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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/07/2017	.	
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The Committee on Community Affairs (Brandes) recommended the following:

1 **Senate Substitute for Amendment (153682) (with title**
2 **amendment)**

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

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

10 121.051 Participation in the system.—



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11 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.-

12 (a) Employees initially enrolled on or after January 1,
13 2017, in positions covered by the Elected Officers' Class or the
14 Senior Management Service Class are compulsory members of the
15 investment plan, except those eligible to withdraw from the
16 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
17 eligible for optional retirement programs under paragraph
18 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
19 membership continues if there is subsequent employment in a
20 position covered by another membership class. Membership in the
21 pension plan is not permitted except as provided in s.
22 121.591(2). Employees initially enrolled on or after January 1,
23 2017, are not eligible to use the election opportunity specified
24 in s. 121.4501(4)(g).

25 (b) Employees initially enrolled in the Florida Retirement
26 System before January 1, 2017, may retain their membership in
27 the pension plan or investment plan and are eligible to use the
28 election opportunity specified in s. 121.4501(4)(g).

29 (c) Employees initially enrolled in the Florida Retirement
30 System on or after January 1, 2017, whose first regularly
31 established positions are not covered by the Elected Officers'
32 Class or the Senior Management Service Class and who are
33 subsequently employed in positions covered by the Elected
34 Officers' Class or the Senior Management Service Class shall
35 retain their membership in the pension plan or investment plan
36 and are eligible to use the election opportunity specified in s.
37 121.4501(4)(g).

38 (d) Employees eligible to withdraw from the system under s.
39 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from



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40 the system or to participate in the investment plan as provided
41 in those sections. Employees eligible for optional retirement
42 programs under paragraph (2)(c) or s. 121.35 may choose to
43 participate in the optional retirement program or the investment
44 plan as provided in this section. Eligible employees required to
45 participate pursuant to paragraph (1)(a) in the optional
46 retirement program as provided under s. 121.35 must participate
47 in the investment plan when employed in a position not eligible
48 for the optional retirement program.

49 Section 2. Paragraph (c) of subsection (3) of section
50 121.052, Florida Statutes, is amended to read:

51 121.052 Membership class of elected officers.—

52 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
53 1, 1990, participation in the Elected Officers' Class shall be
54 compulsory for elected officers listed in paragraphs (2)(a)-(d)
55 and (f) assuming office on or after said date, unless the
56 elected officer elects membership in another class or withdraws
57 from the Florida Retirement System as provided in paragraphs
58 (3)(a)-(d):

59 (c) Before January 1, 2017, any elected officer may, within
60 6 months after assuming office, or within 6 months after this
61 act becomes a law for serving elected officers, elect membership
62 in the Senior Management Service Class as provided in s. 121.055
63 in lieu of membership in the Elected Officers' Class. Any such
64 election made by a county elected officer shall have no effect
65 upon the statutory limit on the number of nonelective full-time
66 positions that may be designated by a local agency employer for
67 inclusion in the Senior Management Service Class under s.
68 121.055(1)(b)1.



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

72 121.055 Senior Management Service Class.—There is hereby
73 established a separate class of membership within the Florida
74 Retirement System to be known as the “Senior Management Service
75 Class,” which shall become effective February 1, 1987.

76 (1)

77 (f) Effective July 1, 1997, through December 31, 2016:

78 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
79 4., an elected state officer eligible for membership in the
80 Elected Officers’ Class under s. 121.052(2)(a), (b), or (c) who
81 elects membership in the Senior Management Service Class under
82 s. 121.052(3)(c) may, within 6 months after assuming office or
83 within 6 months after this act becomes a law for serving elected
84 state officers, elect to participate in the Senior Management
85 Service Optional Annuity Program, as provided in subsection (6),
86 in lieu of membership in the Senior Management Service Class.

87 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
88 4., an elected officer of a local agency employer eligible for
89 membership in the Elected Officers’ Class under s. 121.052(2)(d)
90 who elects membership in the Senior Management Service Class
91 under s. 121.052(3)(c) may, within 6 months after assuming
92 office, or within 6 months after this act becomes a law for
93 serving elected officers of a local agency employer, elect to
94 withdraw from the Florida Retirement System, as provided in
95 subparagraph (b)2., in lieu of membership in the Senior
96 Management Service Class.

97 3. A retiree of a state-administered retirement system who



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98 is initially reemployed in a regularly established position on
99 or after July 1, 2010, as an elected official eligible for the
100 Elected Officers' Class may not be enrolled in renewed
101 membership in the Senior Management Service Class or in the
102 Senior Management Service Optional Annuity Program as provided
103 in subsection (6), and may not withdraw from the Florida
104 Retirement System as a renewed member as provided in
105 subparagraph (b)2., as applicable, in lieu of membership in the
106 Senior Management Service Class.

107 4. On or after January 1, 2017, an elected officer eligible
108 for membership in the Elected Officers' Class may not be
109 enrolled in the Senior Management Service Class or in the Senior
110 Management Service Optional Annuity Program as provided in
111 subsection (6).

112 (6)

113 (c) *Participation.*—

114 1. An eligible employee who is employed on or before
115 February 1, 1987, may elect to participate in the optional
116 annuity program in lieu of participating in the Senior
117 Management Service Class. Such election must be made in writing
118 and filed with the department and the personnel officer of the
119 employer on or before May 1, 1987. An eligible employee who is
120 employed on or before February 1, 1987, and who fails to make an
121 election to participate in the optional annuity program by May
122 1, 1987, shall be deemed to have elected membership in the
123 Senior Management Service Class.

124 2. Except as provided in subparagraph 6., an employee who
125 becomes eligible to participate in the optional annuity program
126 by reason of initial employment commencing after February 1,



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127 1987, may, within 90 days after the date of commencing
128 employment, elect to participate in the optional annuity
129 program. Such election must be made in writing and filed with
130 the personnel officer of the employer. An eligible employee who
131 does not within 90 days after commencing employment elect to
132 participate in the optional annuity program shall be deemed to
133 have elected membership in the Senior Management Service Class.

134 3. A person who is appointed to a position in the Senior
135 Management Service Class and who is a member of an existing
136 retirement system or the Special Risk or Special Risk
137 Administrative Support Classes of the Florida Retirement System
138 may elect to remain in such system or class in lieu of
139 participating in the Senior Management Service Class or optional
140 annuity program. Such election must be made in writing and filed
141 with the department and the personnel officer of the employer
142 within 90 days after such appointment. An eligible employee who
143 fails to make an election to participate in the existing system,
144 the Special Risk Class of the Florida Retirement System, the
145 Special Risk Administrative Support Class of the Florida
146 Retirement System, or the optional annuity program shall be
147 deemed to have elected membership in the Senior Management
148 Service Class.

149 4. Except as provided in subparagraph 5., an employee's
150 election to participate in the optional annuity program is
151 irrevocable if the employee continues to be employed in an
152 eligible position and continues to meet the eligibility
153 requirements set forth in this paragraph.

154 5. Effective from July 1, 2002, through September 30, 2002,
155 an active employee in a regularly established position who has



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156 elected to participate in the Senior Management Service Optional
157 Annuity Program has one opportunity to choose to move from the
158 Senior Management Service Optional Annuity Program to the
159 Florida Retirement System Pension Plan.

160 a. The election must be made in writing and must be filed
161 with the department and the personnel officer of the employer
162 before October 1, 2002, or, in the case of an active employee
163 who is on a leave of absence on July 1, 2002, within 90 days
164 after the conclusion of the leave of absence. This election is
165 irrevocable.

166 b. The employee shall receive service credit under the
167 pension plan equal to his or her years of service under the
168 Senior Management Service Optional Annuity Program. The cost for
169 such credit is the amount representing the present value of that
170 employee's accumulated benefit obligation for the affected
171 period of service.

172 c. The employee must transfer the total accumulated
173 employer contributions and earnings on deposit in his or her
174 Senior Management Service Optional Annuity Program account. If
175 the transferred amount is not sufficient to pay the amount due,
176 the employee must pay a sum representing the remainder of the
177 amount due. The employee may not retain any employer
178 contributions or earnings from the Senior Management Service
179 Optional Annuity Program account.

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

184 7. Effective January 1, 2017, the Senior Management Service



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185 Optional Annuity Program is closed to new members. Members
186 enrolled in the Senior Management Service Optional Annuity
187 Program on or before January 1, 2017, may retain their
188 membership in the annuity program.

189 Section 4. Subsection (1), paragraph (g) of subsection (4),
190 subsection (8), and paragraphs (b) and (c) of subsection (10) of
191 section 121.4501, Florida Statutes, are amended, and paragraph
192 (h) is added to subsection (4) of that section, to read:

193 121.4501 Florida Retirement System Investment Plan.—

194 (1) ESTABLISHMENT.—

195 (a) The Trustees of the State Board of Administration shall
196 establish a defined contribution program called the "Florida
197 Retirement System Investment Plan" or "investment plan" for
198 members of the Florida Retirement System under which retirement
199 benefits will be provided for:

200 1. Eligible employees who elect to participate in the
201 program; and

202 2. Employees initially enrolled on or after January 1,
203 2017, in positions covered by the Elected Officers' Class and
204 the Senior Management Service Class who are compulsory members
205 of the investment plan unless otherwise eligible to withdraw
206 from the system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or
207 to participate in an optional retirement program under s.
208 121.051(1)(a) or (2)(c), or s. 121.35. Investment plan
209 membership continues if the member is subsequently employed in a
210 position covered by another membership class.

211 (b)1. Employees initially enrolled on or after January 1,
212 2017, in positions covered by the Elected Officers' Class and
213 the Senior Management Service Class may retain their membership



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214 in the pension plan or investment plan and are eligible to use
215 the election opportunity specified in s. 121.4501(4) (g).

216 2. Employees initially enrolled in the Florida Retirement
217 System on or after January 1, 2017, whose initial employment is
218 in a regularly established position that is not covered by the
219 Elected Officers' Class or the Senior Management Service Class
220 who are subsequently employed in a position covered by the
221 Elected Officers' Class or the Senior Management Service Class
222 shall retain their membership in the pension plan or the
223 investment plan and are eligible to use the election opportunity
224 specified in paragraph (4) (g).

225 3. Employees eligible to withdraw from the system under s.
226 121.052(3) (d) or s. 121.055(1) (b)2. may choose to withdraw from
227 the system or participate in the investment plan as provided in
228 those sections. Employees eligible for optional retirement
229 programs under s. 121.051(2) (c) or s. 121.35 may choose to
230 participate in the optional retirement program or the investment
231 plan. Eligible employees required to participate in the optional
232 retirement program pursuant to s. 121.051(1) (a) as provided
233 under s. 121.35 must participate in the investment plan when
234 employed in a position not eligible for the optional retirement
235 program.

236 (c) The retirement benefits shall be provided through
237 member-directed investments, in accordance with s. 401(a) of the
238 Internal Revenue Code and related regulations. The employer and
239 employee shall make contributions, as provided in this section
240 and ss. 121.571 and 121.71, to the Florida Retirement System
241 Investment Plan Trust Fund toward the funding of benefits.

242 (4) PARTICIPATION; ENROLLMENT.—



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243 (g) After the period during which an eligible employee had
244 the choice to elect the pension plan or the investment plan, or
245 the month following the receipt of the eligible employee's plan
246 election, if sooner, the employee shall have one opportunity, at
247 the employee's discretion, to choose to move from the pension
248 plan to the investment plan or from the investment plan to the
249 pension plan. Eligible employees may elect to move between plans
250 only if they are earning service credit in an employer-employee
251 relationship consistent with s. 121.021(17)(b), excluding leaves
252 of absence without pay. Effective July 1, 2005, such elections
253 are effective on the first day of the month following the
254 receipt of the election by the third-party administrator and are
255 not subject to the requirements regarding an employer-employee
256 relationship or receipt of contributions for the eligible
257 employee in the effective month, except when the election is
258 received by the third-party administrator. This paragraph is
259 contingent upon approval by the Internal Revenue Service. This
260 paragraph is not applicable to compulsory investment plan
261 members enrolled under paragraph (h).

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

264 2. If the employee chooses to move to the pension plan, the
265 employee must transfer from his or her investment plan account,
266 and from other employee moneys as necessary, a sum representing
267 the present value of that employee's accumulated benefit
268 obligation immediately following the time of such movement,
269 determined assuming that attained service equals the sum of
270 service in the pension plan and service in the investment plan.
271 Benefit commencement occurs on the first date the employee is



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272 eligible for unreduced benefits, using the discount rate and
273 other relevant actuarial assumptions that were used to value the
274 pension plan liabilities in the most recent actuarial valuation.
275 For any employee who, at the time of the second election,
276 already maintains an accrued benefit amount in the pension plan,
277 the then-present value of the accrued benefit is deemed part of
278 the required transfer amount. The division must ensure that the
279 transfer sum is prepared using a formula and methodology
280 certified by an enrolled actuary. A refund of any employee
281 contributions or additional member payments made which exceed
282 the employee contributions that would have accrued had the
283 member remained in the pension plan and not transferred to the
284 investment plan is not permitted.

285 3. Notwithstanding subparagraph 2., an employee who chooses
286 to move to the pension plan and who became eligible to
287 participate in the investment plan by reason of employment in a
288 regularly established position with a state employer after June
289 1, 2002; a district school board employer after September 1,
290 2002; or a local employer after December 1, 2002, must transfer
291 from his or her investment plan account, and from other employee
292 moneys as necessary, a sum representing the employee's actuarial
293 accrued liability. A refund of any employee contributions or
294 additional participant payments made which exceed the employee
295 contributions that would have accrued had the member remained in
296 the pension plan and not transferred to the investment plan is
297 not permitted.

298 4. An employee's ability to transfer from the pension plan
299 to the investment plan pursuant to paragraphs (a)-(d), and the
300 ability of a current employee to have an option to later



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301 transfer back into the pension plan under subparagraph 2., shall
302 be deemed a significant system amendment. Pursuant to s.
303 121.031(4), any resulting unfunded liability arising from actual
304 original transfers from the pension plan to the investment plan
305 must be amortized within 30 plan years as a separate unfunded
306 actuarial base independent of the reserve stabilization
307 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
308 direct amortization payment may not be calculated for this base.
309 During this 25-year period, the separate base shall be used to
310 offset the impact of employees exercising their second program
311 election under this paragraph. The actuarial funded status of
312 the pension plan will not be affected by such second program
313 elections in any significant manner, after due recognition of
314 the separate unfunded actuarial base. Following the initial 25-
315 year period, any remaining balance of the original separate base
316 shall be amortized over the remaining 5 years of the required
317 30-year amortization period.

318 5. If the employee chooses to transfer from the investment
319 plan to the pension plan and retains an excess account balance
320 in the investment plan after satisfying the buy-in requirements
321 under this paragraph, the excess may not be distributed until
322 the member retires from the pension plan. The excess account
323 balance may be rolled over to the pension plan and used to
324 purchase service credit or upgrade creditable service in the
325 pension plan.

326 (h)1. All employees initially enrolled on or after January
327 1, 2017, in positions covered by the Elected Officers' Class or
328 the Senior Management Service Class are compulsory members of
329 the investment plan, except those eligible to withdraw from the



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330 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
331 eligible for optional retirement programs under s.
332 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.

333 2. Employees eligible to withdraw from the system under s.
334 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from
335 the system or to participate in the investment plan as provided
336 in those sections. Employees eligible for optional retirement
337 programs under s. 121.051(2)(c) or s. 121.35, except as provided
338 in s. 121.051(1)(a), may choose to participate in the optional
339 retirement program or the investment plan as provided in those
340 sections. Investment plan membership continues if there is
341 subsequent employment in a position covered by another
342 membership class. Membership in the pension plan is not
343 permitted except as provided in s. 121.591(2).

344 3. Employees initially enrolled in the Florida Retirement
345 System on or before January 1, 2017, may retain their membership
346 in the pension plan or investment plan and are eligible to use
347 the election opportunity specified in paragraph (g).

348 4. Employees initially enrolled in the Florida Retirement
349 System on or after January 1, 2017, and whose initial employment
350 is in a regularly established position that is not covered by
351 the Elected Officers' Class or the Senior Management Service
352 Class who are subsequently employed in a position covered by the
353 Elected Officers' Class or the Senior Management Service Class
354 shall retain their membership in the pension plan or investment
355 plan and are eligible to use the election opportunity specified
356 in paragraph (g).

357 5. Employees initially enrolled in positions covered by the
358 Elected Officers' class or the Senior Management Service Class



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359 on or after January 1, 2017, are not permitted to use the
360 election opportunity specified in paragraph (g).

361 6. The amount of retirement contributions paid by the
362 employee and employer, as required under s. 121.72, shall be
363 placed in a default fund as designated by the state board at
364 which time the member may move the contributions from the
365 default fund to other funds provided in the investment plan.

366 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
367 shall be administered by the state board and affected employers.
368 The state board may require oaths, by affidavit or otherwise,
369 and acknowledgments from persons in connection with the
370 administration of its statutory duties and responsibilities for
371 the investment plan. An oath, by affidavit or otherwise, may not
372 be required of a member at the time of enrollment.

373 Acknowledgment of an employee's election to participate in the
374 program shall be no greater than necessary to confirm the
375 employee's election, except for members initially enrolled on or
376 after January 1, 2017, as provided in paragraph (4)(h). The
377 state board shall adopt rules to carry out its statutory duties
378 with respect to administering the investment plan, including
379 establishing the roles and responsibilities of affected state,
380 local government, and education-related employers, the state
381 board, the department, and third-party contractors. The
382 department shall adopt rules necessary to administer the
383 investment plan in coordination with the pension plan and the
384 disability benefits available under the investment plan.

385 (a)1. The state board shall select and contract with a
386 third-party administrator to provide administrative services if
387 those services cannot be competitively and contractually



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388 provided by the division. With the approval of the state board,
389 the third-party administrator may subcontract to provide
390 components of the administrative services. As a cost of
391 administration, the state board may compensate any such
392 contractor for its services, in accordance with the terms of the
393 contract, as is deemed necessary or proper by the board. The
394 third-party administrator may not be an approved provider or be
395 affiliated with an approved provider.

396 2. These administrative services may include, but are not
397 limited to, enrollment of eligible employees, collection of
398 employer and employee contributions, disbursement of
399 contributions to approved providers in accordance with the
400 allocation directions of members; services relating to
401 consolidated billing; individual and collective recordkeeping
402 and accounting; asset purchase, control, and safekeeping; and
403 direct disbursement of funds to and from the third-party
404 administrator, the division, the state board, employers,
405 members, approved providers, and beneficiaries. This section
406 does not prevent or prohibit a bundled provider from providing
407 any administrative or customer service, including accounting and
408 administration of individual member benefits and contributions;
409 individual member recordkeeping; asset purchase, control, and
410 safekeeping; direct execution of the member's instructions as to
411 asset and contribution allocation; calculation of daily net
412 asset values; direct access to member account information; or
413 periodic reporting to members, at least quarterly, on account
414 balances and transactions, if these services are authorized by
415 the state board as part of the contract.

416 (b)1. The state board shall select and contract with one or



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417 more organizations to provide educational services. With
418 approval of the state board, the organizations may subcontract
419 to provide components of the educational services. As a cost of
420 administration, the state board may compensate any such
421 contractor for its services in accordance with the terms of the
422 contract, as is deemed necessary or proper by the board. The
423 education organization may not be an approved provider or be
424 affiliated with an approved provider.

425 2. Educational services shall be designed by the state
426 board and department to assist employers, eligible employees,
427 members, and beneficiaries in order to maintain compliance with
428 United States Department of Labor regulations under s. 404(c) of
429 the Employee Retirement Income Security Act of 1974 and to
430 assist employees in their choice of pension plan or investment
431 plan retirement alternatives. Educational services include, but
432 are not limited to, disseminating educational materials;
433 providing retirement planning education; explaining the pension
434 plan and the investment plan; and offering financial planning
435 guidance on matters such as investment diversification,
436 investment risks, investment costs, and asset allocation. An
437 approved provider may also provide educational information,
438 including retirement planning and investment allocation
439 information concerning its products and services.

440 (c)1. In evaluating and selecting a third-party
441 administrator, the state board shall establish criteria for
442 evaluating the relative capabilities and qualifications of each
443 proposed administrator. In developing such criteria, the state
444 board shall consider:

445 a. The administrator's demonstrated experience in providing



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446 administrative services to public or private sector retirement
447 systems.

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

450 c. The administrator's ability and willingness to
451 coordinate its activities with employers, the state board, and
452 the division, and to supply to such employers, the board, and
453 the division the information and data they require, including,
454 but not limited to, monthly management reports, quarterly member
455 reports, and ad hoc reports requested by the department or state
456 board.

457 d. The cost-effectiveness and levels of the administrative
458 services provided.

459 e. The administrator's ability to interact with the
460 members, the employers, the state board, the division, and the
461 providers; the means by which members may access account
462 information, direct investment of contributions, make changes to
463 their accounts, transfer moneys between available investment
464 vehicles, and transfer moneys between investment products; and
465 any fees that apply to such activities.

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

467 2. In evaluating and selecting an educational provider, the
468 state board shall establish criteria under which it shall
469 consider the relative capabilities and qualifications of each
470 proposed educational provider. In developing such criteria, the
471 state board shall consider:

472 a. Demonstrated experience in providing educational
473 services to public or private sector retirement systems.

474 b. Ability and willingness to coordinate its activities



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475 with the employers, the state board, and the division, and to
476 supply to such employers, the board, and the division the
477 information and data they require, including, but not limited
478 to, reports on educational contacts.

479 c. The cost-effectiveness and levels of the educational
480 services provided.

481 d. Ability to provide educational services via different
482 media, including, but not limited to, the Internet, personal
483 contact, seminars, brochures, and newsletters.

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

485 3. The establishment of the criteria shall be solely within
486 the discretion of the state board.

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

490 1. The nature and extent of the rights and benefits to be
491 afforded in relation to the contributions required under the
492 plan.

493 2. The suitability of the rights and benefits provided and
494 the interests of employers in the recruitment and retention of
495 eligible employees.

496 (e)1. The state board may contract for professional
497 services, including legal, consulting, accounting, and actuarial
498 services, deemed necessary to implement and administer the
499 investment plan. The state board may enter into a contract with
500 one or more vendors to provide low-cost investment advice to
501 members, supplemental to education provided by the third-party
502 administrator. All fees under any such contract shall be paid by
503 those members who choose to use the services of the vendor.



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504 2. The department may contract for professional services,
505 including legal, consulting, accounting, and actuarial services,
506 deemed necessary to implement and administer the investment plan
507 in coordination with the pension plan. The department, in
508 coordination with the state board, may enter into a contract
509 with the third-party administrator in order to coordinate
510 services common to the various programs within the Florida
511 Retirement System.

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

515 (g) The state board shall receive and resolve member
516 complaints against the program, the third-party administrator,
517 or any program vendor or provider; shall resolve any conflict
518 between the third-party administrator and an approved provider
519 if such conflict threatens the implementation or administration
520 of the program or the quality of services to employees; and may
521 resolve any other conflicts. The third-party administrator shall
522 retain all member records for at least 5 years for use in
523 resolving any member conflicts. The state board, the third-party
524 administrator, or a provider is not required to produce
525 documentation or an audio recording to justify action taken with
526 regard to a member if the action occurred 5 or more years before
527 the complaint is submitted to the state board. It is presumed
528 that all action taken 5 or more years before the complaint is
529 submitted was taken at the request of the member and with the
530 member's full knowledge and consent. To overcome this
531 presumption, the member must present documentary evidence or an
532 audio recording demonstrating otherwise.



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533 (10) EDUCATION COMPONENT.—

534 (b) The education component must provide system members
535 with impartial and balanced information about plan choices,
536 except for members initially enrolled on or after January 1,
537 2017, as provided in paragraph (4) (h). The education component
538 must involve multimedia formats. Program comparisons must, to
539 the greatest extent possible, be based upon the retirement
540 income that different retirement programs may provide to the
541 member. The state board shall monitor the performance of the
542 contract to ensure that the program is conducted in accordance
543 with the contract, applicable law, and the rules of the state
544 board.

545 (c) The state board, in coordination with the department,
546 shall provide for an initial and ongoing transfer education
547 component to provide system members, except for members
548 initially enrolled on or after January 1, 2017, as provided in
549 paragraph (4) (h), with information necessary to make informed
550 plan choice decisions. The transfer education component must
551 include, but is not limited to, information on:

552 1. The amount of money available to a member to transfer to
553 the defined contribution program.

554 2. The features of and differences between the pension plan
555 and the defined contribution program, both generally and
556 specifically, as those differences may affect the member.

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

560 4. The rate of return from investments in the defined
561 contribution program and the period of time over which such rate



562 of return must be achieved to equal or exceed the expected
563 monthly benefit payable to the member under the pension plan.

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

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

570 7. The program choices available to employees of the State
571 University System and the comparative benefits of each available
572 program, if applicable.

573 8. Payout options available in each of the retirement
574 programs.

575 Section 5. Section 238.072, Florida Statutes, is amended to
576 read:

577 238.072 Special service provisions for extension
578 personnel.—All state and county cooperative extension personnel
579 holding appointments by the United States Department of
580 Agriculture for extension work in agriculture and home economics
581 in this state who are joint representatives of the University of
582 Florida and the United States Department of Agriculture, as
583 provided in s. 121.051(8) ~~s. 121.051(7)~~, who are members of the
584 Teachers' Retirement System, chapter 238, and who are prohibited
585 from transferring to and participating in the Florida Retirement
586 System, chapter 121, may retire with full benefits upon
587 completion of 30 years of creditable service and shall be
588 considered to have attained normal retirement age under this
589 chapter, any law to the contrary notwithstanding. In order to
590 comply with the provisions of s. 14, Art. X of the State



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591 Constitution, any liability accruing to the Florida Retirement
592 System Trust Fund as a result of the provisions of this section
593 shall be paid on an annual basis from the General Revenue Fund.

594 Section 6. Subsection (11) of section 413.051, Florida
595 Statutes, is amended to read:

596 413.051 Eligible blind persons; operation of vending
597 stands.—

598 (11) Effective July 1, 1996, blind licensees who remain
599 members of the Florida Retirement System pursuant to s.
600 121.051(7)(b)1. ~~s. 121.051(6)(b)1.~~ shall pay any unappropriated
601 retirement costs from their net profits or from program income.
602 Within 30 days after the effective date of this act, each blind
603 licensee who is eligible to maintain membership in the Florida
604 Retirement System under s. 121.051(7)(b)1. ~~s. 121.051(6)(b)1.~~,
605 but who elects to withdraw from the system as provided in s.
606 121.051(7)(b)3. ~~s. 121.051(6)(b)3.~~, must, on or before July 31,
607 1996, notify the Division of Blind Services and the Department
608 of Management Services in writing of his or her election to
609 withdraw. Failure to timely notify the divisions shall be deemed
610 a decision to remain a compulsory member of the Florida
611 Retirement System. However, if, at any time after July 1, 1996,
612 sufficient funds are not paid by a blind licensee to cover the
613 required contribution to the Florida Retirement System, that
614 blind licensee shall become ineligible to participate in the
615 Florida Retirement System on the last day of the first month for
616 which no contribution is made or the amount contributed is
617 insufficient to cover the required contribution. For any blind
618 licensee who becomes ineligible to participate in the Florida
619 Retirement System as described in this subsection, no creditable



620 service shall be earned under the Florida Retirement System for
621 any period following the month that retirement contributions
622 ceased to be reported. However, any such person may participate
623 in the Florida Retirement System in the future if employed by a
624 participating employer in a covered position.

625 Section 7. The Legislature finds that a proper and
626 legitimate state purpose is served when employees and retirees
627 of the state and its political subdivisions, and the dependents,
628 survivors, and beneficiaries of such employees and retirees, are
629 extended the basic protections afforded by governmental
630 retirement systems. These persons must be provided benefits that
631 are fair and adequate and that are managed, administered, and
632 funded in an actuarially sound manner, as required by s. 14,
633 Article X of the State Constitution and part VII of chapter 112,
634 Florida Statutes. Therefore, the Legislature determines and
635 declares that this act fulfills an important state interest.

636 Section 8. This act shall apply retroactively to January 1,
637 2017.

638 Section 9. This act shall take effect upon becoming a law.

639
640 ===== T I T L E A M E N D M E N T =====

641 And the title is amended as follows:

642 Delete everything before the enacting clause
643 and insert:

644 A bill to be entitled
645 An act relating to the Florida Retirement System;
646 amending s. 121.051, F.S.; providing for compulsory
647 membership in the Florida Retirement System Investment
648 Plan for employees in the Elected Officers' Class or



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649 the Senior Management Service Class initially enrolled
650 after a specified date; amending s. 121.052, F.S.;
651 prohibiting members of the Elected Officers' Class
652 from joining the Senior Management Service Class after
653 a specified date; amending s. 121.055, F.S.;
654 prohibiting an elected official eligible for
655 membership in the Elected Officers' Class from
656 enrolling in the Senior Management Service Class or in
657 the Senior Management Service Optional Annuity
658 Program; closing the Senior Management Optional
659 Annuity Program to new members effective on or after a
660 specified date; amending s. 121.4501, F.S.; requiring
661 certain employees initially enrolled in the Florida
662 Retirement System on or after a specified date to be
663 compulsory members of the investment plan; conforming
664 provisions to changes made by the act; amending ss.
665 238.072 and 413.051, F.S.; conforming cross-
666 references; providing that the act fulfills an
667 important state interest; providing for retroactive
668 application; providing an effective date.