



392578

LEGISLATIVE ACTION

Senate	.	House
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Floor: AD/CR	.	Floor: AD
05/08/2017 04:12 PM	.	05/08/2017 08:38 PM
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The Conference Committee on SB 7022 recommended the following:

1 **Senate Conference Committee Amendment (with title**
2 **amendment)**

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

6 Section 1. Subsection (2) and paragraphs (b), (f), (h), and
7 (j) of subsection (3) of section 110.123, Florida Statutes, are
8 amended, and paragraph (k) is added to subsection (3) of that
9 section, to read:

10 110.123 State group insurance program.—

11 (2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~



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12 ~~section~~, the term:

13 (a) "Department" means the Department of Management
14 Services.

15 (b) "Enrollee" means all state officers and employees,
16 retired state officers and employees, surviving spouses of
17 deceased state officers and employees, and terminated employees
18 or individuals with continuation coverage who are enrolled in an
19 insurance plan offered by the state group insurance program.
20 "Enrollee" includes all state university officers and employees,
21 retired state university officers and employees, surviving
22 spouses of deceased state university officers and employees, and
23 terminated state university employees or individuals with
24 continuation coverage who are enrolled in an insurance plan
25 offered by the state group insurance program.

26 (c) "Full-time state employees" means employees of all
27 branches or agencies of state government holding salaried
28 positions who are paid by state warrant or from agency funds and
29 who work or are expected to work an average of at least 30 or
30 more hours per week; employees paid from regular salary
31 appropriations for 8 months' employment, including university
32 personnel on academic contracts; and employees paid from other-
33 personal-services (OPS) funds as described in subparagraphs 1.
34 and 2. The term includes all full-time employees of the state
35 universities. The term does not include seasonal workers who are
36 paid from OPS funds.

37 1. For persons hired before April 1, 2013, the term
38 includes any person paid from OPS funds who:

39 a. Has worked an average of at least 30 hours or more per
40 week during the initial measurement period from April 1, 2013,



41 through September 30, 2013; or

42 b. Has worked an average of at least 30 hours or more per
43 week during a subsequent measurement period.

44 2. For persons hired after April 1, 2013, the term includes
45 any person paid from OPS funds who:

46 a. Is reasonably expected to work an average of at least 30
47 hours or more per week; or

48 b. Has worked an average of at least 30 hours or more per
49 week during the person's measurement period.

50 (d) "Health maintenance organization" or "HMO" means an
51 entity certified under part I of chapter 641.

52 (e) "Health plan member" means any person participating in
53 a state group health insurance plan, a TRICARE supplemental
54 insurance plan, or a health maintenance organization plan under
55 the state group insurance program, including enrollees and
56 covered dependents thereof.

57 (f) "Part-time state employee" means an employee of any
58 branch or agency of state government paid by state warrant from
59 salary appropriations or from agency funds, and who is employed
60 for less than an average of 30 hours per week or, if on academic
61 contract or seasonal or other type of employment which is less
62 than year-round, is employed for less than 8 months during any
63 12-month period, but does not include a person paid from other-
64 personal-services (OPS) funds. The term includes all part-time
65 employees of the state universities.

66 (g) "Plan year" means a calendar year.

67 (h) ~~(g)~~ "Retired state officer or employee" or "retiree"
68 means any state or state university officer or employee who
69 retires under a state retirement system or a state optional



70 annuity or retirement program or is placed on disability
71 retirement, and who was insured under the state group insurance
72 program at the time of retirement, and who begins receiving
73 retirement benefits immediately after retirement from state or
74 state university office or employment. The term also includes
75 any state officer or state employee who retires under the
76 Florida Retirement System Investment Plan established under part
77 II of chapter 121 if he or she:

78 1. Meets the age and service requirements to qualify for
79 normal retirement as set forth in s. 121.021(29); or

80 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
81 the Internal Revenue Code and has 6 years of creditable service.

82 (i) ~~(h)~~ "State agency" or "agency" means any branch,
83 department, or agency of state government. "State agency" or
84 "agency" includes any state university for purposes of this
85 section only.

86 (j) ~~(i)~~ "Seasonal workers" has the same meaning as provided
87 under 29 C.F.R. s. 500.20(s)(1).

88 (k) ~~(j)~~ "State group health insurance plan or plans" or
89 "state plan or plans" mean the state self-insured health
90 insurance plan or plans offered to state officers and employees,
91 retired state officers and employees, and surviving spouses of
92 deceased state officers and employees pursuant to this section.

93 (l) ~~(k)~~ "State-contracted HMO" means any health maintenance
94 organization under contract with the department to participate
95 in the state group insurance program.

96 (m) ~~(l)~~ "State group insurance program" or "programs" means
97 the package of insurance plans offered to state officers and
98 employees, retired state officers and employees, and surviving



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99 spouses of deceased state officers and employees pursuant to
100 this section, including the state group health insurance plan or
101 plans, health maintenance organization plans, TRICARE
102 supplemental insurance plans, and other plans required or
103 authorized by law.

104 (n) ~~(m)~~ "State officer" means any constitutional state
105 officer, any elected state officer paid by state warrant, or any
106 appointed state officer who is commissioned by the Governor and
107 who is paid by state warrant.

108 (o) ~~(n)~~ "Surviving spouse" means the widow or widower of a
109 deceased state officer, full-time state employee, part-time
110 state employee, or retiree if such widow or widower was covered
111 as a dependent under the state group health insurance plan, ~~a~~
112 TRICARE supplemental insurance plan, or a health maintenance
113 organization plan established pursuant to this section at the
114 time of the death of the deceased officer, employee, or retiree.
115 "Surviving spouse" also means any widow or widower who is
116 receiving or eligible to receive a monthly state warrant from a
117 state retirement system as the beneficiary of a state officer,
118 full-time state employee, or retiree who died prior to July 1,
119 1979. For the purposes of this section, any such widow or
120 widower shall cease to be a surviving spouse upon his or her
121 remarriage.

122 (p) ~~(o)~~ "TRICARE supplemental insurance plan" means the
123 Department of Defense Health Insurance Program for eligible
124 members of the uniformed services authorized by 10 U.S.C. s.
125 1097.

126 (3) STATE GROUP INSURANCE PROGRAM.—

127 (b) It is the intent of the Legislature to offer a



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128 comprehensive package of health insurance and retirement
129 benefits and a personnel system for state employees which are
130 provided in a cost-efficient and prudent manner, and to allow
131 state employees the option to choose benefit plans which best
132 suit their individual needs. ~~Therefore,~~ The state group
133 insurance program ~~is established which~~ may include the state
134 group health insurance plan or plans, health maintenance
135 organization plans, group life insurance plans, TRICARE
136 supplemental insurance plans, group accidental death and
137 dismemberment plans, ~~and~~ group disability insurance plans, ~~-~~
138 ~~Furthermore, the department is additionally authorized to~~
139 ~~establish and provide as part of the state group insurance~~
140 ~~program any other group insurance plans or coverage choices, and~~
141 other benefits authorized by law that are consistent with the
142 provisions of this section.

143 (f) Except as provided for in subparagraph (h)2., the state
144 contribution toward the cost of any plan in the state group
145 insurance program shall be uniform with respect to all state
146 employees in a state collective bargaining unit participating in
147 the same coverage tier in the same plan. This section does not
148 prohibit the development of separate benefit plans for officers
149 and employees exempt from the career service or the development
150 of separate benefit plans for each collective bargaining unit.
151 For the 2020 plan year and each plan year thereafter, if the
152 state's contribution is more than the premium cost of the health
153 plan selected by the employee, subject to federal limitation,
154 the employee may elect to have the balance:

- 155 1. Credited to the employee's flexible spending account;
156 2. Credited to the employee's health savings account;



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157 3. Used to purchase additional benefits offered through the
158 state group insurance program; or

159 4. Used to increase the employee's salary.

160 (h)1. A person eligible to participate in the state group
161 insurance program may be authorized by rules adopted by the
162 department, in lieu of participating in the state group health
163 insurance plan, to exercise an option to elect membership in a
164 health maintenance organization plan which is under contract
165 with the state in accordance with criteria established by this
166 section and by said rules. The offer of optional membership in a
167 health maintenance organization plan permitted by this paragraph
168 may be limited or conditioned by rule as may be necessary to
169 meet the requirements of state and federal laws.

170 2. The department shall contract with health maintenance
171 organizations seeking to participate in the state group
172 insurance program through a request for proposal or other
173 procurement process, as developed by the Department of
174 Management Services and determined to be appropriate.

175 a. The department shall establish a schedule of minimum
176 benefits for health maintenance organization coverage, and that
177 schedule shall include: physician services; inpatient and
178 outpatient hospital services; emergency medical services,
179 including out-of-area emergency coverage; diagnostic laboratory
180 and diagnostic and therapeutic radiologic services; mental
181 health, alcohol, and chemical dependency treatment services
182 meeting the minimum requirements of state and federal law;
183 skilled nursing facilities and services; prescription drugs;
184 age-based and gender-based wellness benefits; and other benefits
185 as may be required by the department. Additional services may be



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186 provided subject to the contract between the department and the
187 HMO. As used in this paragraph, the term "age-based and gender-
188 based wellness benefits" includes aerobic exercise, education in
189 alcohol and substance abuse prevention, blood cholesterol
190 screening, health risk appraisals, blood pressure screening and
191 education, nutrition education, program planning, safety belt
192 education, smoking cessation, stress management, weight
193 management, and women's health education.

194 b. The department may establish uniform deductibles,
195 copayments, coverage tiers, or coinsurance schedules for all
196 participating HMO plans.

197 c. The department may require detailed information from
198 each health maintenance organization participating in the
199 procurement process, including information pertaining to
200 organizational status, experience in providing prepaid health
201 benefits, accessibility of services, financial stability of the
202 plan, quality of management services, accreditation status,
203 quality of medical services, network access and adequacy,
204 performance measurement, ability to meet the department's
205 reporting requirements, and the actuarial basis of the proposed
206 rates and other data determined by the director to be necessary
207 for the evaluation and selection of health maintenance
208 organization plans and negotiation of appropriate rates for
209 these plans. Upon receipt of proposals by health maintenance
210 organization plans and the evaluation of those proposals, the
211 department may enter into negotiations with all of the plans or
212 a subset of the plans, as the department determines appropriate.
213 Nothing shall preclude the department from negotiating regional
214 or statewide contracts with health maintenance organization



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215 plans when this is cost-effective and when the department
216 determines that the plan offers high value to enrollees.

217 d. The department may limit the number of HMOs that it
218 contracts with in each service area based on the nature of the
219 bids the department receives, the number of state employees in
220 the service area, or any unique geographical characteristics of
221 the service area. The department shall establish by rule service
222 areas throughout the state.

223 e. All persons participating in the state group insurance
224 program may be required to contribute towards a total state
225 group health premium that may vary depending upon the plan,
226 coverage level, and coverage tier selected by the enrollee and
227 the level of state contribution authorized by the Legislature.

228 3. The department is authorized to negotiate and to
229 contract with specialty psychiatric hospitals for mental health
230 benefits, on a regional basis, for alcohol, drug abuse, and
231 mental and nervous disorders. The department may establish,
232 subject to the approval of the Legislature pursuant to
233 subsection (5), any such regional plan upon completion of an
234 actuarial study to determine any impact on plan benefits and
235 premiums.

236 4. In addition to contracting pursuant to subparagraph 2.,
237 the department may enter into contract with any HMO to
238 participate in the state group insurance program which:

239 a. Serves greater than 5,000 recipients on a prepaid basis
240 under the Medicaid program;

241 b. Does not currently meet the 25-percent non-Medicare/non-
242 Medicaid enrollment composition requirement established by the
243 Department of Health excluding participants enrolled in the



244 state group insurance program;

245 c. Meets the minimum benefit package and copayments and
246 deductibles contained in sub-subparagraphs 2.a. and b.;

247 d. Is willing to participate in the state group insurance
248 program at a cost of premiums that is not greater than 95
249 percent of the cost of HMO premiums accepted by the department
250 in each service area; and

251 e. Meets the minimum surplus requirements of s. 641.225.

252

253 The department is authorized to contract with HMOs that meet the
254 requirements of sub-subparagraphs a.-d. prior to the open
255 enrollment period for state employees. The department is not
256 required to renew the contract with the HMOs as set forth in
257 this paragraph more than twice. Thereafter, the HMOs shall be
258 eligible to participate in the state group insurance program
259 only through the request for proposal or invitation to negotiate
260 process described in subparagraph 2.

261 5. All enrollees in a state group health insurance plan, a
262 TRICARE supplemental insurance plan, or any health maintenance
263 organization plan have the option of changing to any other
264 health plan that is offered by the state within any open
265 enrollment period designated by the department. Open enrollment
266 shall be held at least once each calendar year.

267 6. When a contract between a treating provider and the
268 state-contracted health maintenance organization is terminated
269 for any reason other than for cause, each party shall allow any
270 enrollee for whom treatment was active to continue coverage and
271 care when medically necessary, through completion of treatment
272 of a condition for which the enrollee was receiving care at the



273 time of the termination, until the enrollee selects another
274 treating provider, or until the next open enrollment period
275 offered, whichever is longer, but no longer than 6 months after
276 termination of the contract. Each party to the terminated
277 contract shall allow an enrollee who has initiated a course of
278 prenatal care, regardless of the trimester in which care was
279 initiated, to continue care and coverage until completion of
280 postpartum care. This does not prevent a provider from refusing
281 to continue to provide care to an enrollee who is abusive,
282 noncompliant, or in arrears in payments for services provided.
283 For care continued under this subparagraph, the program and the
284 provider shall continue to be bound by the terms of the
285 terminated contract. Changes made within 30 days before
286 termination of a contract are effective only if agreed to by
287 both parties.

288 7. Any HMO participating in the state group insurance
289 program shall submit health care utilization and cost data to
290 the department, in such form and in such manner as the
291 department shall require, as a condition of participating in the
292 program. The department shall enter into negotiations with its
293 contracting HMOs to determine the nature and scope of the data
294 submission and the final requirements, format, penalties
295 associated with noncompliance, and timetables for submission.
296 These determinations shall be adopted by rule.

297 8. The department may establish and direct, with respect to
298 collective bargaining issues, a comprehensive package of
299 insurance benefits that may include supplemental health and life
300 coverage, dental care, long-term care, vision care, and other
301 benefits it determines necessary to enable state employees to



302 select from among benefit options that best suit their
303 individual and family needs. Beginning with the 2018 plan year,
304 the package of benefits may also include products and services
305 described in s. 110.12303.

306 a. Based upon a desired benefit package, the department
307 shall issue a request for proposal or invitation to negotiate
308 for ~~health insurance~~ providers interested in participating in
309 the state group insurance program, and the department shall
310 issue a request for proposal or invitation to negotiate for
311 ~~insurance~~ providers interested in participating in the non-
312 health-related components of the state group insurance program.
313 Upon receipt of all proposals, the department may enter into
314 contract negotiations with ~~insurance~~ providers submitting bids
315 or negotiate a specially designed benefit package. ~~Insurance~~
316 Providers offering or providing supplemental coverage as of May
317 30, 1991, which qualify for pretax benefit treatment pursuant to
318 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
319 state employees currently enrolled may be included by the
320 department in the supplemental insurance benefit plan
321 established by the department without participating in a request
322 for proposal, submitting bids, negotiating contracts, or
323 negotiating a specially designed benefit package. These
324 contracts shall provide state employees with the most cost-
325 effective and comprehensive coverage available; however, except
326 as provided in subparagraph (f)3., no state or agency funds
327 shall be contributed toward the cost of any part of the premium
328 of such supplemental benefit plans. With respect to dental
329 coverage, the division shall include in any solicitation or
330 contract for any state group dental program made after July 1,



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331 2001, a comprehensive indemnity dental plan option which offers
332 enrollees a completely unrestricted choice of dentists. If a
333 dental plan is endorsed, or in some manner recognized as the
334 preferred product, such plan shall include a comprehensive
335 indemnity dental plan option which provides enrollees with a
336 completely unrestricted choice of dentists.

337 b. Pursuant to the applicable provisions of s. 110.161, and
338 s. 125 of the Internal Revenue Code of 1986, the department
339 shall enroll in the pretax benefit program those state employees
340 who voluntarily elect coverage in any of the supplemental
341 insurance benefit plans as provided by sub-subparagraph a.

342 c. Nothing herein contained shall be construed to prohibit
343 insurance providers from continuing to provide or offer
344 supplemental benefit coverage to state employees as provided
345 under existing agency plans.

346 (j) For the 2020 plan year and each plan year thereafter,
347 health plans shall be offered in the following benefit levels:

348 1. Platinum level, which shall have an actuarial value of
349 at least 90 percent.

350 2. Gold level, which shall have an actuarial value of at
351 least 80 percent.

352 3. Silver level, which shall have an actuarial value of at
353 least 70 percent.

354 4. Bronze level, which shall have an actuarial value of at
355 least 60 percent ~~Notwithstanding paragraph (f) requiring uniform~~
356 ~~contributions, and for the 2011-2012 fiscal year only, the state~~
357 ~~contribution toward the cost of any plan in the state group~~
358 ~~insurance plan is the difference between the overall premium and~~
359 ~~the employee contribution. This subsection expires June 30,~~



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360 ~~2012.~~

361 (k) In consultation with the independent benefits
362 consultant described in s. 110.12304, the department shall
363 develop a plan for implementation of the benefit levels
364 described in paragraph (j). The plan shall be submitted to the
365 Governor, the President of the Senate, and the Speaker of the
366 House of Representatives by January 1, 2019, and include
367 recommendations for:

- 368 1. Employer and employee contribution policies.
369 2. Steps necessary for maintaining or improving total
370 employee compensation levels when the transition is initiated.
371 3. An education strategy to inform employees of the
372 additional choices available in the state group insurance
373 program.

374
375 This paragraph expires July 1, 2019.

376 Section 2. Section 110.12303, Florida Statutes, is created
377 to read:

378 110.12303 State group insurance program; additional
379 benefits; price transparency program; reporting.—Beginning with
380 the 2018 plan year:

381 (1) In addition to the comprehensive package of health
382 insurance and other benefits required or authorized to be
383 included in the state group insurance program, the package of
384 benefits may also include products and services offered by:

385 (a) Prepaid limited health service organizations authorized
386 pursuant to part I of chapter 636.

387 (b) Discount medical plan organizations authorized pursuant
388 to part II of chapter 636.



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389 (c) Prepaid health clinics licensed under part II of
390 chapter 641.

391 (d) Licensed health care providers, including hospitals and
392 other health care facilities, health care clinics, and health
393 professionals, who sell service contracts and arrangements for a
394 specified amount and type of health services.

395 (e) Provider organizations, including service networks,
396 group practices, professional associations, and other
397 incorporated organizations of providers, who sell service
398 contracts and arrangements for a specified amount and type of
399 health services.

400 (f) Entities that provide specific health services in
401 accordance with applicable state law and sell service contracts
402 and arrangements for a specified amount and type of health
403 services.

404 (g) Entities that provide health services or treatments
405 through a bidding process.

406 (h) Entities that provide health services or treatments
407 through the bundling or aggregating of health services or
408 treatments.

409 (i) Entities that provide other innovative and cost-
410 effective health service delivery methods.

411 (2) (a) The department shall contract with at least one
412 entity that provides comprehensive pricing and inclusive
413 services for surgery and other medical procedures which may be
414 accessed at the option of the enrollee. The contract shall
415 require the entity to:

416 1. Have procedures and evidence-based standards to ensure
417 the inclusion of only high-quality health care providers.



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418 2. Provide assistance to the enrollee in accessing and
419 coordinating care.

420 3. Provide cost savings to the state group insurance
421 program to be shared with both the state and the enrollee. Cost
422 savings payable to an enrollee may be:

423 a. Credited to the enrollee's flexible spending account;

424 b. Credited to the enrollee's health savings account;

425 c. Credited to the enrollee's health reimbursement account;

426 or

427 d. Paid as additional health plan reimbursements not
428 exceeding the amount of the enrollee's out-of-pocket medical
429 expenses.

430 4. Provide an educational campaign for enrollees to learn
431 about the services offered by the entity.

432 (b) On or before January 15 of each year, the department
433 shall report to the Governor, the President of the Senate, and
434 the Speaker of the House of Representatives on the participation
435 level and cost-savings to both the enrollee and the state
436 resulting from the contract or contracts described in this
437 subsection.

438 (3) The department shall contract with an entity that
439 provides enrollees with online information on the cost and
440 quality of health care services and providers, allows an
441 enrollee to shop for health care services and providers, and
442 rewards the enrollee by sharing savings generated by the
443 enrollee's choice of services or providers. The contract shall
444 require the entity to:

445 (a) Establish an Internet-based, consumer-friendly platform
446 that educates and informs enrollees about the price and quality



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447 of health care services and providers, including the average
448 amount paid in each county for health care services and
449 providers. The average amounts paid for such services and
450 providers may be expressed for service bundles, which include
451 all products and services associated with a particular treatment
452 or episode of care, or for separate and distinct products and
453 services.

454 (b) Allow enrollees to shop for health care services and
455 providers using the price and quality information provided on
456 the Internet-based platform.

457 (c) Permit a certified bargaining agent of state employees
458 to provide educational materials and counseling to enrollees
459 regarding the Internet-based platform.

460 (d) Identify the savings realized to the enrollee and state
461 if the enrollee chooses high-quality, lower-cost health care
462 services or providers, and facilitate a shared savings payment
463 to the enrollee. The amount of shared savings shall be
464 determined by a methodology approved by the department and shall
465 maximize value-based purchasing by enrollees. The amount payable
466 to the enrollee may be:

- 467 1. Credited to the enrollee's flexible spending account;
468 2. Credited to the enrollee's health savings account;
469 3. Credited to the enrollee's health reimbursement account;

470 or

471 4. Paid as additional health plan reimbursements not
472 exceeding the amount of the enrollee's out-of-pocket medical
473 expenses.

474 (e) On or before January 1 of 2019, 2020, and 2021, the
475 department shall report to the Governor, the President of the



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476 Senate, and the Speaker of the House of Representatives on the
477 participation level, amount paid to enrollees, and cost-savings
478 to both the enrollees and the state resulting from the
479 implementation of this subsection.

480 Section 3. Section 110.12304, Florida Statutes, is created
481 to read:

482 110.12304 Independent benefits consultant.-

483 (1) The department shall competitively procure an
484 independent benefits consultant.

485 (2) The independent benefits consultant may not:

486 (a) Be owned or controlled by a health maintenance
487 organization or insurer.

488 (b) Have an ownership interest in a health maintenance
489 organization or insurer.

490 (c) Have a direct or indirect financial interest in a
491 health maintenance organization or insurer.

492 (3) The independent benefits consultant must have
493 substantial experience in consultation and design of employee
494 benefit programs for large employers and public employers,
495 including experience with plans that qualify as cafeteria plans
496 under s. 125 of the Internal Revenue Code of 1986.

497 (4) The independent benefits consultant shall:

498 (a) Provide an ongoing assessment of trends in benefits and
499 employer-sponsored insurance that affect the state group
500 insurance program.

501 (b) Conduct a comprehensive analysis of the state group
502 insurance program, including available benefits, coverage
503 options, and claims experience.

504 (c) Identify and establish appropriate adjustment



505 procedures necessary to respond to any risk segmentation that
506 may occur when increased choices are offered to employees.

507 (d) Assist the department with the submission of any
508 necessary plan revisions for federal review.

509 (e) Assist the department in ensuring compliance with
510 applicable federal and state regulations.

511 (f) Assist the department in monitoring the adequacy of
512 funding and reserves for the state self-insured plan.

513 (g) Assist the department in preparing recommendations for
514 any modifications to the state group insurance program which
515 shall be submitted to the Governor, the President of the Senate,
516 and the Speaker of the House of Representatives by January 1 of
517 each year.

518 Section 4. For the 2018 plan year, for informational
519 purposes only, the Department of Management Services shall
520 calculate alternative premiums for enrollees that reflect the
521 actual differences in costs to the program for each of the
522 health maintenance organization and the preferred provider
523 organization plan options offered in the state group insurance
524 program for both self-insured and fully insured plans. The
525 premium alternatives for the plan options shall reflect the
526 costs to the program for both medical and prescription drug
527 benefits. By October 1, 2017, the department shall report the
528 alternative enrollee premium rates for the 2018 plan year to the
529 Governor, the President of the Senate, and the Speaker of the
530 House of Representatives.

531 Section 5. For the 2019 plan year, the Department of
532 Management Services shall determine and recommend premiums for
533 enrollees that reflect the actual differences in costs to the



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534 program for each of the health maintenance organization and the
535 preferred provider organization plan options offered in the
536 state group insurance program for both self-insured and fully
537 insured plans. The premiums for the plan options shall reflect
538 the costs to the program for both medical and prescription drug
539 benefits. The premium rate for employers shall be the same as
540 those established for the state group insurance program in the
541 General Appropriations Act for the 2018-2019 fiscal year. By
542 July 1, 2018, the department shall report the premium rates to
543 the Governor, the President of the Senate, and the Speaker of
544 the House of Representatives.

545 Section 6. (1) For the 2017-2018 fiscal year, the sums of
546 \$151,216 in recurring funds and \$507,546 in nonrecurring funds
547 are appropriated from the State Employees Health Insurance Trust
548 Fund to the Department of Management Services, and two full-time
549 equivalent positions and associated salary rate of 120,000 are
550 authorized, for the purpose of implementing this act.

551 (2) (a) The recurring funds appropriated in this section
552 shall be allocated to the following specific appropriation
553 categories within the Insurance Benefits Administration Program:
554 \$150,528 in Salaries and Benefits and \$688 in Special Categories
555 Transfer to Department of Management Services—Human Resources
556 Purchased per Statewide Contract.

557 (b) The nonrecurring funds appropriated in this section
558 shall be allocated to the following specific appropriation
559 categories: \$500,000 in Special Categories Contracted Services
560 and \$7,546 in Expenses.

561 Section 7. Paragraph (a) of subsection (3) and subsection
562 (5) of section 121.053, Florida Statutes, are amended to read:



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563 121.053 Participation in the Elected Officers' Class for
564 retired members.—

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

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

571 (5) Any renewed member, as described in s. 121.122(1), (3),
572 (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
573 receiving the maximum health insurance subsidy provided in s.
574 112.363 is entitled to earn additional credit toward the maximum
575 health insurance subsidy. Any additional subsidy due because of
576 such additional credit may be received only at the time of
577 payment of the second career retirement benefit. The total
578 health insurance subsidy received from initial and renewed
579 membership may not exceed the maximum allowed in s. 112.363.

580 Section 8. Paragraph (f) of subsection (1) and paragraph
581 (c) of subsection (6) of section 121.055, Florida Statutes, are
582 amended to read:

583 121.055 Senior Management Service Class.—There is hereby
584 established a separate class of membership within the Florida
585 Retirement System to be known as the "Senior Management Service
586 Class," which shall become effective February 1, 1987.

587 (1)

588 (f) Effective July 1, 1997:

589 1. Except as provided in subparagraph 3., an elected state
590 officer eligible for membership in the Elected Officers' Class
591 under s. 121.052(2) (a), (b), or (c) who elects membership in the



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592 Senior Management Service Class under s. 121.052(3)(c) may,
593 within 6 months after assuming office or within 6 months after
594 this act becomes a law for serving elected state officers, elect
595 to participate in the Senior Management Service Optional Annuity
596 Program, as provided in subsection (6), in lieu of membership in
597 the Senior Management Service Class.

598 2. Except as provided in subparagraph 3., an elected
599 officer of a local agency employer eligible for membership in
600 the Elected Officers' Class under s. 121.052(2)(d) who elects
601 membership in the Senior Management Service Class under s.
602 121.052(3)(c) may, within 6 months after assuming office, or
603 within 6 months after this act becomes a law for serving elected
604 officers of a local agency employer, elect to withdraw from the
605 Florida Retirement System, as provided in subparagraph (b)2., in
606 lieu of membership in the Senior Management Service Class.

607 3. A retiree of a state-administered retirement system who
608 is initially reemployed in a regularly established position on
609 or after July 1, 2010, through June 30, 2017, as an elected
610 official eligible for the Elected Officers' Class may not be
611 enrolled in renewed membership in the Senior Management Service
612 Class or in the Senior Management Service Optional Annuity
613 Program as provided in subsection (6), and may not withdraw from
614 the Florida Retirement System as a renewed member as provided in
615 subparagraph (b)2., as applicable, in lieu of membership in the
616 Senior Management Service Class. Effective July 1, 2017, a
617 retiree of the Senior Management Service Optional Annuity
618 Program who is reemployed in a regularly established position
619 with a covered employer shall be enrolled as a renewed member as
620 provided in s. 121.122.



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(6)

(c) *Participation.*—

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

2. Except as provided in subparagraph 6., an employee who becomes eligible to participate in the optional annuity program by reason of initial employment commencing after February 1, 1987, may, within 90 days after the date of commencing employment, elect to participate in the optional annuity program. Such election shall ~~must~~ be made in writing and filed with the personnel officer of the employer. An eligible employee who does not within 90 days after commencing employment elect to participate in the optional annuity program is ~~shall be~~ deemed to have elected membership in the Senior Management Service Class.

3. A person who is appointed to a position in the Senior Management Service Class and who is a member of an existing retirement system or the Special Risk or Special Risk Administrative Support Classes of the Florida Retirement System may elect to remain in such system or class in lieu of participating in the Senior Management Service Class or optional



650 annuity program. Such election shall ~~must~~ be made in writing and
651 filed with the department and the personnel officer of the
652 employer within 90 days after such appointment. An eligible
653 employee who fails to make an election to participate in the
654 existing system, the Special Risk Class of the Florida
655 Retirement System, the Special Risk Administrative Support Class
656 of the Florida Retirement System, or the optional annuity
657 program is ~~shall be~~ deemed to have elected membership in the
658 Senior Management Service Class.

659 4. Except as provided in subparagraph 5., an employee's
660 election to participate in the optional annuity program is
661 irrevocable if the employee continues to be employed in an
662 eligible position and continues to meet the eligibility
663 requirements set forth in this paragraph.

664 5. Effective from July 1, 2002, through September 30, 2002,
665 an active employee in a regularly established position who has
666 elected to participate in the Senior Management Service Optional
667 Annuity Program has one opportunity to choose to move from the
668 Senior Management Service Optional Annuity Program to the
669 Florida Retirement System Pension Plan.

670 a. The election shall ~~must~~ be made in writing and ~~must be~~
671 filed with the department and the personnel officer of the
672 employer before October 1, 2002, or, in the case of an active
673 employee who is on a leave of absence on July 1, 2002, within 90
674 days after the conclusion of the leave of absence. This election
675 is irrevocable.

676 b. The employee shall receive service credit under the
677 pension plan equal to his or her years of service under the
678 Senior Management Service Optional Annuity Program. The cost for



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679 such credit is the amount representing the present value of that
680 employee's accumulated benefit obligation for the affected
681 period of service.

682 c. The employee shall ~~must~~ transfer the total accumulated
683 employer contributions and earnings on deposit in his or her
684 Senior Management Service Optional Annuity Program account. If
685 the transferred amount is not sufficient to pay the amount due,
686 the employee shall ~~must~~ pay a sum representing the remainder of
687 the amount due. The employee may not retain any employer
688 contributions or earnings from the Senior Management Service
689 Optional Annuity Program account.

690 6. A retiree of a state-administered retirement system who
691 is initially reemployed on or after July 1, 2010, through June
692 30, 2017, may not renew membership in the Senior Management
693 Service Optional Annuity Program. Effective July 1, 2017, a
694 retiree of the Senior Management Service Optional Annuity
695 Program who is reemployed in a regularly established position
696 with a covered employer shall be enrolled as a renewed member as
697 provided in s. 121.122.

698 7. Effective July 1, 2017, the Senior Management Service
699 Optional Annuity Program is closed to new members. A member
700 enrolled in the Senior Management Service Optional Annuity
701 Program before July 1, 2017, may retain his or her membership in
702 the annuity program.

703 Section 9. Paragraphs (d) and (i) of subsection (7) and
704 paragraph (c) of subsection (9) of section 121.091, Florida
705 Statutes, are amended to read:

706 121.091 Benefits payable under the system.—Benefits may not
707 be paid under this section unless the member has terminated



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708 employment as provided in s. 121.021(39) (a) or begun
709 participation in the Deferred Retirement Option Program as
710 provided in subsection (13), and a proper application has been
711 filed in the manner prescribed by the department. The department
712 may cancel an application for retirement benefits when the
713 member or beneficiary fails to timely provide the information
714 and documents required by this chapter and the department's
715 rules. The department shall adopt rules establishing procedures
716 for application for retirement benefits and for the cancellation
717 of such application when the required information or documents
718 are not received.

719 (7) DEATH BENEFITS.—

720 (d) Notwithstanding any other provision in this chapter to
721 the contrary, with the exception of the Deferred Retirement
722 Option Program, as provided in subsection (13):

723 1. The surviving spouse of any member killed in the line of
724 duty may receive a monthly pension equal to one-half of the
725 monthly salary being received by the member at the time of death
726 for the rest of the surviving spouse's lifetime or, if the
727 member was vested, such surviving spouse may elect to receive a
728 benefit as provided in paragraph (b). Benefits provided by this
729 paragraph shall supersede any other distribution that may have
730 been provided by the member's designation of beneficiary.

731 2. If the surviving spouse of a member killed in the line
732 of duty dies, the monthly payments that would have been payable
733 to such surviving spouse had such surviving spouse lived shall
734 be paid for the use and benefit of such member's child or
735 children under 18 years of age and unmarried until the 18th
736 birthday of the member's youngest child. Beginning July 1, 2016,



737 such payments may be extended, for the surviving child of a
738 member in the Special Risk Class at the time he or she was
739 killed in the line of duty on or after July 1, 2013, until the
740 25th birthday of any child of the member if the child is
741 unmarried and enrolled as a full-time student. Beginning July 1,
742 2017, such payments may be extended, for the surviving child of
743 a member in the Special Risk Class at the time he or she was
744 killed in the line of duty on or after July 1, 2002, until the
745 25th birthday of any child of the member if the child is
746 unmarried and enrolled as a full-time student.

747 3. If a member killed in the line of duty leaves no
748 surviving spouse but is survived by a child or children under 18
749 years of age, the benefits provided by subparagraph 1., normally
750 payable to a surviving spouse, shall be paid for the use and
751 benefit of such member's child or children under 18 years of age
752 and unmarried until the 18th birthday of the member's youngest
753 child. Beginning July 1, 2016, such monthly payments may be
754 extended, for the surviving child of a member in the Special
755 Risk Class at the time he or she was killed in the line of duty
756 on or after July 1, 2013, until the 25th birthday of any child
757 of the member if the child is unmarried and enrolled as a full-
758 time student. Beginning July 1, 2017, such monthly payments may
759 be extended, for the surviving child of a member in the Special
760 Risk Class at the time he or she was killed in the line of duty
761 on or after July 1, 2002, until the 25th birthday of any child
762 of the member if the child is unmarried and enrolled as a full-
763 time student.

764 4. The surviving spouse of a member whose benefit
765 terminated because of remarriage shall have the benefit



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766 reinstated beginning July 1, 1993, at an amount that would have
767 been payable had the benefit not been terminated.

768 (i) ~~Effective July 1, 2016,~~ and Notwithstanding any
769 provision in this chapter to the contrary, if a member in the
770 Special Risk Class, other than a participant in the Deferred
771 Retirement Option Program under subsection (13), is killed in
772 the line of duty on or after July 1, 2002 ~~2013~~, the following
773 benefits are payable in addition to the benefits provided in
774 paragraph (d):

775 1. The surviving spouse may receive a monthly pension equal
776 to one-half of the monthly salary being received by the member
777 at the time of the member's death for the rest of the surviving
778 spouse's lifetime or, if the member was vested, such surviving
779 spouse may elect to receive a benefit as provided in paragraph
780 (b). Benefits provided by this paragraph supersede any other
781 distribution that may have been provided by the member's
782 designation of beneficiary.

783 2. If the surviving spouse dies, the monthly payments that
784 otherwise would have been payable to such surviving spouse shall
785 be paid for the use and benefit of the member's child or
786 children under 18 years of age and unmarried until the 18th
787 birthday of the member's youngest child. Such monthly payments
788 may be extended until the 25th birthday of the member's child if
789 the child is unmarried and enrolled as a full-time student.

790 3. If the member leaves no surviving spouse but is survived
791 by a child or children under 18 years of age, the benefits
792 provided by subparagraph 1., normally payable to a surviving
793 spouse, shall be paid for the use and benefit of such member's
794 child or children under 18 years of age and unmarried until the



795 18th birthday of the member's youngest child. Such monthly
796 payments may be extended until the 25th birthday of any of the
797 member's children if the child is unmarried and enrolled as a
798 full-time student.

799 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

800 (c) Any person whose retirement is effective on or after
801 July 1, 2010, or whose participation in the Deferred Retirement
802 Option Program terminates on or after July 1, 2010, who is
803 retired under this chapter, except under the disability
804 retirement provisions of subsection (4) or as provided in s.
805 121.053, may be reemployed by an employer that participates in a
806 state-administered retirement system and receive retirement
807 benefits and compensation from that employer. However, a person
808 may not be reemployed by an employer participating in the
809 Florida Retirement System before meeting the definition of
810 termination in s. 121.021 and may not receive both a salary from
811 the employer and retirement benefits for 6 calendar months after
812 meeting the definition of termination. However, a DROP
813 participant shall continue employment and receive a salary
814 during the period of participation in the Deferred Retirement
815 Option Program, as provided in subsection (13).

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

818 2. The employer shall pay retirement contributions in an
819 amount equal to the unfunded actuarial liability portion of the
820 employer contribution that would be required for active members
821 of the Florida Retirement System in addition to the
822 contributions required by s. 121.76.

823 3. A retiree initially reemployed in violation of this



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824 paragraph and an employer that employs or appoints such person
825 are jointly and severally liable for reimbursement of any
826 retirement benefits paid to the retirement trust fund from which
827 the benefits were paid, including the Florida Retirement System
828 Trust Fund and the Public Employee Optional Retirement Program
829 Trust Fund, as appropriate. The employer must have a written
830 statement from the employee that he or she is not retired from a
831 state-administered retirement system. Retirement benefits shall
832 remain suspended until repayment is made. Benefits suspended
833 beyond the end of the retiree's 6-month reemployment limitation
834 period shall apply toward the repayment of benefits received in
835 violation of this paragraph.

836 Section 10. Subsection (2) of section 121.122, Florida
837 Statutes, is amended, and subsections (3), (4), and (5) are
838 added to that section, to read:

839 121.122 Renewed membership in system.—

840 (2) Except as otherwise provided in subsections (3), (4),
841 and (5), a retiree of a state-administered retirement system who
842 is initially reemployed in a regularly established position on
843 or after July 1, 2010, may not be enrolled as a renewed member.

844 (3) A retiree of the investment plan, the State University
845 System Optional Retirement Program, the Senior Management
846 Service Optional Annuity Program, or the State Community College
847 System Optional Retirement Program who is reemployed with a
848 covered employer in a regularly established position on or after
849 July 1, 2017, shall be enrolled as a renewed member of the
850 investment plan unless employed in a position eligible for
851 participation in the State University System Optional Retirement
852 Program as provided in subsection (4) or the State Community



853 College System Optional Retirement Program as provided in
854 subsection (5). The renewed member must satisfy the vesting
855 requirements and other provisions of this chapter.

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

858 1. In the Regular Class, if the position does not meet the
859 requirements for membership under s. 121.0515, s. 121.053, or s.
860 121.055.

861 2. In the Special Risk Class, if the position meets the
862 requirements of s. 121.0515.

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

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

867 (b) Creditable service, including credit toward the retiree
868 health insurance subsidy provided in s. 112.363, does not accrue
869 for a renewed member's employment in a regularly established
870 position with a covered employer from July 1, 2010, through June
871 30, 2017.

872 (c) Employer and employee contributions, interest,
873 earnings, or any other funds may not be paid into a renewed
874 member's investment plan account for any employment in a
875 regularly established position with a covered employer on or
876 after July 1, 2010, through June 30, 2017, by the renewed member
877 or the employer on behalf of the renewed member.

878 (d) To be eligible to receive a retirement benefit, the
879 renewed member must satisfy the vesting requirements in s.
880 121.4501(6).

881 (e) The renewed member is ineligible to receive disability



882 benefits as provided in s. 121.091(4) or s. 121.591(2).

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

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

888 (h) Upon renewed membership or reemployment of a retiree,
889 the employer and the renewed member shall pay the applicable
890 employer and employee contributions required under ss. 112.363,
891 121.71, 121.74, and 121.76. The contributions are payable only
892 for employment and salary earned in a regularly established
893 position with a covered employer on or after July 1, 2017. The
894 employer and employee contributions shall be transferred to the
895 investment plan and placed in a default fund as designated by
896 the state board. The renewed member may move the contributions
897 once an account is activated in the investment plan.

898 (i) A renewed member who earns creditable service under the
899 investment plan and who is not receiving the maximum health
900 insurance subsidy provided in s. 112.363 is entitled to earn
901 additional credit toward the subsidy. Such credit may be earned
902 only for employment in a regularly established position with a
903 covered employer on or after July 1, 2017. Any additional
904 subsidy due because of additional credit may be received only at
905 the time of paying the second career retirement benefit. The
906 total health insurance subsidy received by a retiree receiving
907 benefits from initial and renewed membership may not exceed the
908 maximum allowed under s. 112.363.

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



911 (4) A retiree of the investment plan, the State University
912 System Optional Retirement Program, the Senior Management
913 Service Optional Annuity Program, or the State Community College
914 System Optional Retirement Program who is reemployed on or after
915 July 1, 2017, in a regularly established position eligible for
916 participation in the State University System Optional Retirement
917 Program shall become a renewed member of the optional retirement
918 program. The renewed member must satisfy the vesting
919 requirements and other provisions of this chapter. Once
920 enrolled, a renewed member remains enrolled in the optional
921 retirement program while employed in an eligible position for
922 the optional retirement program. If employment in a different
923 covered position results in the renewed member's enrollment in
924 the investment plan, the renewed member is no longer eligible to
925 participate in the optional retirement program unless employed
926 in a mandatory position under s. 121.35.

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

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

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

935 (d) Employer and employee contributions, interest,
936 earnings, or any other funds may not be paid into a renewed
937 member's optional retirement program account for any employment
938 in a regularly established position with a covered employer on
939 or after July 1, 2010, through June 30, 2017, by the renewed



940 member or the employer on behalf of the renewed member.
941 (e) Notwithstanding s. 121.4501(4)(f), the renewed member
942 is not eligible to elect membership in the pension plan.
943 (5) A retiree of the investment plan, the State University
944 System Optional Retirement Program, the Senior Management
945 Service Optional Annuity Program, or the State Community College
946 System Optional Retirement Program who is reemployed on or after
947 July 1, 2017, in a regularly established position eligible for
948 participation in the State Community College System Optional
949 Retirement Program shall become a renewed member of the optional
950 retirement program. The renewed member must satisfy the
951 eligibility requirements of this chapter and s. 1012.875 for the
952 optional retirement program. Once enrolled, a renewed member
953 remains enrolled in the optional retirement program while
954 employed in an eligible position for the optional retirement
955 program. If employment in a different covered position results
956 in the renewed member's enrollment in the investment plan, the
957 renewed member is no longer eligible to participate in the
958 optional retirement program.
959 (a) The renewed member is subject to the limitations on
960 reemployment after retirement provided in s. 121.091(9), as
961 applicable.
962 (b) The renewed member must satisfy the requirements for
963 termination from employment provided in s. 121.021(39).
964 (c) Upon renewed membership or reemployment of a retiree,
965 the employer and the renewed member shall pay the applicable
966 employer and employee contributions required under ss.
967 121.051(2)(c) and 1012.875.
968 (d) Employer and employee contributions, interest,



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969 earnings, or any other funds may not be paid into a renewed
970 member's optional retirement program account for any employment
971 in a regularly established position with a covered employer on
972 or after July 1, 2010, through June 30, 2017, by the renewed
973 member or the employer on behalf of the renewed member.

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

976 Section 11. Paragraphs (e) and (i) of subsection (2),
977 paragraph (b) of subsection (3), subsection (4), paragraph (c)
978 of subsection (5), and paragraphs (a) and (h) of subsection (10)
979 of section 121.4501, Florida Statutes, are amended to read:

980 121.4501 Florida Retirement System Investment Plan.—

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

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

984 1. Is a member of, or is eligible for membership in, the
985 Florida Retirement System, including any renewed member of the
986 Florida Retirement System initially enrolled before July 1,
987 2010; ~~or~~

988 2. Participates in, or is eligible to participate in, the
989 Senior Management Service Optional Annuity Program as
990 established under s. 121.055(6), the State Community College
991 System Optional Retirement Program as established under s.
992 121.051(2)(c), or the State University System Optional
993 Retirement Program established under s. 121.35; or

994 3. Is a retired member of the investment plan, the State
995 University System Optional Retirement Program, the Senior
996 Management Service Optional Annuity Program, or the State
997 Community College System Optional Retirement Program who is



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998 reemployed in a regularly established position on or after July
999 1, 2017, and enrolled as a renewed member as provided in s.
1000 121.122.

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1002 The term does not include any member participating in the
1003 Deferred Retirement Option Program established under s.
1004 121.091(13), a retiree of the pension plan who is reemployed in
1005 a regularly established position on or after July 1, 2010, a
1006 retiree of a state-administered retirement system initially
1007 reemployed in a regularly established position on or after July
1008 1, 2010, through June 30, 2017, or a mandatory participant of
1009 the State University System Optional Retirement Program
1010 established under s. 121.35.

1011 (i) "Member" or "employee" means an eligible employee who
1012 enrolls in, or who defaults into, the investment plan as
1013 provided in subsection (4), a terminated Deferred Retirement
1014 Option Program member as described in subsection (21), or a
1015 beneficiary or alternate payee of a member or employee.

1016 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

1017 (b) Notwithstanding paragraph (a), an eligible employee who
1018 elects to participate in, or who defaults into, the investment
1019 plan and establishes one or more individual member accounts may
1020 elect to transfer to the investment plan a sum representing the
1021 present value of the employee's accumulated benefit obligation
1022 under the pension plan, except as provided in paragraph (4)(b).
1023 Upon transfer, all service credit earned under the pension plan
1024 is nullified for purposes of entitlement to a future benefit
1025 under the pension plan. A member may not transfer the
1026 accumulated benefit obligation balance from the pension plan



1027 after the time period for enrolling in the investment plan has
1028 expired.

1029 1. For purposes of this subsection, the present value of
1030 the member's accumulated benefit obligation is based upon the
1031 member's estimated creditable service and estimated average
1032 final compensation under the pension plan, subject to
1033 recomputation under subparagraph 2. For state employees, initial
1034 estimates shall be based upon creditable service and average
1035 final compensation as of midnight on June 30, 2002; for district
1036 school board employees, initial estimates shall be based upon
1037 creditable service and average final compensation as of midnight
1038 on September 30, 2002; and for local government employees,
1039 initial estimates shall be based upon creditable service and
1040 average final compensation as of midnight on December 31, 2002.
1041 The dates specified are the "estimate date" for these employees.
1042 The actuarial present value of the employee's accumulated
1043 benefit obligation shall be based on the following:

1044 a. The discount rate and other relevant actuarial
1045 assumptions used to value the Florida Retirement System Trust
1046 Fund at the time the amount to be transferred is determined,
1047 consistent with the factors provided in sub-subparagraphs b. and
1048 c.

1049 b. A benefit commencement age, based on the member's
1050 estimated creditable service as of the estimate date.

1051 c. Except as provided under sub-subparagraph d., for a
1052 member initially enrolled:

1053 (I) Before July 1, 2011, the benefit commencement age is
1054 the younger of the following, but may not be younger than the
1055 member's age as of the estimate date:



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1056 (A) Age 62; or
1057 (B) The age the member would attain if the member completed
1058 30 years of service with an employer, assuming the member worked
1059 continuously from the estimate date, and disregarding any
1060 vesting requirement that would otherwise apply under the pension
1061 plan.

1062 (II) On or after July 1, 2011, the benefit commencement age
1063 is the younger of the following, but may not be younger than the
1064 member's age as of the estimate date:

1065 (A) Age 65; or
1066 (B) The age the member would attain if the member completed
1067 33 years of service with an employer, assuming the member worked
1068 continuously from the estimate date, and disregarding any
1069 vesting requirement that would otherwise apply under the pension
1070 plan.

1071 d. For members of the Special Risk Class and for members of
1072 the Special Risk Administrative Support Class entitled to retain
1073 the special risk normal retirement date:

1074 (I) Initially enrolled before July 1, 2011, the benefit
1075 commencement age is the younger of the following, but may not be
1076 younger than the member's age as of the estimate date:

1077 (A) Age 55; or
1078 (B) The age the member would attain if the member completed
1079 25 years of service with an employer, assuming the member worked
1080 continuously from the estimate date, and disregarding any
1081 vesting requirement that would otherwise apply under the pension
1082 plan.

1083 (II) Initially enrolled on or after July 1, 2011, the
1084 benefit commencement age is the younger of the following, but



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1085 may not be younger than the member's age as of the estimate
1086 date:

1087 (A) Age 60; or

1088 (B) The age the member would attain if the member completed
1089 30 years of service with an employer, assuming the member worked
1090 continuously from the estimate date, and disregarding any
1091 vesting requirement that would otherwise apply under the pension
1092 plan.

1093 e. The calculation must disregard vesting requirements and
1094 early retirement reduction factors that would otherwise apply
1095 under the pension plan.

1096 2. For each member who elects to transfer moneys from the
1097 pension plan to his or her account in the investment plan, the
1098 division shall recompute the amount transferred under
1099 subparagraph 1. within 60 days after the actual transfer of
1100 funds based upon the member's actual creditable service and
1101 actual final average compensation as of the initial date of
1102 participation in the investment plan. If the recomputed amount
1103 differs from the amount transferred by \$10 or more, the division
1104 shall:

1105 a. Transfer, or cause to be transferred, from the Florida
1106 Retirement System Trust Fund to the member's account the excess,
1107 if any, of the recomputed amount over the previously transferred
1108 amount together with interest from the initial date of transfer
1109 to the date of transfer under this subparagraph, based upon the
1110 effective annual interest equal to the assumed return on the
1111 actuarial investment which was used in the most recent actuarial
1112 valuation of the system, compounded annually.

1113 b. Transfer, or cause to be transferred, from the member's



1114 account to the Florida Retirement System Trust Fund the excess,
1115 if any, of the previously transferred amount over the recomputed
1116 amount, together with interest from the initial date of transfer
1117 to the date of transfer under this subparagraph, based upon 6
1118 percent effective annual interest, compounded annually, pro rata
1119 based on the member's allocation plan.

1120 3. If contribution adjustments are made as a result of
1121 employer errors or corrections, including plan corrections,
1122 following recomputation of the amount transferred under
1123 subparagraph 1., the member is entitled to the additional
1124 contributions or is responsible for returning any excess
1125 contributions resulting from the correction. However, a ~~any~~
1126 return of such erroneous excess pretax contribution by the plan
1127 must be made within the period allowed by the Internal Revenue
1128 Service. The present value of the member's accumulated benefit
1129 obligation may ~~shall~~ not be recalculated.

1130 4. As directed by the member, the state board shall
1131 transfer or cause to be transferred the appropriate amounts to
1132 the designated accounts within 30 days after the effective date
1133 of the member's participation in the investment plan unless the
1134 major financial markets for securities available for a transfer
1135 are seriously disrupted by an unforeseen event that causes the
1136 suspension of trading on a ~~any~~ national securities exchange in
1137 the country where the securities were issued. In that event, the
1138 30-day period may be extended by a resolution of the state
1139 board. Transfers are not commissionable or subject to other fees
1140 and may be in the form of securities or cash, as determined by
1141 the state board. Such securities are valued as of the date of
1142 receipt in the member's account.



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1143 5. If the state board or the division receives notification
1144 from the United States Internal Revenue Service that this
1145 paragraph or any portion of this paragraph will cause the
1146 retirement system, or a portion thereof, to be disqualified for
1147 tax purposes under the Internal Revenue Code, the portion that
1148 will cause the disqualification does not apply. Upon such
1149 notice, the state board and the division shall notify the
1150 presiding officers of the Legislature.

1151 (4) PARTICIPATION; ENROLLMENT.—

1152 (a)1. Effective June 1, 2002, through February 28, 2003, a
1153 90-day election period was provided to each eligible employee
1154 participating in the Florida Retirement System, preceded by a
1155 90-day education period, permitting each eligible employee to
1156 elect membership in the investment plan. An employee who failed
1157 to elect the investment plan during the election period remained
1158 in the pension plan. An eligible employee who was employed in a
1159 regularly established position during the election period was
1160 granted the option to make one subsequent election, as provided
1161 in paragraph (f). With respect to an eligible employee who did
1162 not participate in the initial election period or who is
1163 initially employed in a regularly established position after the
1164 close of the initial election period but before January 1, 2018,
1165 ~~on June 1, 2002, by a state employer:~~

1166 ~~a. Any such employee may elect to participate in the~~
1167 ~~investment plan in lieu of retaining his or her membership in~~
1168 ~~the pension plan. The election must be made in writing or by~~
1169 ~~electronic means and must be filed with the third-party~~
1170 ~~administrator by August 31, 2002, or, in the case of an active~~
1171 ~~employee who is on a leave of absence on April 1, 2002, by the~~



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1172 ~~last business day of the 5th month following the month the leave~~
1173 ~~of absence concludes. This election is irrevocable, except as~~
1174 ~~provided in paragraph (g). Upon making such election, the~~
1175 ~~employee shall be enrolled as a member of the investment plan,~~
1176 ~~the employee's membership in the Florida Retirement System is~~
1177 ~~governed by the provisions of this part, and the employee's~~
1178 ~~membership in the pension plan terminates. The employee's~~
1179 ~~enrollment in the investment plan is effective the first day of~~
1180 ~~the month for which a full month's employer contribution is made~~
1181 ~~to the investment plan.~~

1182 ~~b. Any such employee who fails to elect to participate in~~
1183 ~~the investment plan within the prescribed time period is deemed~~
1184 ~~to have elected to retain membership in the pension plan, and~~
1185 ~~the employee's option to elect to participate in the investment~~
1186 ~~plan is forfeited.~~

1187 ~~2. With respect to employees who become eligible to~~
1188 ~~participate in the investment plan by reason of employment in a~~
1189 ~~regularly established position with a state employer commencing~~
1190 ~~after April 1, 2002:~~

1191 ~~a. Any such employee shall, by default, be enrolled in the~~
1192 ~~pension plan at the commencement of employment, and may, by the~~
1193 ~~last business day of the 5th month following the employee's~~
1194 ~~month of hire, elect to participate in the investment plan. The~~
1195 ~~employee's election must be made in writing or by electronic~~
1196 ~~means and must be filed with the third-party administrator. The~~
1197 ~~election to participate in the investment plan is irrevocable,~~
1198 ~~except as provided in paragraph (f) ~~(g)~~.~~

1199 ~~a.b.~~ If the employee files such election within the
1200 prescribed time period, enrollment in the investment plan is



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1201 effective on the first day of employment. The retirement
1202 contributions paid through the month of the employee plan change
1203 shall be transferred to the investment program, and, effective
1204 the first day of the next month, the employer and employee must
1205 pay the applicable contributions based on the employee
1206 membership class in the program.

1207 ~~b.e.~~ An employee who fails to elect to participate in the
1208 investment plan within the prescribed time period is deemed to
1209 have elected to retain membership in the pension plan, and the
1210 employee's option to elect to participate in the investment plan
1211 is forfeited.

1212 ~~2.3.~~ With respect to employees who become eligible to
1213 participate in the investment plan pursuant to s.
1214 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
1215 participate in the investment plan in lieu of retaining his or
1216 her membership in the State Community College System Optional
1217 Retirement Program or the State University System Optional
1218 Retirement Program. The election must be made in writing or by
1219 electronic means and must be filed with the third-party
1220 administrator. This election is irrevocable, except as provided
1221 in paragraph (f) ~~(g)~~. Upon making such election, the employee
1222 shall be enrolled as a member in the investment plan, the
1223 employee's membership in the Florida Retirement System is
1224 governed by the provisions of this part, and the employee's
1225 participation in the State Community College System Optional
1226 Retirement Program or the State University System Optional
1227 Retirement Program terminates. The employee's enrollment in the
1228 investment plan is effective on the first day of the month for
1229 which a full month's employer and employee contribution is made



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1230 to the investment plan.

1231 (b)1. With respect to employees who become eligible to
1232 participate in the investment plan by reason of employment in a
1233 regularly established position commencing on or after January 1,
1234 2018, or who did not complete an election window before January
1235 1, 2018, any such employee shall be enrolled in the pension plan
1236 at the commencement of employment and may, by the last business
1237 day of the eighth month following the employee's month of hire,
1238 elect to participate in the pension plan or the investment plan.
1239 Eligible employees may make a plan election only if they are
1240 earning service credit in an employer-employee relationship
1241 consistent with s. 121.021(17) (b), excluding leaves of absence
1242 without pay.

1243 2. The employee's election must be made in writing or by
1244 electronic means and must be filed with the third-party
1245 administrator. The election to participate in the pension plan
1246 or investment plan is irrevocable, except as provided in
1247 paragraph (f).

1248 3.a. Except as provided in subparagraph 4., if the employee
1249 fails to make an election to either the pension plan or the
1250 investment plan during the 8-month period following the month of
1251 hire, the employee is deemed to have elected the investment plan
1252 and shall default into the investment plan retroactively to the
1253 employee's date of employment. The employee's option to
1254 participate in the pension plan is forfeited, except as provided
1255 in paragraph (f).

1256 b. The amount of the employee and employer contributions
1257 paid through the date of default to the investment plan shall be
1258 transferred to the investment plan and shall be placed in a



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1259 default fund as designated by the State Board of Administration.
1260 The employee may move the contributions once an account is
1261 activated in the investment plan.

1262 4. If the employee is employed in a position included in
1263 the Special Risk Class and fails to make an election to either
1264 the pension plan or the investment plan during the 8-month
1265 period following the month of hire, the employee is deemed to
1266 have elected the pension plan and shall default into the pension
1267 plan retroactively to the employee's date of employment. The
1268 employee's option to participate in the investment plan is
1269 forfeited, except as provided in paragraph (f).

1270 5. Effective the first day of the month after an eligible
1271 employee makes a plan election of the pension plan or investment
1272 plan, or the first day of the month after default, the employee
1273 and employer shall pay the applicable contributions based on the
1274 employee membership class in the program.

1275 ~~4. For purposes of this paragraph, "state employer" means~~
1276 ~~any agency, board, branch, commission, community college,~~
1277 ~~department, institution, institution of higher education, or~~
1278 ~~water management district of the state, which participates in~~
1279 ~~the Florida Retirement System for the benefit of certain~~
1280 ~~employees.~~

1281 ~~(b)1. With respect to an eligible employee who is employed~~
1282 ~~in a regularly established position on September 1, 2002, by a~~
1283 ~~district school board employer:~~

1284 ~~a. Any such employee may elect to participate in the~~
1285 ~~investment plan in lieu of retaining his or her membership in~~
1286 ~~the pension plan. The election must be made in writing or by~~
1287 ~~electronic means and must be filed with the third-party~~



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1288 ~~administrator by November 30, or, in the case of an active~~
1289 ~~employee who is on a leave of absence on July 1, 2002, by the~~
1290 ~~last business day of the 5th month following the month the leave~~
1291 ~~of absence concludes. This election is irrevocable, except as~~
1292 ~~provided in paragraph (g). Upon making such election, the~~
1293 ~~employee shall be enrolled as a member of the investment plan,~~
1294 ~~the employee's membership in the Florida Retirement System is~~
1295 ~~governed by the provisions of this part, and the employee's~~
1296 ~~membership in the pension plan terminates. The employee's~~
1297 ~~enrollment in the investment plan is effective the first day of~~
1298 ~~the month for which a full month's employer contribution is made~~
1299 ~~to the investment program.~~

1300 ~~b. Any such employee who fails to elect to participate in~~
1301 ~~the investment plan within the prescribed time period is deemed~~
1302 ~~to have elected to retain membership in the pension plan, and~~
1303 ~~the employee's option to elect to participate in the investment~~
1304 ~~plan is forfeited.~~

1305 ~~2. With respect to employees who become eligible to~~
1306 ~~participate in the investment plan by reason of employment in a~~
1307 ~~regularly established position with a district school board~~
1308 ~~employer commencing after July 1, 2002:~~

1309 ~~a. Any such employee shall, by default, be enrolled in the~~
1310 ~~pension plan at the commencement of employment, and may, by the~~
1311 ~~last business day of the 5th month following the employee's~~
1312 ~~month of hire, elect to participate in the investment plan. The~~
1313 ~~employee's election must be made in writing or by electronic~~
1314 ~~means and must be filed with the third-party administrator. The~~
1315 ~~election to participate in the investment plan is irrevocable,~~
1316 ~~except as provided in paragraph (g).~~



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1317 ~~b. If the employee files such election within the~~
1318 ~~prescribed time period, enrollment in the investment plan is~~
1319 ~~effective on the first day of employment. The employer~~
1320 ~~retirement contributions paid through the month of the employee~~
1321 ~~plan change shall be transferred to the investment plan, and,~~
1322 ~~effective the first day of the next month, the employer shall~~
1323 ~~pay the applicable contributions based on the employee~~
1324 ~~membership class in the investment plan.~~

1325 ~~e. Any such employee who fails to elect to participate in~~
1326 ~~the investment plan within the prescribed time period is deemed~~
1327 ~~to have elected to retain membership in the pension plan, and~~
1328 ~~the employee's option to elect to participate in the investment~~
1329 ~~plan is forfeited.~~

1330 ~~3. For purposes of this paragraph, "district school board~~
1331 ~~employer" means any district school board that participates in~~
1332 ~~the Florida Retirement System for the benefit of certain~~
1333 ~~employees, or a charter school or charter technical career~~
1334 ~~center that participates in the Florida Retirement System as~~
1335 ~~provided in s. 121.051(2)(d).~~

1336 ~~(c)1. With respect to an eligible employee who is employed~~
1337 ~~in a regularly established position on December 1, 2002, by a~~
1338 ~~local employer:~~

1339 ~~a. Any such employee may elect to participate in the~~
1340 ~~investment plan in lieu of retaining his or her membership in~~
1341 ~~the pension plan. The election must be made in writing or by~~
1342 ~~electronic means and must be filed with the third party~~
1343 ~~administrator by February 28, 2003, or, in the case of an active~~
1344 ~~employee who is on a leave of absence on October 1, 2002, by the~~
1345 ~~last business day of the 5th month following the month the leave~~



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1346 ~~of absence concludes. This election is irrevocable, except as~~
1347 ~~provided in paragraph (g). Upon making such election, the~~
1348 ~~employee shall be enrolled as a participant of the investment~~
1349 ~~plan, the employee's membership in the Florida Retirement System~~
1350 ~~is governed by the provisions of this part, and the employee's~~
1351 ~~membership in the pension plan terminates. The employee's~~
1352 ~~enrollment in the investment plan is effective the first day of~~
1353 ~~the month for which a full month's employer contribution is made~~
1354 ~~to the investment plan.~~

1355 ~~b. Any such employee who fails to elect to participate in~~
1356 ~~the investment plan within the prescribed time period is deemed~~
1357 ~~to have elected to retain membership in the pension plan, and~~
1358 ~~the employee's option to elect to participate in the investment~~
1359 ~~plan is forfeited.~~

1360 ~~2. With respect to employees who become eligible to~~
1361 ~~participate in the investment plan by reason of employment in a~~
1362 ~~regularly established position with a local employer commencing~~
1363 ~~after October 1, 2002:~~

1364 ~~a. Any such employee shall, by default, be enrolled in the~~
1365 ~~pension plan at the commencement of employment, and may, by the~~
1366 ~~last business day of the 5th month following the employee's~~
1367 ~~month of hire, elect to participate in the investment plan. The~~
1368 ~~employee's election must be made in writing or by electronic~~
1369 ~~means and must be filed with the third party administrator. The~~
1370 ~~election to participate in the investment plan is irrevocable,~~
1371 ~~except as provided in paragraph (g).~~

1372 ~~b. If the employee files such election within the~~
1373 ~~prescribed time period, enrollment in the investment plan is~~
1374 ~~effective on the first day of employment. The employer~~



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1375 ~~retirement contributions paid through the month of the employee~~
1376 ~~plan change shall be transferred to the investment plan, and,~~
1377 ~~effective the first day of the next month, the employer shall~~
1378 ~~pay the applicable contributions based on the employee~~
1379 ~~membership class in the investment plan.~~

1380 ~~e. Any such employee who fails to elect to participate in~~
1381 ~~the investment plan within the prescribed time period is deemed~~
1382 ~~to have elected to retain membership in the pension plan, and~~
1383 ~~the employee's option to elect to participate in the investment~~
1384 ~~plan is forfeited.~~

1385 ~~3. For purposes of this paragraph, "local employer" means~~
1386 ~~any employer not included in paragraph (a) or paragraph (b).~~

1387 ~~(c)~~ ~~(d)~~ Contributions available for self-direction by a
1388 member who has not selected one or more specific investment
1389 products shall be allocated as prescribed by the state board.
1390 The third-party administrator shall notify the member at least
1391 quarterly that the member should take an affirmative action to
1392 make an asset allocation among the investment products.

1393 ~~(d)~~ ~~(e)~~ On or after July 1, 2011, a member of the pension
1394 plan who obtains a refund of employee contributions retains his
1395 or her prior plan choice upon return to employment in a
1396 regularly established position with a participating employer.

1397 ~~(e)1.~~ ~~(f)~~ A member of the investment plan who takes a
1398 distribution of any contributions from his or her investment
1399 plan account is considered a retiree. A retiree who is initially
1400 reemployed in a regularly established position on or after July
1401 1, 2010, through June 30, 2017, is not eligible for ~~to be~~
1402 ~~enrolled in renewed membership,~~ except as provided in s.
1403 121.122.



1404 2. A retiree who is reemployed on or after July 1, 2017,
1405 shall be enrolled as a renewed member as provided in s. 121.122.

1406 ~~(f)(g)~~ After the period during which an eligible employee
1407 had the choice to elect the pension plan or the investment plan,
1408 or the month following the receipt of the eligible employee's
1409 plan election, if sooner, the employee shall have one
1410 opportunity, at the employee's discretion, to choose to move
1411 from the pension plan to the investment plan or from the
1412 investment plan to the pension plan. Eligible employees may
1413 elect to move between plans only if they are earning service
1414 credit in an employer-employee relationship consistent with s.
1415 121.021(17)(b), excluding leaves of absence without pay.
1416 Effective July 1, 2005, such elections are effective on the
1417 first day of the month following the receipt of the election by
1418 the third-party administrator and are not subject to the
1419 requirements regarding an employer-employee relationship or
1420 receipt of contributions for the eligible employee in the
1421 effective month, except when the election is received by the
1422 third-party administrator. This paragraph is contingent upon
1423 approval by the Internal Revenue Service.

1424 1. If the employee chooses to move to the investment plan,
1425 the provisions of subsection (3) govern the transfer.

1426 2. If the employee chooses to move to the pension plan, the
1427 employee must transfer from his or her investment plan account,
1428 and from other employee moneys as necessary, a sum representing
1429 the present value of that employee's accumulated benefit
1430 obligation immediately following the time of such movement,
1431 determined assuming that attained service equals the sum of
1432 service in the pension plan and service in the investment plan.



1433 Benefit commencement occurs on the first date the employee is
1434 eligible for unreduced benefits, using the discount rate and
1435 other relevant actuarial assumptions that were used to value the
1436 pension plan liabilities in the most recent actuarial valuation.
1437 For any employee who, at the time of the second election,
1438 already maintains an accrued benefit amount in the pension plan,
1439 the then-present value of the accrued benefit is deemed part of
1440 the required transfer amount. The division must ensure that the
1441 transfer sum is prepared using a formula and methodology
1442 certified by an enrolled actuary. A refund of any employee
1443 contributions or additional member payments made which exceed
1444 the employee contributions that would have accrued had the
1445 member remained in the pension plan and not transferred to the
1446 investment plan is not permitted.

1447 3. Notwithstanding subparagraph 2., an employee who chooses
1448 to move to the pension plan and who became eligible to
1449 participate in the investment plan by reason of employment in a
1450 regularly established position with a state employer after June
1451 1, 2002; a district school board employer after September 1,
1452 2002; or a local employer after December 1, 2002, must transfer
1453 from his or her investment plan account, and from other employee
1454 moneys as necessary, a sum representing the employee's actuarial
1455 accrued liability. A refund of any employee contributions or
1456 additional member participant payments made which exceed the
1457 employee contributions that would have accrued had the member
1458 remained in the pension plan and not transferred to the
1459 investment plan is not permitted.

1460 4. An employee's ability to transfer from the pension plan
1461 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~



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1462 ~~(d)~~, and the ability of a current employee to have an option to
1463 later transfer back into the pension plan under subparagraph 2.,
1464 shall be deemed a significant system amendment. Pursuant to s.
1465 121.031(4), any resulting unfunded liability arising from actual
1466 original transfers from the pension plan to the investment plan
1467 must be amortized within 30 plan years as a separate unfunded
1468 actuarial base independent of the reserve stabilization
1469 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
1470 direct amortization payment may not be calculated for this base.
1471 During this 25-year period, the separate base shall be used to
1472 offset the impact of employees exercising their second program
1473 election under this paragraph. The actuarial funded status of
1474 the pension plan will not be affected by such second program
1475 elections in any significant manner, after due recognition of
1476 the separate unfunded actuarial base. Following the initial 25-
1477 year period, any remaining balance of the original separate base
1478 shall be amortized over the remaining 5 years of the required
1479 30-year amortization period.

1480 5. If the employee chooses to transfer from the investment
1481 plan to the pension plan and retains an excess account balance
1482 in the investment plan after satisfying the buy-in requirements
1483 under this paragraph, the excess may not be distributed until
1484 the member retires from the pension plan. The excess account
1485 balance may be rolled over to the pension plan and used to
1486 purchase service credit or upgrade creditable service in the
1487 pension plan.

1488 (5) CONTRIBUTIONS.—

1489 (c) The state board, acting as plan fiduciary, must ensure
1490 that all plan assets are held in a trust, pursuant to s. 401 of



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1491 the Internal Revenue Code. The fiduciary must ensure that such
1492 contributions are allocated as follows:

1493 1. The employer and employee contribution portion earmarked
1494 for member accounts shall be used to purchase interests in the
1495 appropriate investment vehicles as specified by the member, or
1496 in accordance with paragraph (4) (c) ~~(4) (d)~~.

1497 2. The employer contribution portion earmarked for
1498 administrative and educational expenses shall be transferred to
1499 the state board's Administrative Trust Fund.

1500 3. The employer contribution portion earmarked for
1501 disability benefits and line-of-duty death benefits shall be
1502 transferred to the Florida Retirement System Trust Fund.

1503 (10) EDUCATION COMPONENT.—

1504 (a) The state board, in coordination with the department,
1505 shall provide for an education component for eligible employees
1506 ~~system members~~ in a manner consistent with ~~the provisions of~~
1507 this subsection ~~section~~. ~~The education component must be~~
1508 ~~available to eligible employees at least 90 days prior to the~~
1509 ~~beginning date of the election period for the employees of the~~
1510 ~~respective types of employers.~~

1511 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1512 ~~System employers have an obligation to regularly communicate the~~
1513 ~~existence of the two Florida Retirement System plans and the~~
1514 ~~plan choice in the natural course of administering their~~
1515 ~~personnel functions, using the educational materials supplied by~~
1516 ~~the state board and the Department of Management Services.~~

1517 Section 12. Subsection (4) of section 121.591, Florida
1518 Statutes, is amended to read:

1519 121.591 Payment of benefits.—Benefits may not be paid under



1520 the Florida Retirement System Investment Plan unless the member
1521 has terminated employment as provided in s. 121.021(39)(a) or is
1522 deceased and a proper application has been filed as prescribed
1523 by the state board or the department. Benefits, including
1524 employee contributions, are not payable under the investment
1525 plan for employee hardships, unforeseeable emergencies, loans,
1526 medical expenses, educational expenses, purchase of a principal
1527 residence, payments necessary to prevent eviction or foreclosure
1528 on an employee's principal residence, or any other reason except
1529 a requested distribution for retirement, a mandatory de minimis
1530 distribution authorized by the administrator, or a required
1531 minimum distribution provided pursuant to the Internal Revenue
1532 Code. The state board or department, as appropriate, may cancel
1533 an application for retirement benefits if the member or
1534 beneficiary fails to timely provide the information and
1535 documents required by this chapter and the rules of the state
1536 board and department. In accordance with their respective
1537 responsibilities, the state board and the department shall adopt
1538 rules establishing procedures for application for retirement
1539 benefits and for the cancellation of such application if the
1540 required information or documents are not received. The state
1541 board and the department, as appropriate, are authorized to cash
1542 out a de minimis account of a member who has been terminated
1543 from Florida Retirement System covered employment for a minimum
1544 of 6 calendar months. A de minimis account is an account
1545 containing employer and employee contributions and accumulated
1546 earnings of not more than \$5,000 made under the provisions of
1547 this chapter. Such cash-out must be a complete lump-sum
1548 liquidation of the account balance, subject to the provisions of



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1549 the Internal Revenue Code, or a lump-sum direct rollover
1550 distribution paid directly to the custodian of an eligible
1551 retirement plan, as defined by the Internal Revenue Code, on
1552 behalf of the member. Any nonvested accumulations and associated
1553 service credit, including amounts transferred to the suspense
1554 account of the Florida Retirement System Investment Plan Trust
1555 Fund authorized under s. 121.4501(6), shall be forfeited upon
1556 payment of any vested benefit to a member or beneficiary, except
1557 for de minimis distributions or minimum required distributions
1558 as provided under this section. If any financial instrument
1559 issued for the payment of retirement benefits under this section
1560 is not presented for payment within 180 days after the last day
1561 of the month in which it was originally issued, the third-party
1562 administrator or other duly authorized agent of the state board
1563 shall cancel the instrument and credit the amount of the
1564 instrument to the suspense account of the Florida Retirement
1565 System Investment Plan Trust Fund authorized under s.
1566 121.4501(6). Any amounts transferred to the suspense account are
1567 payable upon a proper application, not to include earnings
1568 thereon, as provided in this section, within 10 years after the
1569 last day of the month in which the instrument was originally
1570 issued, after which time such amounts and any earnings
1571 attributable to employer contributions shall be forfeited. Any
1572 forfeited amounts are assets of the trust fund and are not
1573 subject to chapter 717.

1574 (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN ~~SPECIAL~~
1575 ~~RISK-CLASS~~ MEMBERS.—Benefits are provided under this subsection
1576 to the spouse and child or children of members in the investment
1577 plan ~~Special Risk Class~~ when such members are killed in the line



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1578 of duty and are payable in lieu of the benefits that would
1579 otherwise be payable under subsection (1) or subsection (3).
1580 Benefits provided by this subsection supersede any other
1581 distribution that may have been provided by the member's
1582 designation of beneficiary. Such benefits must be funded from
1583 employer contributions made under s. 121.571, transferred
1584 employee contributions and funds accumulated pursuant to
1585 paragraph (a), and interest and earnings thereon.

1586 (a) *Transfer of funds.*—To qualify to receive monthly
1587 benefits under this subsection:

1588 1. All moneys accumulated in the member's account,
1589 including vested and nonvested accumulations as described in s.
1590 121.4501(6), must be transferred from such individual accounts
1591 to the division for deposit in the survivor benefit account of
1592 the Florida Retirement System Trust Fund. Moneys in the survivor
1593 benefit account must be accounted for separately. Earnings must
1594 be credited on an annual basis for amounts held in the survivor
1595 benefit account of the Florida Retirement System Trust Fund
1596 based on actual earnings of the trust fund.

1597 2. If the member has retained retirement credit earned
1598 under the pension plan as provided in s. 121.4501(3), a sum
1599 representing the actuarial present value of such credit within
1600 the Florida Retirement System Trust Fund shall be transferred by
1601 the division from the pension plan to the survivor benefit
1602 retirement program as implemented under this subsection and
1603 shall be deposited in the survivor benefit account of the trust
1604 fund.

1605 (b) *Survivor retirement; entitlement.*—An investment plan
1606 member who is ~~in the Special Risk Class at the time the member~~



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1607 ~~is~~ killed in the line of duty on or after July 1, 2002 ~~2013~~,
1608 regardless of length of creditable service, may have survivor
1609 benefits paid as provided in s. 121.091(7)(d) and (i) to:

- 1610 1. The surviving spouse for the spouse's lifetime; or
1611 2. If there is no surviving spouse or the surviving spouse
1612 dies, the member's child or children under 18 years of age and
1613 unmarried until the 18th birthday of the member's youngest
1614 child. Such payments may be extended until the 25th birthday of
1615 any child of the member if the child is unmarried and enrolled
1616 as a full-time student as provided in s. 121.091(7)(d) and (i).

1617 (c) *Survivor benefit retirement effective date.*—

1618 1. The effective retirement date for the surviving spouse
1619 or eligible child of a Special Risk Class member who is killed
1620 in the line of duty is:

1621 a.1. The first day of the month following the member's
1622 death if the member dies on or after July 1, 2016.

1623 b.2. July 1, 2016, for a member of the Special Risk Class
1624 when killed in the line of duty on or after July 1, 2013, but
1625 before July 1, 2016, if the application is received before July
1626 1, 2016; or the first day of the month following the receipt of
1627 such application.

1628 2. Except as provided in subparagraph 1., the effective
1629 retirement date for the surviving spouse or eligible child of an
1630 investment plan member who is killed in the line of duty is:

1631 a. The first day of the month following the member's death
1632 if the member dies on or after July 1, 2017.

1633 b. July 1, 2017, if the member is killed in the line of
1634 duty on or after July 1, 2002, but before July 1, 2017, if the
1635 application is received before July 1, 2017; or the first day of



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1636 the month following the receipt of such application.

1637

1638 If the investment plan account balance has already been paid out
1639 to the surviving spouse or the eligible unmarried dependent
1640 child or children, the benefit payable shall be actuarially
1641 reduced by the amount of the payout.

1642 (d) *Line-of-duty death benefit.*—

1643 1. The following individuals are eligible to receive a
1644 retirement benefit under s. 121.091(7)(d) and (i) if the
1645 member's account balance is surrendered and an application is
1646 received and approved:

1647 a. The surviving spouse.

1648 b. If there is no surviving spouse or the surviving spouse
1649 dies, the member's child or children under 18 years of age and
1650 unmarried until the 18th birthday of the member's youngest
1651 child, or until the 25th birthday of the member's child if the
1652 child is unmarried and enrolled as a full-time student.

1653 2. Such surviving spouse or such child or children shall
1654 receive a monthly survivor benefit that begins accruing on the
1655 first day of the month of survivor benefit retirement, as
1656 approved by the division, and is payable on the last day of that
1657 month and each month thereafter during the surviving spouse's
1658 lifetime or on behalf of the unmarried children of the member
1659 until the 18th birthday of the youngest child, or until the 25th
1660 birthday of any of the member's unmarried children who are
1661 enrolled as full-time students. Survivor benefits must be paid
1662 out of the survivor benefit account of the Florida Retirement
1663 System Trust Fund established under this subsection.

1664



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1665 If the investment plan account balance has already been paid out
1666 to the surviving spouse or the eligible unmarried dependent
1667 child or children, the benefit payable shall be actuarially
1668 reduced by the amount of the payout.

1669 (e) *Computation of survivor benefit retirement benefit.*—The
1670 amount of each monthly payment must be calculated as provided
1671 under s. 121.091(7)(d) and (i).

1672 (f) *Death of the surviving spouse or children.*—

1673 1. Upon the death of a surviving spouse, the monthly
1674 benefits shall be paid through the last day of the month of
1675 death and shall terminate or be paid on behalf of the unmarried
1676 child or children until the 18th birthday of the youngest child,
1677 or the 25th birthday of any of the member's unmarried children
1678 who are enrolled as full-time students.

1679 2. If the surviving spouse dies and the benefits are being
1680 paid on behalf of the member's unmarried children as provided in
1681 subparagraph 1., benefits shall be paid through the last day of
1682 the month until the later of the month the youngest child
1683 reaches his or her 18th birthday, the month of the 25th birthday
1684 of any of the member's unmarried children enrolled as full-time
1685 students, or the month of the death of the youngest child.

1686 Section 13. Section 121.5912, Florida Statutes, is amended
1687 to read:

1688 121.5912 Survivor benefit retirement program; qualified
1689 status; rulemaking authority.—It is the intent of the
1690 Legislature that the survivor benefit retirement program for
1691 ~~Special Risk Class~~ members of the Florida Retirement System
1692 Investment Plan meet all applicable requirements for a qualified
1693 plan. If the state board or the division receives notification



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1694 from the Internal Revenue Service that this program or any
1695 portion of this program will cause the retirement system, or any
1696 portion thereof, to be disqualified for tax purposes under the
1697 Internal Revenue Code, the portion that will cause the
1698 disqualification does not apply. Upon such notice, the state
1699 board or the division shall notify the presiding officers of the
1700 Legislature. The state board and the department may adopt any
1701 rules necessary to maintain the qualified status of the survivor
1702 benefit retirement program.

1703 Section 14. Subsections (4) and (5) of section 121.71,
1704 Florida Statutes, are amended to read:

1705 121.71 Uniform rates; process; calculations; levy.—

1706 (4) Required employer retirement contribution rates for
1707 each membership class and subclass of the Florida Retirement
1708 System for both retirement plans are as follows:

1709

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2017</u> 2016
1710	
1711 Regular Class	<u>2.90%</u> 2.97%
1712 Special Risk Class	<u>11.86%</u> 11.80%
1713 Special Risk	<u>3.83%</u> 3.87%



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1714	Administrative Support Class		
1715	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.45%</u>	6.63%
1716	Elected Officers' Class— Justices, Judges	<u>11.67%</u>	11.68%
1717	Elected Officers' Class— County Elected Officers	<u>8.54%</u>	8.55%
1718	Senior Management Class	<u>4.29%</u>	4.38%
1719	DROP	<u>4.17%</u>	4.23%
1720			
1721	(5)		
1722	In order to address unfunded actuarial liabilities of the		
1723	system, the required employer retirement contribution rates for		
1724	each membership class and subclass of the Florida Retirement		
1725	System for both retirement plans are as follows:		
1726			
1727			
	Membership Class	Percentage of	



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	Gross Compensation, Effective July 1, <u>2017</u> 2016
1728	
1729	
1730	Regular Class <u>3.30%</u> 2.83%
1731	Special Risk Class <u>9.69%</u> 9.05%
1731	Special Risk Administrative Support Class <u>29.08%</u> 22.47%
1732	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders <u>42.69%</u> 33.75%
1733	Elected Officers' Class— Justices, Judges <u>26.25%</u> 23.30%
1734	Elected Officers' Class— County Elected Officers <u>35.24%</u> 32.20%
1735	Senior Management Service <u>16.70%</u> 15.67%



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Class

1736

DROP

7.43% ~~7.10%~~

1737

1738

1739 Section 15. Subsections (1) and (3) of section 121.735,
1740 Florida Statutes, are amended to read:

1741 121.735 Allocations for member line-of-duty death benefits;
1742 percentage amounts.—

1743 (1) The allocations established in subsection (3) shall be
1744 used to provide line-of-duty death benefit coverage for ~~Special~~
1745 ~~Risk Class~~ members in the investment plan and shall be
1746 transferred monthly by the division from the Florida Retirement
1747 System Contributions Clearing Trust Fund to the survivor benefit
1748 account of the Florida Retirement System Trust Fund.

1749 (3) Effective July 1, 2017 ~~2016~~, allocations from the
1750 Florida Retirement System Contributions Clearing Trust Fund to
1751 provide line-of-duty death benefits for ~~Special Risk Class~~
1752 members in the investment plan and to offset the costs of
1753 administering said coverage, are as follows:

1754

1755

Membership Class

Percentage of Gross
Compensation

1756

Regular Class

0.05%

1757

Special Risk Class

1.15% ~~0.82%~~



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1758

Special Risk Administrative 0.03%
Support Class

1759

Elected Officers' Class- 0.15%
Legislators, Governor,
Lt. Governor, Cabinet
Officers,
State Attorneys, Public
Defenders

1760

Elected Officers' Class- 0.09%
Justices, Judges

1761

Elected Officers' Class- 0.20%
County Elected Officers

1762

Senior Management Service 0.05%
Class

1763

1764

1765

Section 16. The Legislature finds that a proper and
legitimate state purpose is served when employees and retirees
of the state and its political subdivisions, and the dependents,
survivors, and beneficiaries of such employees and retirees, are
extended the basic protections afforded by governmental
retirement systems. These persons must be provided benefits that
are fair and adequate and that are managed, administered, and
funded in an actuarially sound manner, as required by s. 14,

1766

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1773 Article X of the State Constitution and part VII of chapter 112,
1774 Florida Statutes. Therefore, the Legislature determines and
1775 declares that this act fulfills an important state interest.

1776 Section 17. (1) PURPOSE.—This section provides instructions
1777 for implementing the 2017-2018 fiscal year salary and benefit
1778 adjustments provided in this act. All allocations,
1779 distributions, and uses of these funds are to be made in strict
1780 accordance with the provisions of this act and chapter 216,
1781 Florida Statutes.

1782 (2) LEGISLATIVE INTENT.—It is the intent of the Legislature
1783 that the minimum for each pay grade and pay band may not be
1784 adjusted during the 2017-2018 fiscal year and that the maximums
1785 for each pay grade and pay band shall be adjusted upward by 6
1786 percent, effective July 1, 2017. In addition, the Legislature
1787 intends that all eligible employees receive the increases
1788 specified in this section, even if the implementation of such
1789 increases results in an employee's salary exceeding the adjusted
1790 pay grade maximum. Salary increases provided under this section
1791 shall be prorated based on the full-time equivalency of the
1792 employee's position. Employees classified as other-personnel-
1793 services employees are not eligible for an increase based on the
1794 implementation of increases authorized in this section.

1795 (3) LAW ENFORCEMENT COMPENSATION ADJUSTMENTS.—

1796 (a) Effective July 1, 2017, funds are provided in section
1797 18 of this act to grant a competitive pay adjustment of 5
1798 percent of each eligible law enforcement employee's base rate of
1799 pay on June 30, 2017, in the Department of Legal Affairs, the
1800 Department of Agriculture and Consumer Services, the Department
1801 of Financial Services, the Department of Law Enforcement, the



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1802 Department of Highway Safety and Motor Vehicles, the Department
1803 of Business and Professional Regulation, and the Department of
1804 the Lottery; the Fish and Wildlife Conservation Commission; the
1805 offices of State Attorneys; the Florida Commission on Offender
1806 Review; and the Florida School for the Deaf and the Blind.

1807 (b) For purposes of this subsection, the term "law
1808 enforcement employee" means:

1809 1. Sworn officers of the Law Enforcement, Florida Highway
1810 Patrol, Special Agent, and Lottery Law Enforcement bargaining
1811 units in the following classification codes: Law Enforcement
1812 Officer (8515); Law Enforcement Corporal (8517); Law Enforcement
1813 Sergeant (8519); Law Enforcement Investigator I (8540); Law
1814 Enforcement Investigator II (8541); Law Enforcement Airplane
1815 Pilot I (8532); Law Enforcement Airplane Pilot II (8534);
1816 Special Agent Trainee (8580); Special Agent (8581); Special
1817 Agent I (2724); Special Agent II (2608); Security Agent-FDLE
1818 (8593); and Security Agent Supervisor-FDLE (8596).

1819 2. Sworn officers in the following classification codes:
1820 Law Enforcement Lieutenant (8522); Law Enforcement Captain (8525
1821 and 8632); Law Enforcement Major (8526, 8626, and 8630); Special
1822 Agent Supervisor (1126 and 8584); Inspector-FDLE (8590); and
1823 Investigators I-VI (6661, 6662, 6663, 6664, 6665, and 6666).

1824 (4) DEPARTMENT OF CORRECTIONS COMPENSATION ADJUSTMENTS.—

1825 (a) Effective October 1, 2017, the Department of
1826 Corrections shall adjust the minimum base rate of pay for its
1827 positions in the correctional officer classification series as
1828 follows:

- 1829 1. Correctional officer (8003) to \$33,500.
1830 2. Correctional officer sergeant (8005) to \$36,850.



1831 3. Correctional officer lieutenant (8011) to \$40,535.
1832 4. Correctional officer captain (8013) to \$44,589.
1833 (b) Effective October 1, 2017, funds are provided in
1834 section 18 of this act to fund the adjustments to the minimum
1835 base rates of pay authorized in paragraph (a) and to fund
1836 competitive pay adjustments to all other employees of the
1837 Department of Corrections filling a position in the correctional
1838 officer classification series (class codes 8003, 8005, 8011, and
1839 8013). The adjustments to the base rate of pay shall be the
1840 amount necessary to increase the employee's base rate of pay as
1841 of September 30, 2017, to the applicable class minimum specified
1842 in paragraph (a) or by \$2,500, whichever amount is greater.
1843 (5) COMPENSATION ADJUSTMENTS FOR CERTAIN OFFICERS AND
1844 DESIGNATED EMPLOYEES.—Beginning October 1, 2017, from the funds
1845 provided in section 18 of this act and notwithstanding the
1846 provisions of ss. 27.35, 27.5301(1), 27.5301(3), and 29.23,
1847 Florida Statutes, which require the salaries of certain officers
1848 and employees to be established in the general appropriations
1849 act, the following officers and designated employees shall be
1850 paid at the annual rate authorized in this subsection:
1851 (a) Supreme Court Justices at the annual rate of \$178,420.
1852 (b) District Court of Appeal Judges at the annual rate of
1853 \$169,554.
1854 (c) Circuit Court Judges at the annual rate of \$160,688.
1855 (d) County Court Judges at the annual rate of \$151,822.
1856 (e) State Attorneys at the annual rate of \$169,554.
1857 (f) Public Defenders at the annual rate of \$169,554.
1858 (g) Criminal Conflict and Civil Regional Counsels at the
1859 annual rate of \$115,000.



1860 (h) Public Service Commissioner at the annual rate of
1861 \$132,036.

1862 (i) Chair of the Public Employees Relations Commission at
1863 the annual rate of \$97,789.

1864 (j) Commissioners of the Public Employees Relations
1865 Commission at the rate of \$46,362.

1866 (k) Parole Commissioners at the annual rate of \$92,724.

1867

1868 None of the officers, commission members, or employees whose
1869 salaries have been fixed in this subsection shall receive any
1870 supplemental salary or benefits from any county or municipality.

1871 (6) EMPLOYEE AND OFFICER COMPENSATION ADJUSTMENTS.—

1872 (a) For purposes of this subsection, the term "competitive
1873 pay adjustment" means:

1874 1. For employees with a base rate of pay of \$40,000 or less
1875 on September 30, 2017, an annual increase of \$1,400.

1876 2. For employees with a base rate of pay greater than
1877 \$40,000 on September 30, 2017, an annual increase of \$1,000;
1878 provided however, in no instance may an employee's base rate of
1879 pay be increased to an annual amount less than \$41,400.

1880

1881 For the purpose of determining the applicable increase for part-
1882 time employees, the full-time equivalent value of the base rate
1883 of pay on September 30, 2017, shall be used; but the amount of
1884 the annual increase for a part-time employee must be
1885 proportional to the full-time equivalency of the employee's
1886 position.

1887 (b) For purposes of this subsection, the term "eligible
1888 employees" means employees who are, at a minimum, meeting their



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1889 required performance standards, if applicable. If an ineligible
1890 employee achieves performance standards subsequent to the salary
1891 increase implementation date but on or before the end of the
1892 2017-2018 fiscal year, the employee may receive an increase;
1893 however, such increase shall take effect on the date the
1894 employee becomes eligible and is not retroactive to the salary
1895 increase implementation date. In addition, the salary increase
1896 provided under this section shall be prorated based on the full-
1897 time equivalency of the employee's position. Employees
1898 classified as being other-personnel-services employees are not
1899 eligible for an increase.

1900 (c) Effective October 1, 2017, funds are provided in
1901 section 18 of this act to grant competitive pay adjustments for
1902 all eligible employees in the Career Service, the Selected
1903 Exempt Service, the Senior Management Service, the lottery pay
1904 plan, the judicial branch pay plan, the legislative pay plan,
1905 and the pay plans administered by the Justice Administration
1906 Commission, except those officers and employees receiving
1907 compensation adjustments pursuant to subsections (3), (4), and
1908 (5), paragraph (7)(c), and subparagraphs (7)(d)2. and 3.

1909 (7) SPECIAL PAY ISSUES.—

1910 (a) The Department of Highway Safety and Motor Vehicles is
1911 authorized to increase the minimum annual salaries of current
1912 and new employees hired to fill positions in the law enforcement
1913 officer class (class code 8515) to \$36,223. This paragraph is
1914 effective upon becoming a law.

1915 (b) The Department of Veterans' Affairs is authorized to
1916 implement its competitive pay plan proposed in the department's
1917 initial legislative budget request to address recruitment and



1918 retention of its employees who hold an active nursing assistant
1919 certification and fill a position in one of the following
1920 classification codes: certified nursing assistant (class code
1921 5707); senior certified nursing assistant (class code 5708);
1922 therapy aide I (class code 5556); or therapy aide II (class code
1923 5557).

1924 (c) From funds in section 18 of this act, and beginning
1925 October 1, 2017, the Justice Administrative Commission is
1926 authorized to implement the salary adjustment proposed in its
1927 initial legislative budget request for the Statewide Guardian Ad
1928 Litem Program. To be eligible to receive this competitive pay
1929 adjustment, the employee must be an employee of the Statewide
1930 Guardian Ad Litem Program and must fill a position in one of the
1931 following classification codes: child advocate manager (class
1932 code 8401); senior child advocate manager (class code 8402);
1933 volunteer recruiter (class code 8403); program attorney (class
1934 code 8700); or senior program attorney (class code 8701).

1935 (d) From the funds in section 18 of this act, and beginning
1936 October 1, 2017, the Department of Legal Affairs is authorized
1937 to:

1938 1. Increase the starting salary of employees in the
1939 Attorney-Assistant Attorney General class (class code 7737) to
1940 \$43,900;

1941 2. Grant a competitive pay adjustment of \$6,000 to each
1942 employee employed as an Assistant Attorney General (class code
1943 7746) who has worked for the department for at least 2 years and
1944 meets or exceeds performance expectations; and

1945 3. Grant a competitive pay adjustment of \$3,000 to each
1946 employee employed as a Senior Assistant Attorney General (class



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1947 code 7747); Attorney Supervisor-Assistant Attorney General
1948 (class code 7744); Special Counsel-Assistant Attorney General
1949 (class code 7165); Chief-Assistant Attorney General (class code
1950 7748); Assistant Statewide Prosecutor-Attorney (class code
1951 8681); Assistant Statewide Prosecutor-Senior Attorney (class
1952 code 8682); Assistant Statewide Prosecutor-Special Counsel
1953 (class code 6120); or Assistant Statewide Prosecutor-Chief
1954 (class code 9191) who has worked for the department for at least
1955 2 years and meets or exceeds performance expectations.

1956 (8) PAY ADDITIVES AND OTHER INCENTIVE PROGRAMS.—The
1957 following pay additives and other incentive programs are
1958 authorized for the 2017-2018 fiscal year from existing agency
1959 resources consistent with the provisions of ss. 110.2035 and
1960 216.251, Florida Statutes, the applicable rules adopted by the
1961 Department of Management Services, and negotiated collective
1962 bargaining agreements.

1963 (a) The Department of Corrections is authorized to award a
1964 temporary special duties pay additive of up to 10 percent of the
1965 employee's base rate of pay for each certified correctional
1966 officer (class code 8003); certified correctional officer
1967 sergeant (class code 8005); certified correctional officer
1968 lieutenant (class code 8011); and certified correctional officer
1969 captain (class code 8013). For purposes of determining
1970 eligibility for this special pay additive, the term "certified"
1971 means the employee has obtained a correctional behavioral mental
1972 health certification as provided through the American
1973 Correctional Association. Such additive may be awarded only
1974 during the time the certified officer is employed in an assigned
1975 mental health unit post.



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1976 (b) The Department of Corrections is authorized to award a
 1977 one-time \$1,000 hiring bonus to newly-hired correctional
 1978 officers (class code 8003) who are hired to fill positions at a
 1979 correctional institution that had a vacancy rate for such
 1980 positions of more than 10 percent for the preceding calendar
 1981 quarter. The bonus may not be awarded before the officer obtains
 1982 his or her correctional officer certification. Current employees
 1983 and former employees who have had a break in service with the
 1984 Department of Corrections of 31 days or less, are not eligible
 1985 for this bonus.

1986 Section 18. The sums of \$109,675,610 of recurring funds in
 1987 the General Revenue Fund and \$73,389,000 of recurring funds from
 1988 trust funds are appropriated for the salary adjustments
 1989 authorized in section 17 of this act. The Office of Policy and
 1990 Budget in the Executive Office of the Governor, in consultation
 1991 with the Legislature, shall distribute the funds and budget
 1992 authority to the state agencies and the legislative and judicial
 1993 branches in accordance with chapter 216, Florida Statutes.

1994 Section 19. Except as otherwise expressly provided in this
 1995 act and except for this section, which shall take effect upon
 1996 becoming a law, this act shall take effect July 1, 2017.

1998 ===== T I T L E A M E N D M E N T =====

1999 And the title is amended as follows:

2000 Delete everything before the enacting clause
 2001 and insert:

2002 A bill to be entitled
 2003 An act relating to public employees; amending s.
 2004 110.123, F.S.; revising applicability of certain



2005 definitions; defining the term "plan year";
2006 authorizing the state group insurance program to
2007 include additional benefits; authorizing an employee
2008 to use a specified portion of the state's contribution
2009 to purchase additional program benefits and
2010 supplemental benefits under certain circumstances;
2011 providing for the program to offer health plans in
2012 specified benefit levels; requiring the Department of
2013 Management Services to develop a plan for
2014 implementation of the benefit levels; providing
2015 reporting requirements; providing for expiration of
2016 the implementation plan; creating s. 110.12303, F.S.;
2017 authorizing additional benefits to be included in the
2018 program; requiring the department to contract with at
2019 least one entity that provides comprehensive pricing
2020 and inclusive services for surgery and other medical
2021 procedures; providing contract and reporting
2022 requirements; requiring the department to contract
2023 with an entity to provide enrollees with online
2024 information on health care services and providers;
2025 providing contract and reporting requirements;
2026 creating s. 110.12304, F.S.; requiring that the
2027 department procure an independent benefits consultant;
2028 providing qualifications and duties of the independent
2029 benefits consultant; providing reporting requirements;
2030 requiring that the department, for informational
2031 purposes only, calculate alternative premiums for
2032 enrollees for the 2018 plan year; providing
2033 requirements for the determination of premiums;



2034 requiring the department to report alternative premium
2035 rates to the Governor and the Legislature by a certain
2036 date; requiring that the department determine and
2037 recommend premiums for enrollees for the 2019 plan
2038 year; providing requirements for the determination of
2039 premiums; requiring premium rates to be consistent
2040 with the total budgeted amount for the program in the
2041 General Appropriations Act for the 2018-2019 fiscal
2042 year; requiring the department to report premium rates
2043 to the Governor and the Legislature by a certain date;
2044 providing an appropriation and authorizing positions;
2045 amending s. 121.053, F.S.; authorizing renewed
2046 membership in the Florida Retirement System for
2047 retirees who are reemployed in a position eligible for
2048 the Elected Officers' Class under certain
2049 circumstances; amending s. 121.055, F.S.; providing
2050 for renewed membership in the retirement system for
2051 retirees of the Senior Management Service Optional
2052 Annuity Program who are reemployed on or after a
2053 specified date; closing the Senior Management Service
2054 Optional Annuity Program to new members after a
2055 specified date; amending s. 121.091, F.S.; revising
2056 criteria for eligibility of payment of death benefits
2057 to the surviving children of a Special Risk Class
2058 member killed in the line of duty under specified
2059 circumstances; conforming a provision to changes made
2060 by the act; amending s. 121.122, F.S.; requiring that
2061 certain retirees who are reemployed on or after a
2062 specified date be renewed members in the investment



2063 plan; providing exceptions; specifying that creditable
2064 service does not accrue for employment during a
2065 specified period; prohibiting certain funds from being
2066 paid into a renewed member's investment plan account
2067 for a specified period of employment; requiring the
2068 renewed member to satisfy vesting requirements;
2069 prohibiting a renewed member from receiving specified
2070 disability benefits; specifying limitations and
2071 requirements; requiring the employer and the retiree
2072 to make applicable contributions to the renewed
2073 member's investment plan account; providing for the
2074 transfer of contributions; authorizing a renewed
2075 member to receive additional credit toward the health
2076 insurance subsidy under certain circumstances;
2077 prohibiting participation in the pension plan;
2078 providing that a retiree reemployed on or after a
2079 specified date in a regularly established position
2080 eligible for the State University System Optional
2081 Retirement Program or State Community College System
2082 Optional Retirement Program is a renewed member of
2083 that program; specifying limitations and requirements;
2084 requiring the employer and the retiree to make
2085 applicable contributions; amending s. 121.4501, F.S.;
2086 revising definitions; revising a provision relating to
2087 acknowledgement of an employee's election to
2088 participate in the investment plan; enrolling certain
2089 employees in the pension plan from their date of hire
2090 until they are automatically enrolled in the
2091 investment plan or timely elect enrollment in the



2092 pension plan; creating an exception for special risk
2093 class members; conforming provisions to changes made
2094 by the act; revising requirements related to the
2095 education component; amending s. 121.591, F.S.;

2096 authorizing payment of death benefits to the surviving
2097 spouse or surviving children of a member in the
2098 investment plan; establishing qualifications and
2099 eligibility requirements for receipt of such benefits;
2100 prescribing the method of calculating the benefit;
2101 specifying circumstances under which benefit payments
2102 are terminated; amending s. 121.5912, F.S.; revising a
2103 provision regarding program qualification under the
2104 Internal Revenue Code and rulemaking authority, to
2105 conform to changes made by the act; amending s.
2106 121.71, F.S.; revising required employer retirement
2107 contribution rates for each membership class and
2108 subclass of the Florida Retirement System; amending s.
2109 121.735, F.S.; revising allocations to fund line-of-
2110 duty death benefits for investment plan members, to
2111 conform to changes made by the act; declaring that the
2112 act fulfills an important state interest; providing a
2113 purpose and legislative intent with respect to
2114 provisions governing salary and benefit adjustments
2115 for specified state employees; providing for
2116 compensation adjustments for specified law enforcement
2117 personnel, the Department of Corrections, certain
2118 judicial officers, commissioners, and designated
2119 employees, and other state employees and officers;
2120 authorizing the use of specified pay additives and



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2121 other incentive programs for the 2017-2018 fiscal
2122 year; providing appropriations to fund the salary and
2123 benefit adjustments; requiring the Office of Policy
2124 and Budget in the Executive Office of the Governor, in
2125 consultation with the Legislature, to distribute funds
2126 and budget authority; providing effective dates.