water management district of the state, which participates in~~
704 ~~the Florida Retirement System for the benefit of certain~~
705 ~~employees.~~

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

709 ~~a. Any such employee may elect to participate in the~~
710 ~~investment plan in lieu of retaining his or her membership in~~
711 ~~the pension plan. The election must be made in writing or by~~
712 ~~electronic means and must be filed with the third party~~
713 ~~administrator by November 30, or, in the case of an active~~
714 ~~employee who is on a leave of absence on July 1, 2002, by the~~
715 ~~last business day of the 5th month following the month the leave~~
716 ~~of absence concludes. This election is irrevocable, except as~~
717 ~~provided in paragraph (g). Upon making such election, the~~
718 ~~employee shall be enrolled as a member of the investment plan,~~
719 ~~the employee's membership in the Florida Retirement System is~~
720 ~~governed by the provisions of this part, and the employee's~~
721 ~~membership in the pension plan terminates. The employee's~~
722 ~~enrollment in the investment plan is effective the first day of~~
723 ~~the month for which a full month's employer contribution is made~~
724 ~~to the investment program.~~

725 ~~b. Any such employee who fails to elect to participate in~~
726 ~~the investment plan within the prescribed time period is deemed~~
727 ~~to have elected to retain membership in the pension plan, and~~
728 ~~the employee's option to elect to participate in the investment~~



729 ~~plan is forfeited.~~

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

734 ~~a. Any such employee shall, by default, be enrolled in the~~
735 ~~pension plan at the commencement of employment, and may, by the~~
736 ~~last business day of the 5th month following the employee's~~
737 ~~month of hire, elect to participate in the investment plan. The~~
738 ~~employee's election must be made in writing or by electronic~~
739 ~~means and must be filed with the third-party administrator. The~~
740 ~~election to participate in the investment plan is irrevocable,~~
741 ~~except as provided in paragraph (g).~~

742 ~~b. If the employee files such election within the~~
743 ~~prescribed time period, enrollment in the investment plan is~~
744 ~~effective on the first day of employment. The employer~~
745 ~~retirement contributions paid through the month of the employee~~
746 ~~plan change shall be transferred to the investment plan, and,~~
747 ~~effective the first day of the next month, the employer shall~~
748 ~~pay the applicable contributions based on the employee~~
749 ~~membership class in the investment plan.~~

750 ~~e. Any such employee who fails to elect to participate in~~
751 ~~the investment plan within the prescribed time period is deemed~~
752 ~~to have elected to retain membership in the pension plan, and~~
753 ~~the employee's option to elect to participate in the investment~~
754 ~~plan is forfeited.~~



755 ~~3. For purposes of this paragraph, "district school board~~
756 ~~employer" means any district school board that participates in~~
757 ~~the Florida Retirement System for the benefit of certain~~
758 ~~employees, or a charter school or charter technical career~~
759 ~~center that participates in the Florida Retirement System as~~
760 ~~provided in s. 121.051(2)(d).~~

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

764 ~~a. Any such employee may elect to participate in the~~
765 ~~investment plan in lieu of retaining his or her membership in~~
766 ~~the pension plan. The election must be made in writing or by~~
767 ~~electronic means and must be filed with the third party~~
768 ~~administrator by February 28, 2003, or, in the case of an active~~
769 ~~employee who is on a leave of absence on October 1, 2002, by the~~
770 ~~last business day of the 5th month following the month the leave~~
771 ~~of absence concludes. This election is irrevocable, except as~~
772 ~~provided in paragraph (g). Upon making such election, the~~
773 ~~employee shall be enrolled as a participant of the investment~~
774 ~~plan, the employee's membership in the Florida Retirement System~~
775 ~~is governed by the provisions of this part, and the employee's~~
776 ~~membership in the pension plan terminates. The employee's~~
777 ~~enrollment in the investment plan is effective the first day of~~
778 ~~the month for which a full month's employer contribution is made~~
779 ~~to the investment plan.~~

780 ~~b. Any such employee who fails to elect to participate in~~



781 ~~the investment plan within the prescribed time period is deemed~~
782 ~~to have elected to retain membership in the pension plan, and~~
783 ~~the employee's option to elect to participate in the investment~~
784 ~~plan is forfeited.~~

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

789 ~~a. Any such employee shall, by default, be enrolled in the~~
790 ~~pension plan at the commencement of employment, and may, by the~~
791 ~~last business day of the 5th month following the employee's~~
792 ~~month of hire, elect to participate in the investment plan. The~~
793 ~~employee's election must be made in writing or by electronic~~
794 ~~means and must be filed with the third-party administrator. The~~
795 ~~election to participate in the investment plan is irrevocable,~~
796 ~~except as provided in paragraph (g).~~

797 ~~b. If the employee files such election within the~~
798 ~~prescribed time period, enrollment in the investment plan is~~
799 ~~effective on the first day of employment. The employer~~
800 ~~retirement contributions paid through the month of the employee~~
801 ~~plan change shall be transferred to the investment plan, and,~~
802 ~~effective the first day of the next month, the employer shall~~
803 ~~pay the applicable contributions based on the employee~~
804 ~~membership class in the investment plan.~~

805 ~~e. Any such employee who fails to elect to participate in~~
806 ~~the investment plan within the prescribed time period is deemed~~



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807 ~~to have elected to retain membership in the pension plan, and~~
808 ~~the employee's option to elect to participate in the investment~~
809 ~~plan is forfeited.~~

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

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

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

822 ~~(e)1.(f)~~ A member of the investment plan who takes a
823 distribution of any contributions from his or her investment
824 plan account is considered a retiree. A retiree who is initially
825 reemployed in a regularly established position on or after July
826 1, 2010, but before July 1, 2016, is not eligible for to be
827 enrolled in renewed membership, except as provided in s.
828 121.122.

829 2. A retiree who is reemployed on or after July 1, 2016,
830 shall be enrolled as a renewed member as provided in s. 121.122.

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



833 or the month following the receipt of the eligible employee's
834 plan election, if sooner, the employee shall have one
835 opportunity, at the employee's discretion, to choose to move
836 from the pension plan to the investment plan or from the
837 investment plan to the pension plan. Eligible employees may
838 elect to move between plans only if they are earning service
839 credit in an employer-employee relationship consistent with s.
840 121.021(17)(b), excluding leaves of absence without pay.
841 Effective July 1, 2005, such elections are effective on the
842 first day of the month following the receipt of the election by
843 the third-party administrator and are not subject to the
844 requirements regarding an employer-employee relationship or
845 receipt of contributions for the eligible employee in the
846 effective month, except when the election is received by the
847 third-party administrator. This paragraph is contingent upon
848 approval by the Internal Revenue Service.

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

851 2. If the employee chooses to move to the pension plan,
852 the employee must transfer from his or her investment plan
853 account, and from other employee moneys as necessary, a sum
854 representing the present value of that employee's accumulated
855 benefit obligation immediately following the time of such
856 movement, determined assuming that attained service equals the
857 sum of service in the pension plan and service in the investment
858 plan. Benefit commencement occurs on the first date the employee



859 is eligible for unreduced benefits, using the discount rate and
860 other relevant actuarial assumptions that were used to value the
861 pension plan liabilities in the most recent actuarial valuation.
862 For any employee who, at the time of the second election,
863 already maintains an accrued benefit amount in the pension plan,
864 the then-present value of the accrued benefit is deemed part of
865 the required transfer amount. The division must ensure that the
866 transfer sum is prepared using a formula and methodology
867 certified by an enrolled actuary. A refund of any employee
868 contributions or additional member payments made which exceed
869 the employee contributions that would have accrued had the
870 member remained in the pension plan and not transferred to the
871 investment plan is not permitted.

872 3. Notwithstanding subparagraph 2., an employee who
873 chooses to move to the pension plan and who became eligible to
874 participate in the investment plan by reason of employment in a
875 regularly established position with a state employer after June
876 1, 2002; a district school board employer after September 1,
877 2002; or a local employer after December 1, 2002, must transfer
878 from his or her investment plan account, and from other employee
879 moneys as necessary, a sum representing the employee's actuarial
880 accrued liability. A refund of any employee contributions or
881 additional member ~~participant~~ payments made which exceed the
882 employee contributions that would have accrued had the member
883 remained in the pension plan and not transferred to the
884 investment plan is not permitted.



885 4. An employee's ability to transfer from the pension plan
886 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
887 ~~(d)~~, and the ability of a current employee to have an option to
888 later transfer back into the pension plan under subparagraph 2.,
889 shall be deemed a significant system amendment. Pursuant to s.
890 121.031(4), any resulting unfunded liability arising from actual
891 original transfers from the pension plan to the investment plan
892 must be amortized within 30 plan years as a separate unfunded
893 actuarial base independent of the reserve stabilization
894 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
895 direct amortization payment may not be calculated for this base.
896 During this 25-year period, the separate base shall be used to
897 offset the impact of employees exercising their second program
898 election under this paragraph. The actuarial funded status of
899 the pension plan will not be affected by such second program
900 elections in any significant manner, after due recognition of
901 the separate unfunded actuarial base. Following the initial 25-
902 year period, any remaining balance of the original separate base
903 shall be amortized over the remaining 5 years of the required
904 30-year amortization period.

905 5. If the employee chooses to transfer from the investment
906 plan to the pension plan and retains an excess account balance
907 in the investment plan after satisfying the buy-in requirements
908 under this paragraph, the excess may not be distributed until
909 the member retires from the pension plan. The excess account
910 balance may be rolled over to the pension plan and used to



911 purchase service credit or upgrade creditable service in the
912 pension plan.

913 (5) CONTRIBUTIONS.—

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

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

922 2. The employer contribution portion earmarked for
923 administrative and educational expenses shall be transferred to
924 the State Board of Administration Administrative Florida
925 ~~Retirement System Investment Plan~~ Trust Fund.

926 3. The employer contribution portion earmarked for
927 disability benefits and line-of-duty death benefits shall be
928 transferred to the Florida Retirement System Trust Fund.

929 (10) EDUCATION COMPONENT.—

930 (a) The state board, in coordination with the department,
931 shall provide for an education component for eligible employees
932 ~~system members~~ in a manner consistent with ~~the provisions of~~
933 this subsection ~~section~~. ~~The education component must be~~
934 ~~available to eligible employees at least 90 days prior to the~~
935 ~~beginning date of the election period for the employees of the~~
936 ~~respective types of employers.~~



937 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
938 ~~System employers have an obligation to regularly communicate the~~
939 ~~existence of the two Florida Retirement System plans and the~~
940 ~~plan choice in the natural course of administering their~~
941 ~~personnel functions, using the educational materials supplied by~~
942 ~~the state board and the Department of Management Services.~~

943 Section 6. Subsection (2) of section 121.571, Florida
944 Statutes, is amended to read:

945 121.571 Contributions.—Contributions to the Florida
946 Retirement System Investment Plan shall be made as follows:

947 (2) CONTRIBUTION RATES GENERALLY.—Contributions to fund
948 the retirement, and disability, and line-of-duty death benefits
949 provided under this part must be based on the uniform
950 contribution rates established by s. 121.71 and on the
951 membership class or subclass of the member. Such contributions
952 must be allocated as provided in ss. 121.72, and 121.73, and
953 121.735.

954 Section 7. Subsection (3) of section 121.591, Florida
955 Statutes, is amended, subsection (4) of that section is
956 renumbered as subsection (5), and a new subsection (4) is added
957 to that section, to read:

958 121.591 Payment of benefits.—Benefits may not be paid
959 under the Florida Retirement System Investment Plan unless the
960 member has terminated employment as provided in s.
961 121.021(39)(a) or is deceased and a proper application has been
962 filed as prescribed by the state board or the department.



963 Benefits, including employee contributions, are not payable
964 under the investment plan for employee hardships, unforeseeable
965 emergencies, loans, medical expenses, educational expenses,
966 purchase of a principal residence, payments necessary to prevent
967 eviction or foreclosure on an employee's principal residence, or
968 any other reason except a requested distribution for retirement,
969 a mandatory de minimis distribution authorized by the
970 administrator, or a required minimum distribution provided
971 pursuant to the Internal Revenue Code. The state board or
972 department, as appropriate, may cancel an application for
973 retirement benefits if the member or beneficiary fails to timely
974 provide the information and documents required by this chapter
975 and the rules of the state board and department. In accordance
976 with their respective responsibilities, the state board and the
977 department shall adopt rules establishing procedures for
978 application for retirement benefits and for the cancellation of
979 such application if the required information or documents are
980 not received. The state board and the department, as
981 appropriate, are authorized to cash out a de minimis account of
982 a member who has been terminated from Florida Retirement System
983 covered employment for a minimum of 6 calendar months. A de
984 minimis account is an account containing employer and employee
985 contributions and accumulated earnings of not more than \$5,000
986 made under the provisions of this chapter. Such cash-out must be
987 a complete lump-sum liquidation of the account balance, subject
988 to the provisions of the Internal Revenue Code, or a lump-sum



989 direct rollover distribution paid directly to the custodian of
990 an eligible retirement plan, as defined by the Internal Revenue
991 Code, on behalf of the member. Any nonvested accumulations and
992 associated service credit, including amounts transferred to the
993 suspense account of the Florida Retirement System Investment
994 Plan Trust Fund authorized under s. 121.4501(6), shall be
995 forfeited upon payment of any vested benefit to a member or
996 beneficiary, except for de minimis distributions or minimum
997 required distributions as provided under this section. If any
998 financial instrument issued for the payment of retirement
999 benefits under this section is not presented for payment within
1000 180 days after the last day of the month in which it was
1001 originally issued, the third-party administrator or other duly
1002 authorized agent of the state board shall cancel the instrument
1003 and credit the amount of the instrument to the suspense account
1004 of the Florida Retirement System Investment Plan Trust Fund
1005 authorized under s. 121.4501(6). Any amounts transferred to the
1006 suspense account are payable upon a proper application, not to
1007 include earnings thereon, as provided in this section, within 10
1008 years after the last day of the month in which the instrument
1009 was originally issued, after which time such amounts and any
1010 earnings attributable to employer contributions shall be
1011 forfeited. Any forfeited amounts are assets of the trust fund
1012 and are not subject to chapter 717.

1013 (3) DEATH BENEFITS.—Under the Florida Retirement System
1014 Investment Plan:



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1015 (a) Survivor benefits are payable in accordance with the
1016 following terms and conditions, except as provided in subsection
1017 (4):

1018 1. To the extent vested, benefits are payable only to a
1019 member's beneficiary or beneficiaries as designated by the
1020 member as provided in s. 121.4501(20).

1021 2. Benefits shall be paid by the third-party administrator
1022 or designated approved providers in accordance with the law, the
1023 contracts, and any applicable state board rule or policy.

1024 3. To receive benefits, the member must be deceased.

1025 (b) Except as provided in subsection (4), in the event of
1026 a member's death, all vested accumulations as described in s.
1027 121.4501(6), less withholding taxes remitted to the Internal
1028 Revenue Service, shall be distributed, as provided in paragraph
1029 (c) or as described in s. 121.4501(20), as if the member retired
1030 on the date of death. No other death benefits are available for
1031 survivors of members, except for benefits, or coverage for
1032 benefits, as are otherwise provided by law or separately
1033 provided by the employer, at the employer's discretion.

1034 (c) Except as provided in subsection (4), upon receipt by
1035 the third-party administrator of a properly executed application
1036 for distribution of benefits, the total accumulated benefit is
1037 payable by the third-party administrator to the member's
1038 surviving beneficiary or beneficiaries, as:

1039 1. A lump-sum distribution payable to the beneficiary or
1040 beneficiaries, or to the deceased member's estate;



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1041 2. An eligible rollover distribution, if permitted, on
1042 behalf of the surviving spouse of a deceased member, whereby all
1043 accrued benefits, plus interest and investment earnings, are
1044 paid from the deceased member's account directly to the
1045 custodian of an eligible retirement plan, as described in s.
1046 402(c)(8)(B) of the Internal Revenue Code, on behalf of the
1047 surviving spouse; or

1048 3. A partial lump-sum payment whereby a portion of the
1049 accrued benefit is paid to the deceased member's surviving
1050 spouse or other designated beneficiaries, less withholding taxes
1051 remitted to the Internal Revenue Service, and the remaining
1052 amount is transferred directly to the custodian of an eligible
1053 retirement plan, if permitted, as described in s. 402(c)(8)(B)
1054 of the Internal Revenue Code, on behalf of the surviving spouse.
1055 The proportions must be specified by the member or the surviving
1056 beneficiary.

1057
1058 This paragraph does not abrogate other applicable provisions of
1059 state or federal law providing for payment of death benefits.

1060 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN
1061 MEMBERS.—Benefits are provided under this subsection to the
1062 spouse and child or children of members in the investment plan
1063 when such members are killed in the line of duty and are payable
1064 in lieu of the benefits that would otherwise be payable under
1065 subsection (1) or subsection (3). Benefits provided by this
1066 subsection supersede any other distribution that may have been



1067 provided by the member's designation of beneficiary. Such
1068 benefits must be funded from employer contributions made under
1069 s. 121.571, transferred employee contributions and funds
1070 accumulated pursuant to paragraph (a), and interest and earnings
1071 thereon.

1072 (a) Transfer of funds.—To qualify to receive monthly
1073 benefits under this subsection:

1074 1. All moneys accumulated in the member's account,
1075 including vested and nonvested accumulations as described in s.
1076 121.4501(6), must be transferred from such individual accounts
1077 to the division for deposit in the survivor benefit account of
1078 the Florida Retirement System Trust Fund.

1079 2. Moneys in the survivor benefit account must be
1080 accounted for separately. Earnings must be credited on an annual
1081 basis for amounts held in the survivor benefit account of the
1082 Florida Retirement System Trust Fund based on actual earnings of
1083 the trust fund.

1084 3. If the member has retained retirement credit earned
1085 under the pension plan as provided in s. 121.4501(3), a sum
1086 representing the actuarial present value of such credit within
1087 the Florida Retirement System Trust Fund shall be transferred by
1088 the division from the pension plan to the survivor benefit
1089 retirement program as implemented under this subsection and
1090 shall be deposited in the survivor benefit account of the trust
1091 fund.

1092 (b) Survivor retirement; entitlement.—An investment plan



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1093 member who is killed in the line of duty on or after July 1,
1094 2002, regardless of length of creditable service, may receive
1095 survivor benefits in accordance with s. 121.091(7)(d). Such
1096 benefits must be calculated as provided in paragraph (e) and be
1097 provided to:

- 1098 1. The surviving spouse for the spouse's lifetime; or
1099 2. If there is no surviving spouse or the surviving spouse
1100 dies, the member's child or children under 18 years of age and
1101 unmarried until the 18th birthday of the member's youngest
1102 child.

1103 (c) Survivor benefit retirement effective date.—The
1104 effective retirement date for the surviving spouse or eligible
1105 child or children of an investment plan member who is killed in
1106 the line of duty shall be:

- 1107 1. The first day of the month following the member's
1108 death, if the member is killed on or after July 1, 2016; or
1109 2. July 1, 2016, if the member is killed in the line of
1110 duty on or after July 1, 2002, but before July 1, 2016, and the
1111 application is received before July 1, 2016, or the first day of
1112 the month following receipt of the application.

1113 (d) Line-of-duty death benefit.—

- 1114 1. The following individuals are eligible to receive a
1115 retirement benefit under s. 121.091(7)(d) if the member's
1116 account balance is surrendered and an application is received
1117 and approved:

- 1118 a. The surviving spouse.



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1119 b. If there is no surviving spouse or the surviving spouse
1120 dies, the member's child or children under 18 years of age and
1121 unmarried until the 18th birthday of the member's youngest
1122 child.

1123 2. Such surviving spouse or such child or children shall
1124 receive a monthly survivor benefit that begins accruing on the
1125 first day of the month of survivor benefit retirement, as
1126 approved by the division, and is payable on the last day of that
1127 month and each month thereafter during the surviving spouse's
1128 lifetime or on behalf of the unmarried child or children of the
1129 member until the 18th birthday of the youngest child. Survivor
1130 benefits must be paid out of the survivor benefit account of the
1131 Florida Retirement System Trust Fund established under this
1132 subsection.

1133 (e) Computation of survivor benefit retirement benefit.—

1134 1. For a member killed in the line of duty on or after
1135 July 1, 2016, the amount of each monthly payment must be
1136 calculated as provided under s. 121.091(7) (d).

1137 2. For a member killed in the line of duty on or after
1138 July 1, 2002, but before July 1, 2016, the initial benefit
1139 payable on or after July 1, 2016, shall be equal to the benefit
1140 provided under s. 121.091(7) (d), except that it shall be:

1141 a. Actuarially reduced by the amount of the investment
1142 plan account payout if a payout was provided to the beneficiary;
1143 and

1144 b. After the actuarial reduction, increased by the



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1145 applicable cost-of-living adjustment that would have been
1146 payable if the survivor benefit payment had begun the month
1147 following the member's death. On each July 1 thereafter, the
1148 survivor benefit payment shall be increased by the applicable
1149 cost-of-living adjustment.

1150 (f) Death of surviving spouse or children.—

1151 1. Upon the death of a surviving spouse, the monthly
1152 benefits shall be paid through the last day of the month of
1153 death and shall terminate or be paid on behalf of the unmarried
1154 child or children until the 18th birthday of the youngest child.

1155 2. If the surviving spouse dies and the benefits are being
1156 paid on behalf of the member's unmarried child or children as
1157 provided in subparagraph 1., benefits shall be paid until the
1158 last day of the month the youngest child reaches his or her 18th
1159 birthday.

1160 Section 8. Section 121.5912, Florida Statutes, is created
1161 to read:

1162 121.5912 Survivor benefit retirement program; qualified
1163 status; rulemaking authority.—It is the intent of the
1164 Legislature that the survivor benefit retirement program for
1165 members of the Florida Retirement System Investment Plan meet
1166 all applicable requirements for a qualified plan. If the state
1167 board or the division receives notification from the Internal
1168 Revenue Service that this program or any portion of this program
1169 will cause the retirement system, or any portion thereof, to be
1170 disqualified for tax purposes under the Internal Revenue Code,



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1171 the portion that will cause the disqualification does not apply.
1172 Upon such notice, the state board or the division shall notify
1173 the presiding officers of the Legislature. The state board and
1174 the department may adopt any rules necessary to maintain the
1175 qualified status of the survivor benefit retirement program.

1176 Section 9. Subsection (1) of section 121.71, Florida
1177 Statutes, is amended to read:

1178 121.71 Uniform rates; process; calculations; levy.—

1179 (1) In conducting the system actuarial study required
1180 under s. 121.031, the actuary shall follow all requirements
1181 specified to determine, by Florida Retirement System employee
1182 membership class, the dollar contribution amounts necessary for
1183 the next fiscal year for the pension plan. In addition, the
1184 actuary shall determine, by Florida Retirement System membership
1185 class, based on an estimate for the next fiscal year of the
1186 gross compensation of employees participating in the investment
1187 plan, the dollar contribution amounts necessary to make the
1188 allocations required under ss. 121.72, ~~and~~ 121.73, and 121.735.
1189 For each employee membership class and subclass, the actuarial
1190 study must establish a uniform rate necessary to fund the
1191 benefit obligations under both Florida Retirement System
1192 retirement plans by dividing the sum of total dollars required
1193 by the estimated gross compensation of members in both plans.

1194 Section 10. Section 121.735, Florida Statutes, is created
1195 to read:

1196 121.735 Allocations for member line-of-duty death



1197 benefits; percentage amounts.—

1198 (1) The allocations established in subsection (3) shall be
 1199 used to provide line-of-duty death benefit coverage for the
 1200 surviving spouses and children of members in the investment plan
 1201 and shall be transferred monthly by the division from the
 1202 Florida Retirement System Contributions Clearing Trust Fund to
 1203 the survivor benefit account of the Florida Retirement System
 1204 Trust Fund.

1205 (2) Such allocations are stated as a percentage of each
 1206 investment plan member's gross compensation for the calendar
 1207 month. Any change in a contribution percentage is effective the
 1208 first day of the month for which retirement contributions may be
 1209 made on or after the beginning date of the change. Contribution
 1210 percentages may be modified by general law.

1211 (3) Effective July 1, 2016, allocations from the Florida
 1212 Retirement System Contributions Clearing Trust Fund to provide
 1213 line-of-duty death benefits for the surviving spouses and
 1214 children of members in the investment plan and to offset the
 1215 costs of administering said coverage are as follows:

	<u>Percentage of</u> ²¹⁷
	<u>Gross</u>
<u>Membership Class</u>	<u>Compensation</u>

1218

1219



1220	<u>Regular Class</u>	<u>0.06%</u>
1221	<u>Special Risk Class</u>	<u>0.46%</u>
1222	<u>Special Risk</u> <u>Administrative</u> <u>Support Class</u>	<u>0.04%</u>
1223	<u>Elected Officers' Class—</u> <u>Legislators, Governor,</u> <u>Lieutenant Governor,</u> <u>Cabinet Officers,</u> <u>State Attorneys,</u> <u>Public Defenders</u>	<u>0.17%</u>
1224	<u>Elected Officers' Class—</u> <u>Justices, Judges</u>	<u>0.14%</u>
1225	<u>Elected Officers' Class—</u> <u>County Elected Officers</u>	<u>0.23%</u>
1226	<u>Senior Management Service Class</u>	<u>0.06%</u>
1227	Section 11. Section 121.74, Florida Statutes, is amended	
1228	to read:	
1229	121.74 Administrative and educational expenses.—In	



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1230 addition to contributions required to fund member accounts under
1231 s. ss. 121.71 and 121.73, effective July 1, 2010, through June
1232 30, 2014, employers participating in the Florida Retirement
1233 System shall contribute an employer assessment amount equal to
1234 0.03 percent of the payroll reported for each class or subclass
1235 of Florida Retirement System membership. Effective July 1, 2014,
1236 the employer assessment is 0.04 percent of the payroll reported
1237 for each class or subclass of membership. The amount assessed
1238 shall be transferred by the division ~~of Retirement~~ from the
1239 Florida Retirement System Contributions Clearing Trust Fund to
1240 the State Board of Administration's Administrative Trust Fund to
1241 offset the costs of administering the investment plan and the
1242 costs of providing educational services to members of the
1243 Florida Retirement System. Approval of the trustees is required
1244 before the expenditure of these funds. Payments for third-party
1245 administrative or educational expenses shall be made only
1246 pursuant to the terms of the approved contracts for such
1247 services.

1248 Section 12. Section 121.75, Florida Statutes, is amended
1249 to read:

1250 121.75 Allocation for pension plan.—After making the
1251 transfers required pursuant to ss. 121.71, 121.72, 121.73,
1252 121.735, and 121.74, the monthly balance of funds in the Florida
1253 Retirement System Contributions Clearing Trust Fund shall be
1254 transferred to the Florida Retirement System Trust Fund to pay
1255 the costs of providing pension plan benefits and plan



1256 administrative costs under the pension plan.

1257 Section 13. For the 2016-2017 fiscal year only, upon
1258 notification by the Department of Management Services that
1259 sufficient funds are not available to make survivor benefit
1260 payments authorized by this act, the State Board of
1261 Administration shall transfer, to the extent necessary, moneys
1262 in the Administrative Trust Fund to the survivor benefits
1263 account in the Florida Retirement System Trust Fund to ensure
1264 the timely payment of survivor benefits.

1265 Section 14. (1) In order to fund the benefit changes
1266 provided in this act, the required employer contribution rates
1267 for members of the Florida Retirement System established in s.
1268 121.71(4), Florida Statutes, are adjusted as follows:

1269 (a) The Regular Class is increased by 0.01 percentage
1270 points.

1271 (b) The Special Risk Class is increased by 0.07 percentage
1272 points.

1273 (c) The Special Risk Administrative Support Class is
1274 increased by 0.02 percentage points.

1275 (d) The Elected Officers' Class—Legislators, Governor,
1276 Lieutenant Governor, Cabinet Officers, State Attorneys, Public
1277 Defenders is increased by 0.05 percentage points.

1278 (e) The Elected Officers' Class—Justices, Judges is
1279 increased by 0.02 percentage points.

1280 (f) The Elected Officers' Class—County Elected Officers is
1281 increased by 0.07 percentage points.



1282 (g) The Senior Management Service Class is increased by
1283 0.01 percentage points.

1284 (2) The adjustments provided in subsection (1) are in
1285 addition to any other changes to such contribution rates that
1286 may be enacted into law to take effect on July 1, 2016. The
1287 Division of Law Revision and Information is directed to adjust
1288 accordingly the contribution rates provided in s. 121.71,
1289 Florida Statutes.

1290 Section 15. The Legislature finds that a proper and
1291 legitimate state purpose is served when employees and retirees
1292 of the state and its political subdivisions, and the dependents,
1293 survivors, and beneficiaries of such employees and retirees, are
1294 extended the basic protections afforded by governmental
1295 retirement systems. These persons must be provided benefits that
1296 are fair and adequate and that are managed, administered, and
1297 funded in an actuarially sound manner, as required by s. 14,
1298 Article X of the State Constitution and part VII of chapter 112,
1299 Florida Statutes. Therefore, the Legislature determines and
1300 declares that this act fulfills an important state interest.

1301 Section 16. For the 2016-2017 fiscal year, the recurring
1302 sums of \$4,249,000 from the General Revenue Fund and \$900,000
1303 from trust funds are appropriated to Administered Funds in order
1304 to fund the increased employer contribution rates to be paid
1305 under this act by state agencies, state universities, state
1306 colleges, and school districts.

1307 Section 17. For the 2017-2018 fiscal year, the Legislature



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1308 | must appropriate funds to reduce the unfunded actuarial
1309 | liability of the Florida Retirement System Pension Plan.
1310 | Section 18. This act shall take effect July 1, 2016.