

By Senator Truenow

13-01050A-26

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A bill to be entitled

An act relating to deferred compensation plans for public employees; providing a short title; amending s. 112.215, F.S.; authorizing the inclusion of an automatic enrollment arrangement in a government employee's deferred compensation plan; requiring that the automatic enrollment arrangement be established with a default contribution rate; authorizing the periodic reenrollment of specified government employees; authorizing the periodic resetting of contribution rates for specified government employees; requiring that the automatic enrollment arrangement provide employees the ability to make certain elections regarding contributions; requiring that the plan provide for a default investment into which contributions must be placed under a specified circumstance; authorizing counties, municipalities, political subdivisions, and constitutional county officers to adopt automatic enrollment arrangements for specified deferred compensation programs; providing that the deferred compensation plan of the state may adopt an automatic enrollment arrangement only upon the approval of the Legislature; amending ss. 110.114 and 112.171, F.S.; requiring that a certain deduction of the wages or salary of employees be treated in a specified manner; providing an effective date.

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

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Section 1. This act may be cited as the "Deferred Compensation Automatic Enrollment Act."

Section 2. Subsection (3) of section 112.215, Florida Statutes, is amended to read:

112.215 Government employees; deferred compensation program.—

(3) (a) In accordance with a plan of deferred compensation which has been approved as herein provided, the state or any state agency, county, municipality, other political subdivision, or constitutional county officer may, by contract or a collective bargaining agreement, agree with any employee to defer all or any portion of that employee's otherwise payable compensation and, pursuant to the terms of such approved plan and in such proportions as may be designated or directed under that plan, place such deferred compensation in savings accounts or use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or such other investment products as may have been approved for the purposes of carrying out the objectives of such plan. Such insurance, annuity, savings, or investment products must ~~shall~~ be underwritten and offered in compliance with the applicable federal and state laws and regulations by persons ~~who are~~ duly authorized by the applicable state and federal authorities.

(b) Such plan of deferred compensation may include an automatic enrollment arrangement under which a government employee's otherwise payable compensation is deducted and contributed to the plan unless the government employee elects not to contribute or elects to contribute a different rate or

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amount. Such automatic enrollment arrangement must establish a default contribution rate, may provide for the periodic reenrollment of government employees eligible but not participating in the plan, and may allow the periodic resetting of contribution rates for government employees contributing at rates lower than those established by the automatic enrollment arrangement.

(c) An automatic enrollment arrangement must provide that a government employee may, at any time, elect not to contribute to the plan or may elect to contribute to the plan at a different rate or amount than the default rate.

(d) If a deferred compensation plan includes an automatic enrollment arrangement, the plan must provide for a default investment into which contributions must be placed in the absence of an election from the government employee.

(e) Any county, municipality, or other political subdivision of the state may by ordinance, and any constitutional county officer under s. 1(d), Art. VIII of the State Constitution may by contract agreement or other documentation constituting approval, adopt an automatic enrollment arrangement for its own deferred compensation program. Notwithstanding subsection (4), the deferred compensation plan of the state may adopt an automatic enrollment arrangement only upon the approval of the Legislature and not pursuant to the authority of the Chief Financial Officer.

Section 3. Subsection (1) of section 110.114, Florida Statutes, is amended to read:

110.114 Employee wage deductions.—

(1) The state or any of its departments, bureaus,

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88 commissions, and officers are authorized and permitted, with the
89 concurrence of the Department of Financial Services, to make
90 deductions from the salary or wage of any employee or employees
91 in such amount as ~~shall be~~ authorized and requested by such
92 employee or employees and for such purpose as ~~shall be~~
93 authorized and requested by such employee or employees and shall
94 pay such sums so deducted as directed by such employee or
95 employees. Deduction of the salary or wage of an employee as
96 authorized by an automatic enrollment arrangement pursuant to s.
97 112.215(3) (c) must be treated as authorized and requested by
98 such employee for purposes of this subsection. The concurrence
99 of the Department of Financial Services may ~~shall~~ not be
100 required for the deduction of a certified bargaining agent's
101 membership dues deductions pursuant to s. 447.303 or any
102 deductions authorized by a collective bargaining agreement.

103 Section 4. Subsection (1) of section 112.171, Florida
104 Statutes, is amended to read:

105 112.171 Employee wage deductions.—

106 (1) The counties, municipalities, and special districts of
107 the state and the departments, agencies, bureaus, commissions,
108 and officers thereof are authorized and permitted in their sole
109 discretion to make deductions from the salary or wage of any
110 employee or employees in such amount as ~~shall be~~ authorized and
111 requested by such employee or employees and for such purpose as
112 ~~shall be~~ authorized and requested by such employee or employees
113 and shall pay such sums so deducted as directed by such employee
114 or employees. Deduction of the salary or wage of an employee as
115 authorized by an automatic enrollment arrangement pursuant to s.
116 112.215(3) (c) must be treated as authorized and requested by

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117 such employee for purposes of this subsection.

118 Section 5. This act shall take effect July 1, 2026.