

1 A bill to be entitled  
 2 An act relating to health insurance subsidies; amending s.  
 3 110.12312, F.S.; conforming provisions to changes made by  
 4 this act; amending s. 112.19, F.S.; revising eligibility  
 5 for certain health insurance subsidies for law  
 6 enforcement, correctional, and correctional probation  
 7 officers; amending s. 112.191, F.S.; revising eligibility  
 8 for certain health insurance subsidies for firefighters;  
 9 amending s. 112.363, F.S.; providing for the elimination  
 10 of retiree health insurance subsidies to certain new  
 11 retirees or beneficiaries; provides for the future repeal  
 12 of certain retiree health insurance subsidies; amending s.  
 13 121.051, F.S.; conforming provisions to changes made by  
 14 this act; revising the employer contribution for employees  
 15 in the State Community College System Optional Retirement  
 16 Program; amending ss. 121.052, 121.055, and 121.071, F.S.;  
 17 revising the employer retiree health insurance subsidy  
 18 contribution for participants in the Elected Officers'  
 19 Class, Senior Management Service Class, Regular Class,  
 20 Special Risk Class, and Special Risk Administrative  
 21 Support Class; providing for future repeal of specified  
 22 required employer contributions on behalf of each member  
 23 of the Elected Officers' Class, Senior Management Service  
 24 Class, Regular Class, Special Risk Class, and Special Risk  
 25 Administrative Support Class; amending s. 121.053, F.S.;  
 26 revising requirements for the earning of additional credit  
 27 toward the maximum health insurance subsidy for certain  
 28 members of the Elected Officers' Class; providing for

29 future repeal of provision relating to health insurance  
 30 subsidies; amending s. 121.091, F.S.; providing that  
 31 certain employees who have terminated participation in  
 32 DROP may not receive retiree health insurance subsidy  
 33 payments; amending s. 121.091, F.S.; providing for the  
 34 future repeal of certain provisions to conform to changes  
 35 made by this act; amending s. 121.122, F.S.; revising  
 36 requirements for the earning of additional credit toward  
 37 the maximum health insurance subsidy for certain members  
 38 of the Senior Management Service Class; amending s.  
 39 121.122, F.S.; providing for future repeal of certain  
 40 provisions to conform to changes made by this act;  
 41 amending s. 121.35, F.S.; providing for the transfer of  
 42 contributions for members in the State University Optional  
 43 Retirement Program to the Florida Retirement System Trust  
 44 Fund; revises the employer contribution for employees in  
 45 the State University Optional Retirement Program; revising  
 46 the employer contribution for participants in the optional  
 47 retirement program; providing for the future repeal of  
 48 subsection (18) of s. 121.4501, F.S., relating to the  
 49 Public Employee Optional Retirement Program retiree health  
 50 insurance subsidy; conforms cross-references; amending s.  
 51 121.571, F.S.; conforming provisions to changes made by  
 52 this act; amending s. 121.591, F.S.; conforming cross-  
 53 references; amending s. 121.76, F.S.; revising provisions  
 54 relating to contributions for Social Security and the  
 55 retiree health insurance subsidy; amending s. 1012.875,  
 56 F.S.; revises the employer contribution for employees in

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57 | the State Community College System Optional Retirement  
58 | Program; providing effective dates.

59 |

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

61 |

62 | Section 1. Section 110.12312, Florida Statutes, is amended  
63 | to read:

64 | 110.12312 Open enrollment period for retirees.—On or after  
65 | July 1, 1997, the Department of Management Services shall  
66 | provide for an open enrollment period for retired state  
67 | employees who want to obtain health insurance coverage under ss.  
68 | 110.123 and 110.12315. The options offered during the open  
69 | enrollment period must provide the same health insurance  
70 | coverage as the coverage provided to active employees under the  
71 | same premium payment conditions in effect for covered retirees,  
72 | ~~including eligibility for health insurance subsidy payments~~  
73 | ~~under s. 112.363.~~ A person who separates from employment  
74 | subsequent to May 1, 1988, but whose date of retirement occurs  
75 | on or after August 1, 1995, is eligible as of the first open  
76 | enrollment period occurring after July 1, 1997, with an  
77 | effective date of January 1, 1998, as long as the retiree's  
78 | enrollment remains in effect.

79 | Section 2. Paragraph (h) of subsection (2) of section  
80 | 112.19, Florida Statutes, is amended to read:

81 | 112.19 Law enforcement, correctional, and correctional  
82 | probation officers; death benefits.—

83 | (2)

84 | (h)1. Any employer who employs a full-time law

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85 enforcement, correctional, or correctional probation officer  
86 who, on or after January 1, 1995, suffers a catastrophic injury,  
87 as defined in s. 440.02, Florida Statutes 2002, in the line of  
88 duty shall pay the entire premium of the employer's health  
89 insurance plan for the injured employee, the injured employee's  
90 spouse, and for each dependent child of the injured employee  
91 until the child reaches the age of majority or until the end of  
92 the calendar year in which the child reaches the age of 25 if  
93 the child continues to be dependent for support, or the child is  
94 a full-time or part-time student and is dependent for support.  
95 The term "health insurance plan" does not include supplemental  
96 benefits that are not part of the basic group health insurance  
97 plan. If the injured employee subsequently dies, the employer  
98 shall continue to pay the entire health insurance premium for  
99 the surviving spouse until remarried, and for the dependent  
100 children, under the conditions outlined in this paragraph.

101 However:

102 a. Health insurance benefits payable from any other source  
103 shall reduce benefits payable under this section.

104 b. It is unlawful for a person to willfully and knowingly  
105 make, or cause to be made, or to assist, conspire with, or urge  
106 another to make, or cause to be made, any false, fraudulent, or  
107 misleading oral or written statement to obtain health insurance  
108 coverage as provided under this paragraph. A person who violates  
109 this sub-subparagraph commits a misdemeanor of the first degree,  
110 punishable as provided in s. 775.082 or s. 775.083.

111 c. In addition to any applicable criminal penalty, upon  
112 conviction for a violation as described in sub-subparagraph b.,

113 a law enforcement, correctional, or correctional probation  
 114 officer or other beneficiary who receives or seeks to receive  
 115 health insurance benefits under this paragraph shall forfeit the  
 116 right to receive such health insurance benefits, and shall  
 117 reimburse the employer for all benefits paid due to the fraud or  
 118 other prohibited activity. For purposes of this sub-  
 119 subparagraph, "conviction" means a determination of guilt that  
 120 is the result of a plea or trial, regardless of whether  
 121 adjudication is withheld.

122 2. In order for the officer, spouse, and dependent  
 123 children to be eligible for such insurance coverage, the injury  
 124 must have occurred as the result of the officer's response to  
 125 fresh pursuit, the officer's response to what is reasonably  
 126 believed to be an emergency, or an unlawful act perpetrated by  
 127 another. Except as otherwise provided herein, nothing in this  
 128 paragraph shall be construed to limit health insurance coverage  
 129 for which the officer, spouse, or dependent children may  
 130 otherwise be eligible, except that a person who qualifies under  
 131 this section shall not be eligible for the health insurance  
 132 subsidy provided under ~~chapter 121~~, chapter 175, or chapter 185.

133 Section 3. Paragraph (g) of subsection (2) of section  
 134 112.191, Florida Statutes, is amended to read:

135 112.191 Firefighters; death benefits.—

136 (2)

137 (g)1. Any employer who employs a full-time firefighter  
 138 who, on or after January 1, 1995, suffers a catastrophic injury,  
 139 as defined in s. 440.02, Florida Statutes 2002, in the line of  
 140 duty shall pay the entire premium of the employer's health

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141 insurance plan for the injured employee, the injured employee's  
142 spouse, and for each dependent child of the injured employee  
143 until the child reaches the age of majority or until the end of  
144 the calendar year in which the child reaches the age of 25 if  
145 the child continues to be dependent for support, or the child is  
146 a full-time or part-time student and is dependent for support.  
147 The term "health insurance plan" does not include supplemental  
148 benefits that are not part of the basic group health insurance  
149 plan. If the injured employee subsequently dies, the employer  
150 shall continue to pay the entire health insurance premium for  
151 the surviving spouse until remarried, and for the dependent  
152 children, under the conditions outlined in this paragraph.

153 However:

154 a. Health insurance benefits payable from any other source  
155 shall reduce benefits payable under this section.

156 b. It is unlawful for a person to willfully and knowingly  
157 make, or cause to be made, or to assist, conspire with, or urge  
158 another to make, or cause to be made, any false, fraudulent, or  
159 misleading oral or written statement to obtain health insurance  
160 coverage as provided under this paragraph. A person who violates  
161 this sub-subparagraph commits a misdemeanor of the first degree,  
162 punishable as provided in s. 775.082 or s. 775.083.

163 c. In addition to any applicable criminal penalty, upon  
164 conviction for a violation as described in sub-subparagraph b.,  
165 a firefighter or other beneficiary who receives or seeks to  
166 receive health insurance benefits under this paragraph shall  
167 forfeit the right to receive such health insurance benefits, and  
168 shall reimburse the employer for all benefits paid due to the

169 fraud or other prohibited activity. For purposes of this sub-  
 170 subparagraph, "conviction" means a determination of guilt that  
 171 is the result of a plea or trial, regardless of whether  
 172 adjudication is withheld.

173         2. In order for the firefighter, spouse, and dependent  
 174 children to be eligible for such insurance coverage, the injury  
 175 must have occurred as the result of the firefighter's response  
 176 to what is reasonably believed to be an emergency involving the  
 177 protection of life or property, or an unlawful act perpetrated  
 178 by another. Except as otherwise provided herein, nothing in this  
 179 paragraph shall be construed to limit health insurance coverage  
 180 for which the firefighter, spouse, or dependent children may  
 181 otherwise be eligible, except that a person who qualifies for  
 182 benefits under this section shall not be eligible for the health  
 183 insurance subsidy provided under ~~chapter 121~~, chapter 175, or  
 184 chapter 185.

185  
 186 Notwithstanding any provision of this section to the contrary,  
 187 the death benefits provided in paragraphs (b), (c), and (f)  
 188 shall also be applicable and paid in cases where a firefighter  
 189 received bodily injury prior to July 1, 1993, and subsequently  
 190 died on or after July 1, 1993, as a result of such in-line-of-  
 191 duty injury.

192         Section 4. Paragraph (e) of subsection (2) and subsections  
 193 (3), (4), and (9) of section 112.363, Florida Statutes, are  
 194 amended, paragraph (g) is added to subsection (8) of that  
 195 section, and subsections (10) and (11) are added to that  
 196 section, to read:

197 112.363 Retiree health insurance subsidy.—  
 198 (2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—  
 199 (e) Participants in the Senior Management Service Optional  
 200 Annuity Program as provided in s. 121.055(6) and the State  
 201 University System Optional Retirement Program as provided in s.  
 202 121.35 shall not receive the retiree health insurance subsidy  
 203 provided in this section. The employer of such participant shall  
 204 pay the contributions required in subsection (8) to the annuity  
 205 program provided in s. 121.055(6) (d) or s. 121.35(4) (a), as  
 206 applicable, through June 30, 2010.  
 207 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—  
 208 (a) Beginning January 1, 1988, each eligible retiree or a  
 209 beneficiary who is a spouse or financial dependent thereof shall  
 210 receive a monthly retiree health insurance subsidy payment equal  
 211 to the number of years of creditable service, as defined in s.  
 212 121.021(17), completed at the time of retirement multiplied by  
 213 \$1; however, no retiree may receive a subsidy payment of more  
 214 than \$30 or less than \$10.  
 215 (b) Beginning January 1, 1989, each eligible retiree or a  
 216 beneficiary who is a spouse or financial dependent shall receive  
 217 a monthly retiree health insurance subsidy payment equal to the  
 218 number of years of creditable service, as defined in s.  
 219 121.021(17), completed at the time of retirement multiplied by  
 220 \$2; however, no retiree may receive a subsidy payment of more  
 221 than \$60 or less than \$20.  
 222 (c) Beginning January 1, 1991, each eligible retiree or a  
 223 beneficiary who is a spouse or financial dependent shall receive  
 224 a monthly retiree health insurance subsidy payment equal to the



225 number of years of creditable service, as defined in s.  
 226 121.021(17), completed at the time of retirement multiplied by  
 227 \$3; however, no retiree may receive a subsidy payment of more  
 228 than \$90 or less than \$30.

229 (d) Beginning January 1, 1999, each eligible retiree or,  
 230 if the retiree is deceased, his or her beneficiary who is  
 231 receiving a monthly benefit from such retiree's account and who  
 232 is a spouse, or a person who meets the definition of joint  
 233 annuitant in s. 121.021(28), shall receive a monthly retiree  
 234 health insurance subsidy payment equal to the number of years of  
 235 creditable service, as defined in s. 121.021(17), completed at  
 236 the time of retirement multiplied by \$5; however, no eligible  
 237 retiree or such beneficiary may receive a subsidy payment of  
 238 more than \$150 or less than \$50. If there are multiple  
 239 beneficiaries, the total payment must not be greater than the  
 240 payment to which the retiree was entitled.

241 (e)1. Beginning July 1, 2001, each eligible retiree of the  
 242 defined benefit program of the Florida Retirement System, or, if  
 243 the retiree is deceased, his or her beneficiary who is receiving  
 244 a monthly benefit from such retiree's account and who is a  
 245 spouse, or a person who meets the definition of joint annuitant  
 246 in s. 121.021(28), shall receive a monthly retiree health  
 247 insurance subsidy payment equal to the number of years of  
 248 creditable service, as defined in s. 121.021(17), completed at  
 249 the time of retirement multiplied by \$5; however, no eligible  
 250 retiree or beneficiary may receive a subsidy payment of more  
 251 than \$150 or less than \$30. If there are multiple beneficiaries,  
 252 the total payment must not be greater than the payment to which

253 the retiree was entitled. The health insurance subsidy amount  
 254 payable to any person receiving the retiree health insurance  
 255 subsidy payment on July 1, 2001, shall not be reduced solely by  
 256 operation of this subparagraph.

257 2. Beginning July 1, 2002, each eligible participant of  
 258 the Public Employee Optional Retirement Program of the Florida  
 259 Retirement System who has met the requirements of this section,  
 260 or, if the participant is deceased, his or her spouse who is the  
 261 participant's designated beneficiary, shall receive a monthly  
 262 retiree health insurance subsidy payment equal to the number of  
 263 years of creditable service, as provided in this subparagraph,  
 264 completed at the time of retirement, multiplied by \$5; however,  
 265 no eligible retiree or beneficiary may receive a subsidy payment  
 266 of more than \$150 or less than \$30. For purposes of determining  
 267 a participant's creditable service used to calculate the health  
 268 insurance subsidy, a participant's years of service credit or  
 269 fraction thereof shall be based on the participant's work year  
 270 as defined in s. 121.021(54). Credit shall be awarded for a full  
 271 work year whenever health insurance subsidy contributions have  
 272 been made as required by law for each month in the participant's  
 273 work year. In addition, all years of creditable service retained  
 274 under the Florida Retirement System defined benefit program  
 275 shall be included as creditable service for purposes of this  
 276 section. Notwithstanding any other provision in this section to  
 277 the contrary, the spouse at the time of death shall be the  
 278 participant's beneficiary unless such participant has designated  
 279 a different beneficiary subsequent to the participant's most  
 280 recent marriage.

281  
 282 Notwithstanding any provision of this subsection, payments may  
 283 not be made to retirees who do not establish eligibility under  
 284 this section prior to July 1, 2010.

285 (4) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning  
 286 January 1, 1988, through December 31, 2010, any monthly retiree  
 287 health insurance subsidy amount due and payable under this  
 288 section shall be paid to retired members by the Department of  
 289 Management Services or under the direction and control of the  
 290 department.

291 (8) CONTRIBUTIONS.—For purposes of funding the insurance  
 292 subsidy provided by this section:

293 (g) Beginning July 1, 2010, the employer of each member of  
 294 a state-administered plan shall contribute 0 percent of gross  
 295 compensation for each pay period.

296  
 297 Such contributions shall be submitted to the Department of  
 298 Management Services and deposited in the Retiree Health  
 299 Insurance Subsidy Trust Fund.

300 (9) BENEFITS.—Except as provided in subsection (10),  
 301 subsidy payments shall be payable under the retiree health  
 302 insurance subsidy program only to participants in the program or  
 303 their beneficiaries, beginning with the month the division  
 304 receives certification of coverage for health insurance for the  
 305 eligible retiree or beneficiary. If the division receives such  
 306 certification at any time during the 6 months after retirement  
 307 benefits commence, the retiree health insurance subsidy shall be  
 308 paid retroactive to the effective retirement date. If, however,

309 the division receives such certification 7 or more months after  
 310 commencement of benefits, the retroactive retiree health  
 311 insurance subsidy payment will cover a maximum of 6 months. Such  
 312 subsidy payments shall not be subject to assignment, execution,  
 313 or attachment or to any legal process whatsoever.

314 (10) ELIMINATION OF RETIREE HEALTH INSURANCE SUBSIDY.—  
 315 Effective July 1, 2010, eligibility for subsidy payments shall  
 316 be closed to new retirees or beneficiaries and employer  
 317 contributions to fund the subsidy shall terminate, all monthly  
 318 subsidy payments shall terminate effective December 31, 2010,  
 319 and any remaining assets shall be transferred to the Florida  
 320 Retirement System Trust Fund, as follows:

321 (a) Eligibility for subsidy payments through December 31,  
 322 2010, shall be restricted to those retirees and beneficiaries  
 323 who have established eligibility pursuant to subsection (2)  
 324 prior to July 1, 2010. The division must receive certification  
 325 of coverage for such retiree or beneficiary no later than  
 326 October 29, 2010.

327 (b) Beginning July 1, 2010, the employer of each member of  
 328 a state-administered plan shall not pay contributions on gross  
 329 compensation to the Retiree Health Insurance Subsidy Trust Fund  
 330 for subsequent pay periods.

331 (c) Monthly subsidy payments shall be paid to all eligible  
 332 retirees and beneficiaries through December 31, 2010, at which  
 333 time no further subsidy payments shall be made.

334 (d) Any cash, securities, and other assets remaining in  
 335 the Retiree Health Insurance Subsidy Trust Fund on June 30,  
 336 2011, less any deductions specified in subsections (6) and (7),

337 shall be transferred by the State Board of Administration to the  
 338 Florida Retirement System Trust Fund. The amount so transferred  
 339 shall be applied toward payment of any unfunded actuarial  
 340 accrued liability in the Florida Retirement System Trust Fund.  
 341 The State Board of Administration shall have the sole  
 342 discretion, subject to its fiduciary duties under s. 215.47, to  
 343 make cash or in-kind transfers from the Retiree Health Insurance  
 344 Subsidy Trust Fund to the Florida Retirement System Trust Fund  
 345 on or after July 1, 2011.

346 (e) Employer adjustments for pay periods prior to July 1,  
 347 2010, shall be processed through December 31, 2010.

348 (11) EXPIRATION.—This section expires June 30, 2011.

349 Section 5. Paragraph (c) of subsection (2) of section  
 350 121.051, Florida Statutes, is amended to read:

351 121.051 Participation in the system.—

352 (2) OPTIONAL PARTICIPATION.—

353 (c) Employees of public community colleges or charter  
 354 technical career centers sponsored by public community colleges,  
 355 designated in s. 1000.21(3), who are members of the Regular  
 356 Class of the Florida Retirement System and who comply with the  
 357 criteria set forth in this paragraph and s. 1012.875 may, in  
 358 lieu of participating in the Florida Retirement System, elect to  
 359 withdraw from the system altogether and participate in the State  
 360 Community College System Optional Retirement Program provided by  
 361 the employing agency under s. 1012.875.

362 1. Through June 30, 2001, the cost to the employer for  
 363 such annuity equals the normal cost portion of the employer  
 364 retirement contribution which would be required if the employee

365 were a member of the Regular Class defined benefit program, ~~plus~~  
 366 ~~the portion of the contribution rate required by s. 112.363(8)~~  
 367 ~~which would otherwise be assigned to the Retiree Health~~  
 368 ~~Insurance Subsidy Trust Fund.~~ Effective July 1, 2001, through  
 369 June 30, 2010, each employer shall contribute on behalf of each  
 370 participant in the optional retirement program an amount equal  
 371 to 10.43 percent of the participant's gross monthly  
 372 compensation. Effective July 1, 2010, each employer shall  
 373 contribute on behalf of each participant in the optional  
 374 retirement program an amount equal to 9.49 percent of the  
 375 participant's gross monthly compensation. The employer shall  
 376 deduct an amount for the administration of the program. The  
 377 employer shall contribute an additional amount to the Florida  
 378 Retirement System Trust Fund equal to the unfunded actuarial  
 379 accrued liability portion of the Regular Class contribution  
 380 rate.

381 2. The decision to participate in an optional retirement  
 382 program is irrevocable as long as the employee holds a position  
 383 eligible for participation, except as provided in subparagraph  
 384 3. Any service creditable under the Florida Retirement System is  
 385 retained after the member withdraws from the system; however,  
 386 additional service credit in the system may not be earned while  
 387 a member of the optional retirement program.

388 3. An employee who has elected to participate in the  
 389 optional retirement program shall have one opportunity, at the  
 390 employee's discretion, to transfer from the optional retirement  
 391 program to the defined benefit program of the Florida Retirement  
 392 System or to the Public Employee Optional Retirement Program,

393 subject to the terms of the applicable optional retirement  
 394 program contracts.

395 a. If the employee chooses to move to the Public Employee  
 396 Optional Retirement Program, any contributions, interest, and  
 397 earnings creditable to the employee under the State Community  
 398 College System Optional Retirement Program are retained by the  
 399 employee in the State Community College System Optional  
 400 Retirement Program, and the applicable provisions of s.  
 401 121.4501(4) govern the election.

402 b. If the employee chooses to move to the defined benefit  
 403 program of the Florida Retirement System, the employee shall  
 404 receive service credit equal to his or her years of service  
 405 under the State Community College System Optional Retirement  
 406 Program.

407 (I) The cost for such credit is the amount representing  
 408 the present value of the employee's accumulated benefit  
 409 obligation for the affected period of service. The cost shall be  
 410 calculated as if the benefit commencement occurs on the first  
 411 date the employee becomes eligible for unreduced benefits, using  
 412 the discount rate and other relevant actuarial assumptions that  
 413 were used to value the Florida Retirement System defined benefit  
 414 plan liabilities in the most recent actuarial valuation. The  
 415 calculation must include any service already maintained under  
 416 the defined benefit plan in addition to the years under the  
 417 State Community College System Optional Retirement Program. The  
 418 present value of any service already maintained must be applied  
 419 as a credit to total cost resulting from the calculation. The  
 420 division shall ensure that the transfer sum is prepared using a

421 formula and methodology certified by an enrolled actuary.

422 (II) The employee must transfer from his or her State  
 423 Community College System Optional Retirement Program account and  
 424 from other employee moneys as necessary, a sum representing the  
 425 present value of the employee's accumulated benefit obligation  
 426 immediately following the time of such movement, determined  
 427 assuming that attained service equals the sum of service in the  
 428 defined benefit program and service in the State Community  
 429 College System Optional Retirement Program.

430 4. Participation in the optional retirement program is  
 431 limited to employees who satisfy the following eligibility  
 432 criteria:

433 a. The employee must be otherwise eligible for membership  
 434 or renewed membership in the Regular Class of the Florida  
 435 Retirement System, as provided in s. 121.021(11) and (12) or s.  
 436 121.122.

437 b. The employee must be employed in a full-time position  
 438 classified in the Accounting Manual for Florida's Public  
 439 Community Colleges as:

440 (I) Instructional; or

441 (II) Executive Management, Instructional Management, or  
 442 Institutional Management, if a community college determines that  
 443 recruiting to fill a vacancy in the position is to be conducted  
 444 in the national or regional market, and the duties and  
 445 responsibilities of the position include the formulation,  
 446 interpretation, or implementation of policies, or the  
 447 performance of functions that are unique or specialized within  
 448 higher education and that frequently support the mission of the



449 community college.

450 c. The employee must be employed in a position not  
 451 included in the Senior Management Service Class of the Florida  
 452 Retirement System, as described in s. 121.055.

453 5. Participants in the program are subject to the same  
 454 reemployment limitations, renewed membership provisions, and  
 455 forfeiture provisions as are applicable to regular members of  
 456 the Florida Retirement System under ss. 121.091(9), 121.122, and  
 457 121.091(5), respectively. A participant who receives a program  
 458 distribution funded by employer contributions shall be deemed to  
 459 be retired from a state-administered retirement system if the  
 460 participant is subsequently employed with an employer that  
 461 participates in the Florida Retirement System.

462 6. Eligible community college employees are compulsory  
 463 members of the Florida Retirement System until, pursuant to s.  
 464 1012.875, a written election to withdraw from the system and  
 465 participate in the State Community College System Optional  
 466 Retirement Program is filed with the program administrator and  
 467 received by the division.

468 a. A community college employee whose program eligibility  
 469 results from initial employment must be enrolled in the State  
 470 Community College System Optional Retirement Program retroactive  
 471 to the first day of eligible employment. The employer retirement  
 472 contributions paid through the month of the employee plan change  
 473 shall be transferred to the community college to the employee's  
 474 optional program account, and, effective the first day of the  
 475 next month, the employer shall pay the applicable contributions  
 476 based upon subparagraph 1.

477           b. A community college employee whose program eligibility  
 478 is due to the subsequent designation of the employee's position  
 479 as one of those specified in subparagraph 4., or due to the  
 480 employee's appointment, promotion, transfer, or reclassification  
 481 to a position specified in subparagraph 4., must be enrolled in  
 482 the program on the first day of the first full calendar month  
 483 that such change in status becomes effective. The employer  
 484 retirement contributions paid from the effective date through  
 485 the month of the employee plan change must be transferred to the  
 486 community college to the employee's optional program account,  
 487 and, effective the first day of the next month, the employer  
 488 shall pay the applicable contributions based upon subparagraph  
 489 1.

490           7. Effective July 1, 2003, through December 31, 2008, any  
 491 participant of the State Community College System Optional  
 492 Retirement Program who has service credit in the defined benefit  
 493 plan of the Florida Retirement System for the period between his  
 494 or her first eligibility to transfer from the defined benefit  
 495 plan to the optional retirement program and the actual date of  
 496 transfer may, during employment, transfer to the optional  
 497 retirement program a sum representing the present value of the  
 498 accumulated benefit obligation under the defined benefit  
 499 retirement program for the period of service credit. Upon  
 500 transfer, all service credit previously earned under the defined  
 501 benefit program of the Florida Retirement System during this  
 502 period is nullified for purposes of entitlement to a future  
 503 benefit under the defined benefit program of the Florida  
 504 Retirement System.

505 Section 6. Paragraph (c) of subsection (7) of section  
 506 121.052, Florida Statutes, is amended to read:

507 121.052 Membership class of elected officers.—

508 (7) CONTRIBUTIONS.—

509 (c) The following table states the required employer  
 510 contribution on behalf of each member of the Elected Officers'  
 511 Class in terms of a percentage of the member's gross  
 512 compensation. Such contribution constitutes the entire health  
 513 insurance subsidy contribution with respect to each such member.  
 514 A change in the contribution rate is effective with the first  
 515 salary paid on or after the beginning date of the change. The  
 516 retiree health insurance subsidy contribution rate is as  
 517 follows:

518	Dates of Contribution	Contribution
	Rate Changes	Rate
519	October 1, 1987, through December 31, 1988	0.24%
520	January 1, 1989, through December 31, 1993	0.48%
521	January 1, 1994, through December 31, 1994	0.56%
522	January 1, 1995, through June 30, 1998	0.66%
523	July 1, 1998, through June 30, 2001	0.94%

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~~Effective July 1, 2001, through June 30,~~ 1.11%  
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525

Effective July 1, 2010 0.00%

526

527

528 Such contributions and accompanying payroll data are due and  
 529 payable no later than the 5th working day of the month  
 530 immediately following the month during which the payroll period  
 531 ended and shall be deposited by the administrator in the Retiree  
 532 Health Insurance Subsidy Trust Fund.

533 Section 7. Effective June 30, 2011, paragraph (c) of  
 534 subsection (7) of section 121.052, Florida Statutes, as amended  
 535 by this act, is repealed.

536 Section 8. Subsection (5) of section 121.053, Florida  
 537 Statutes, is amended to read:

538 121.053 Participation in the Elected Officers' Class for  
 539 retired members.—

540 (5) Any renewed member, as described in subsection (1) or  
 541 subsection (2), who is not receiving the maximum health  
 542 insurance subsidy provided in s. 112.363 and meets the  
 543 requirements of this section is entitled to earn additional  
 544 credit toward the maximum health insurance subsidy. Any  
 545 additional subsidy due because of such additional credit may be  
 546 received only at the time of payment of the second career  
 547 retirement benefit. The total health insurance subsidy received  
 548 from initial and renewed membership may not exceed the maximum  
 549 allowed in s. 112.363.

550           Section 9. Effective June 30, 2011, subsection (5) of  
 551 section 121.053, Florida Statutes, as amended by this act, is  
 552 repealed.

553           Section 10. Paragraph (c) of subsection (3) and paragraph  
 554 (d) of subsection (6) of section 121.055, Florida Statutes, are  
 555 amended to read:

556           121.055 Senior Management Service Class.—There is hereby  
 557 established a separate class of membership within the Florida  
 558 Retirement System to be known as the "Senior Management Service  
 559 Class," which shall become effective February 1, 1987.

560           (3)

561           (c) The following table states the required employer  
 562 contribution on behalf of each member of the Senior Management  
 563 Service Class in terms of a percentage of the member's gross  
 564 compensation. Such contribution constitutes the entire health  
 565 insurance subsidy contribution with respect to each such member.  
 566 A change in the contribution rate is effective with the first  
 567 salary paid on or after the beginning date of the change. The  
 568 retiree health insurance subsidy contribution rate is as  
 569 follows:

570           Dates of Contribution	Contribution
Rate Changes	Rate
571	
572	
573           October 1, 1987, through December 31, 1988	0.24%

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574	January 1, 1989, through December 31, 1993	0.48%
575	January 1, 1994, through December 31, 1994	0.56%
576	January 1, 1995, through June 30, 1998	0.66%
577	July 1, 1998, through June 30, 2001	0.94%
578	<del>Effective</del> <u>July 1, 2001, through June 30, 2010</u>	1.11%
579	<u>Effective July 1, 2010</u>	<u>0.00%</u>

581 Such contributions and accompanying payroll data are due and  
 582 payable no later than the 5th working day of the month  
 583 immediately following the month during which the payroll period  
 584 ended and shall be deposited by the administrator in the Retiree  
 585 Health Insurance Subsidy Trust Fund.

586 (6)

587 (d) Contributions.—

588 1. Through June 30, 2001, each employer shall contribute  
 589 on behalf of each participant in the Senior Management Service  
 590 Optional Annuity Program an amount equal to the normal cost  
 591 portion of the employer retirement contribution which would be  
 592 required if the participant were a Senior Management Service  
 593 Class member of the Florida Retirement System defined benefit  
 594 program, plus the portion of the contribution rate required in  
 595 s. 112.363(8) that would otherwise be assigned to the Retiree

596 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,  
 597 through June 30, 2010, each employer shall contribute on behalf  
 598 of each participant in the optional program an amount equal to  
 599 12.49 percent of the participant's gross monthly compensation.  
 600 Effective July 1, 2010, each employer shall contribute on behalf  
 601 of each participant in the optional program an amount equal to  
 602 11.55 percent of the participant's gross monthly compensation.

603 The department shall deduct an amount approved by the  
 604 Legislature to provide for the administration of this program.  
 605 The payment of the contributions to the optional program which  
 606 is required by this subparagraph for each participant shall be  
 607 made by the employer to the department, which shall forward the  
 608 contributions to the designated company or companies contracting  
 609 for payment of benefits for the participant under the program.

610 2. Each employer shall contribute on behalf of each  
 611 participant in the Senior Management Service Optional Annuity  
 612 Program an amount equal to the unfunded actuarial accrued  
 613 liability portion of the employer contribution which would be  
 614 required for members of the Senior Management Service Class in  
 615 the Florida Retirement System. This contribution shall be paid  
 616 to the department for transfer to the Florida Retirement System  
 617 Trust Fund.

618 3. An Optional Annuity Program Trust Fund shall be  
 619 established in the State Treasury and administered by the  
 620 department to make payments to provider companies on behalf of  
 621 the optional annuity program participants, and to transfer the  
 622 unfunded liability portion of the state optional annuity program  
 623 contributions to the Florida Retirement System Trust Fund.

624 4. Contributions required for social security by each  
 625 employer and each participant, in the amount required for social  
 626 security coverage as now or hereafter may be provided by the  
 627 federal Social Security Act shall be maintained for each  
 628 participant in the Senior Management Service retirement program  
 629 and shall be in addition to the retirement contributions  
 630 specified in this paragraph.

631 5. Each participant in the Senior Management Service  
 632 Optional Annuity Program may contribute by way of salary  
 633 reduction or deduction a percentage amount of the participant's  
 634 gross compensation not to exceed the percentage amount  
 635 contributed by the employer to the optional annuity program.  
 636 Payment of the participant's contributions shall be made by the  
 637 employer to the department, which shall forward the  
 638 contributions to the designated company or companies contracting  
 639 for payment of benefits for the participant under the program.

640 Section 11. Effective June 30, 2011, paragraph (c) of  
 641 subsection (3) of section 121.055, Florida Statutes, as amended  
 642 by this act, is repealed.

643 Section 12. Subsection (4) of section 121.071, Florida  
 644 Statutes, is amended to read:

645 121.071 Contributions.—Contributions to the system shall  
 646 be made as follows:

647 (4) The following table states the required employer  
 648 contribution on behalf of each member of the Regular Class,  
 649 Special Risk Class, or Special Risk Administrative Support Class  
 650 in terms of a percentage of the member's gross compensation.  
 651 Such contribution constitutes the entire health insurance



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652 subsidy contribution with respect to each such member. A change  
 653 in the contribution rate is effective with the first salary paid  
 654 on or after the beginning date of the change. The retiree health  
 655 insurance subsidy contribution rate is as follows:

656	Dates of Contribution Rate Changes	Contribution Rate
657	October 1, 1987, through December 31, 1988	0.24%
658	January 1, 1989, through December 31, 1993	0.48%
659	January 1, 1994, through December 31, 1994	0.56%
660	January 1, 1995, through June 30, 1998	0.66%
661	July 1, 1998, through June 30, 2001	0.94%
662	<del>Effective</del> <u>July 1, 2001, through June 30, 2010</u>	1.11%
663	<u>Effective July 1, 2010</u>	<u>0.00%</u>

664  
 665  
 666 Such contributions shall be deposited by the administrator in  
 667 the Retiree Health Insurance Subsidy Trust Fund.

668 Section 13. Effective June 30, 2011, subsection (4) of  
 669 section 121.071, Florida Statutes, as amended by this act, is  
 670 repealed, subsections (5) and (6) of that section are renumbered

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671 as subsections (4) and (5), respectively, and present subsection  
672 (5) is amended to read:

673 121.071 Contributions.—Contributions to the system shall  
674 be made as follows:

675 (4)~~(5)~~ Contributions made in accordance with subsections  
676 (1), (2), and (3)~~, and (4)~~, and s. 121.71 shall be paid by the  
677 employer into the system trust funds in accordance with rules  
678 adopted by the administrator pursuant to chapter 120, except as  
679 may be otherwise specified herein. Effective July 1, 2002,  
680 contributions paid under subsection ~~subsections~~ (1) ~~and (4)~~ and  
681 accompanying payroll data are due and payable no later than the  
682 5th working day of the month immediately following the month  
683 during which the payroll period ended.

684 Section 14. Paragraph (f) of subsection (13) of section  
685 121.091, Florida Statutes, is amended to read:

686 121.091 Benefits payable under the system.—Benefits may  
687 not be paid under this section unless the member has terminated  
688 employment as provided in s. 121.021(39) (a) or begun  
689 participation in the Deferred Retirement Option Program as  
690 provided in subsection (13), and a proper application has been  
691 filed in the manner prescribed by the department. The department  
692 may cancel an application for retirement benefits when the  
693 member or beneficiary fails to timely provide the information  
694 and documents required by this chapter and the department's  
695 rules. The department shall adopt rules establishing procedures  
696 for application for retirement benefits and for the cancellation  
697 of such application when the required information or documents  
698 are not received.

699 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and  
 700 subject to this section, the Deferred Retirement Option Program,  
 701 hereinafter referred to as DROP, is a program under which an  
 702 eligible member of the Florida Retirement System may elect to  
 703 participate, deferring receipt of retirement benefits while  
 704 continuing employment with his or her Florida Retirement System  
 705 employer. The deferred monthly benefits shall accrue in the  
 706 Florida Retirement System on behalf of the participant, plus  
 707 interest compounded monthly, for the specified period of the  
 708 DROP participation, as provided in paragraph (c). Upon  
 709 termination of employment, the participant shall receive the  
 710 total DROP benefits and begin to receive the previously  
 711 determined normal retirement benefits. Participation in the DROP  
 712 does not guarantee employment for the specified period of DROP.  
 713 Participation in DROP by an eligible member beyond the initial  
 714 60-month period as authorized in this subsection shall be on an  
 715 annual contractual basis for all participants.

716 (f) Employees who have terminated participation in DROP on  
 717 or after June 1, 2010, may not receive retiree health insurance  
 718 subsidy payments. ~~Retiree health insurance subsidy. DROP~~  
 719 ~~participants are not eligible to apply for the retiree health~~  
 720 ~~insurance subsidy payments as provided in s. 112.363 until such~~  
 721 ~~participants have terminated employment and participation in~~  
 722 ~~DROP.~~

723 Section 15. Effective June 30, 2011, paragraphs (c) and  
 724 (i) of subsection (13) of section 121.091, Florida Statutes, are  
 725 amended to read:

726 121.091 Benefits payable under the system.—Benefits may

727 not be paid under this section unless the member has terminated  
 728 employment as provided in s. 121.021(39)(a) or begun  
 729 participation in the Deferred Retirement Option Program as  
 730 provided in subsection (13), and a proper application has been  
 731 filed in the manner prescribed by the department. The department  
 732 may cancel an application for retirement benefits when the  
 733 member or beneficiary fails to timely provide the information  
 734 and documents required by this chapter and the department's  
 735 rules. The department shall adopt rules establishing procedures  
 736 for application for retirement benefits and for the cancellation  
 737 of such application when the required information or documents  
 738 are not received.

739 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and  
 740 subject to this section, the Deferred Retirement Option Program,  
 741 hereinafter referred to as DROP, is a program under which an  
 742 eligible member of the Florida Retirement System may elect to  
 743 participate, deferring receipt of retirement benefits while  
 744 continuing employment with his or her Florida Retirement System  
 745 employer. The deferred monthly benefits shall accrue in the  
 746 Florida Retirement System on behalf of the participant, plus  
 747 interest compounded monthly, for the specified period of the  
 748 DROP participation, as provided in paragraph (c). Upon  
 749 termination of employment, the participant shall receive the  
 750 total DROP benefits and begin to receive the previously  
 751 determined normal retirement benefits. Participation in the DROP  
 752 does not guarantee employment for the specified period of DROP.  
 753 Participation in DROP by an eligible member beyond the initial  
 754 60-month period as authorized in this subsection shall be on an

755 annual contractual basis for all participants.

756 (c) Benefits payable under DROP.—

757 1. Effective on the date of DROP participation, the  
 758 member's initial normal monthly benefit, including creditable  
 759 service, optional form of payment, and average final  
 760 compensation, and the effective date of retirement are fixed.  
 761 The beneficiary established under the Florida Retirement System  
 762 is the beneficiary eligible to receive any DROP benefits payable  
 763 if the DROP participant dies before completing the period of  
 764 DROP participation. If a joint annuitant predeceases the member,  
 765 the member may name a beneficiary to receive accumulated DROP  
 766 benefits payable. The retirement benefit, the annual cost of  
 767 living adjustments provided in s. 121.101, and interest accrue  
 768 monthly in the Florida Retirement System Trust Fund. The  
 769 interest accrues at an effective annual rate of 6.5 percent  
 770 compounded monthly, on the prior month's accumulated ending  
 771 balance, up to the month of termination or death, except as  
 772 provided in s. 121.053 (6) ~~(7)~~.

773 2. Each employee who elects to participate in DROP may  
 774 elect to receive a lump-sum payment for accrued annual leave  
 775 earned in accordance with agency policy upon beginning  
 776 participation in DROP. The accumulated leave payment certified  
 777 to the division upon commencement of DROP shall be included in  
 778 the calculation of the member's average final compensation. The  
 779 employee electing the lump-sum payment is not eligible to  
 780 receive a second lump-sum payment upon termination, except to  
 781 the extent the employee has earned additional annual leave  
 782 which, combined with the original payment, does not exceed the

783 maximum lump-sum payment allowed by the employing agency's  
 784 policy or rules. An early lump-sum payment shall be based on the  
 785 hourly wage of the employee at the time he or she begins  
 786 participation in DROP. If the member elects to wait and receive  
 787 a lump-sum payment upon termination of DROP and termination of  
 788 employment with the employer, any accumulated leave payment made  
 789 at that time may not be included in the member's retirement  
 790 benefit, which was determined and fixed by law when the employee  
 791 elected to participate in DROP.

792 3. The effective date of DROP participation and the  
 793 effective date of retirement of a DROP participant shall be the  
 794 first day of the month selected by the member to begin  
 795 participation in DROP, provided such date is properly  
 796 established, with the written confirmation of the employer, and  
 797 the approval of the division, on forms required by the division.

798 4. Normal retirement benefits and any interest shall  
 799 continue to accrue in DROP until the established termination  
 800 date of DROP or until the participant terminates employment or  
 801 dies prior to such date, except as provided in s. 121.053 (6) ~~(7)~~.  
 802 Although individual DROP accounts shall not be established, a  
 803 separate accounting of each participant's accrued benefits under  
 804 DROP shall be calculated and provided to participants.

805 5. At the conclusion of the participant's DROP, the  
 806 division shall distribute the participant's total accumulated  
 807 DROP benefits, subject to the following:

808 a. The division shall receive verification by the  
 809 participant's employer or employers that the participant has  
 810 terminated all employment relationships as provided in s.

811 121.021(39).

812       b. The terminated DROP participant or, if deceased, the  
 813 participant's named beneficiary, shall elect on forms provided  
 814 by the division to receive payment of the DROP benefits in  
 815 accordance with one of the options listed below. If a  
 816 participant or beneficiary fails to elect a method of payment  
 817 within 60 days after termination of DROP, the division shall pay  
 818 a lump sum as provided in sub-sub-subparagraph (I).

819       (I) Lump sum.—All accrued DROP benefits, plus interest,  
 820 less withholding taxes remitted to the Internal Revenue Service,  
 821 shall be paid to the DROP participant or surviving beneficiary.

822       (II) Direct rollover.—All accrued DROP benefits, plus  
 823 interest, shall be paid from DROP directly to the custodian of  
 824 an eligible retirement plan as defined in s. 402(c)(8)(B) of the  
 825 Internal Revenue Code. However, in the case of an eligible  
 826 rollover distribution to the surviving spouse of a deceased  
 827 participant, an eligible retirement plan is an individual  
 828 retirement account or an individual retirement annuity as  
 829 described in s. 402(c)(9) of the Internal Revenue Code.

830       (III) Partial lump sum.—A portion of the accrued DROP  
 831 benefits shall be paid to DROP participant or surviving spouse,  
 832 less withholding taxes remitted to the Internal Revenue Service,  
 833 and the remaining DROP benefits must be transferred directly to  
 834 the custodian of an eligible retirement plan as defined in s.  
 835 402(c)(8)(B) of the Internal Revenue Code. However, in the case  
 836 of an eligible rollover distribution to the surviving spouse of  
 837 a deceased participant, an eligible retirement plan is an  
 838 individual retirement account or an individual retirement

839 annuity as described in s. 402(c)(9) of the Internal Revenue  
 840 Code. The proportions must be specified by the DROP participant  
 841 or surviving beneficiary.

842 c. The form of payment selected by the DROP participant or  
 843 surviving beneficiary must comply with the minimum distribution  
 844 requirements of the Internal Revenue Code.

845 d. A DROP participant who fails to terminate all  
 846 employment relationships as provided in s. 121.021(39) shall be  
 847 deemed as not retired, and the DROP election is null and void.  
 848 Florida Retirement System membership shall be reestablished  
 849 retroactively to the date of the commencement of DROP, and each  
 850 employer with whom the participant continues employment must pay  
 851 to the Florida Retirement System Trust Fund the difference  
 852 between the DROP contributions paid in paragraph (i) and the  
 853 contributions required for the applicable Florida Retirement  
 854 System class of membership during the period the member  
 855 participated in DROP, plus 6.5 percent interest compounded  
 856 annually.

857 6. The retirement benefits of any DROP participant who  
 858 terminates all employment relationships as provided in s.  
 859 121.021(39) but is reemployed in violation of the reemployment  
 860 provisions of subsection (9) shall be suspended during those  
 861 months in which the retiree is in violation. Any retiree in  
 862 violation of this subparagraph and any employer that employs or  
 863 appoints such person without notifying the Division of  
 864 Retirement to suspend retirement benefits are jointly and  
 865 severally liable for any benefits paid during the reemployment  
 866 limitation period. The employer must have a written statement



867 | from the retiree that he or she is not retired from a state-  
 868 | administered retirement system. Any retirement benefits received  
 869 | by a retiree while employed in violation of the reemployment  
 870 | limitations must be repaid to the Florida Retirement System  
 871 | Trust Fund, and his or her retirement benefits shall remain  
 872 | suspended until payment is made. Benefits suspended beyond the  
 873 | end of the reemployment limitation period apply toward repayment  
 874 | of benefits received in violation of the reemployment  
 875 | limitation.

876 |         7. The accrued benefits of any DROP participant, and any  
 877 | contributions accumulated under the program, are not subject to  
 878 | assignment, execution, attachment, or any legal process  
 879 | whatsoever, except for qualified domestic relations orders by a  
 880 | court of competent jurisdiction, income deduction orders as  
 881 | provided in s. 61.1301, and federal income tax levies.

882 |         8. DROP participants are not eligible for disability  
 883 | retirement benefits as provided in subsection (4).

884 |             (i) Contributions.—

885 |             1. All employers paying the salary of a DROP participant  
 886 | filling a regularly established position shall contribute 8.0  
 887 | percent of such participant's gross compensation for the period  
 888 | of July 1, 2002, through June 30, 2003, and the percentage of  
 889 | such compensation required by s. 121.71 thereafter, which shall  
 890 | constitute the entire employer DROP contribution with respect to  
 891 | such participant. Such contributions, payable to the Florida  
 892 | Retirement System Trust Fund in the same manner as required in  
 893 | s. 121.071, must be made as appropriate for each pay period and  
 894 | are in addition to contributions required for social security

895 ~~and the Retiree Health Insurance Subsidy Trust Fund.~~ Such  
 896 employer and, social security, ~~and health insurance subsidy~~  
 897 contributions are not included in DROP.

898 2. The employer shall, in addition to subparagraph 1.,  
 899 also withhold one-half of the entire social security  
 900 contribution required for the participant. Contributions for  
 901 social security by each participant and each employer, in the  
 902 amount required for social security coverage as provided by the  
 903 federal Social Security Act, are in addition to contributions  
 904 specified in subparagraph 1.

905 ~~3. All employers paying the salary of a DROP participant~~  
 906 ~~filling a regularly established position shall contribute the~~  
 907 ~~percent of such participant's gross compensation required in s.~~  
 908 ~~121.071(4), which constitutes the employer's health insurance~~  
 909 ~~subsidy contribution with respect to such participant. Such~~  
 910 ~~contributions must be deposited by the administrator in the~~  
 911 ~~Retiree Health Insurance Subsidy Trust Fund.~~

912 Section 16. Paragraph (h) of subsection (1) of section  
 913 121.122, Florida Statutes, is amended to read:

914 121.122 Renewed membership in system.—

915 (1) Except as provided in s. 121.053, effective July 1,  
 916 1991, through June 30, 2010, any retiree of a state-administered  
 917 retirement system who is initially reemployed in a regularly  
 918 established position with a covered employer, including an  
 919 elective public office that does not qualify for the Elected  
 920 Officer's Class, shall be enrolled as a compulsory member of the  
 921 Regular Class of the Florida Retirement System. Effective July  
 922 1, 1997, through June 30, 2010, any retiree of a state-

923 | administered retirement system who is initially reemployed in a  
 924 | position included in the Senior Management Service Class shall  
 925 | be enrolled as a compulsory member of the Senior Management  
 926 | Service Class of the Florida Retirement System as provided in s.  
 927 | 121.055. A retiree is entitled to receive an additional  
 928 | retirement benefit, subject to the following conditions:

929 |       (h) A renewed member who is not receiving the maximum  
 930 | health insurance subsidy provided in s. 112.363 and meets the  
 931 | requirements of this section is entitled to earn additional  
 932 | credit toward the maximum health insurance subsidy. Any  
 933 | additional subsidy due because of such additional credit may be  
 934 | received only at the time of payment of the second career  
 935 | retirement benefit. The total health insurance subsidy received  
 936 | by a retiree receiving benefits from initial and renewed  
 937 | membership may not exceed the maximum allowed in s. 112.363.

938 |       Section 17. Effective June 30, 2011, paragraph (h) of  
 939 | subsection (1) of section 121.122, Florida Statutes, as amended  
 940 | by this act, is repealed, and paragraph (d) of subsection (1) of  
 941 | that section is amended to read:

942 |       121.122 Renewed membership in system.—

943 |       (1) Except as provided in s. 121.053, effective July 1,  
 944 | 1991, through June 30, 2010, any retiree of a state-administered  
 945 | retirement system who is initially reemployed in a regularly  
 946 | established position with a covered employer, including an  
 947 | elective public office that does not qualify for the Elected  
 948 | Officer's Class, shall be enrolled as a compulsory member of the  
 949 | Regular Class of the Florida Retirement System. Effective July  
 950 | 1, 1997, through June 30, 2010, any retiree of a state-

951 administered retirement system who is initially reemployed in a  
 952 position included in the Senior Management Service Class shall  
 953 be enrolled as a compulsory member of the Senior Management  
 954 Service Class of the Florida Retirement System as provided in s.  
 955 121.055. A retiree is entitled to receive an additional  
 956 retirement benefit, subject to the following conditions:

957 (d) Upon renewed membership or reemployment of a retiree,  
 958 the employer of such member shall pay the applicable employer  
 959 contributions as required by ss. ~~112.363~~, 121.71, 121.74, and  
 960 121.76.

961 Section 18. Paragraph (c) of subsection (3) and paragraph  
 962 (a) of subsection (4) of section 121.35, Florida Statutes, are  
 963 amended to read:

964 121.35 Optional retirement program for the State  
 965 University System.—

966 (3) ELECTION OF OPTIONAL PROGRAM.—

967 (c) Any employee who becomes eligible to participate in  
 968 the optional retirement program on or after January 1, 1993,  
 969 shall be a compulsory participant of the program unless such  
 970 employee elects membership in the Florida Retirement System.  
 971 Such election shall be made in writing and filed with the  
 972 personnel officer of the employer. Any eligible employee who  
 973 fails to make such election within the prescribed time period  
 974 shall be deemed to have elected to participate in the optional  
 975 retirement program.

976 1. Any employee whose optional retirement program  
 977 eligibility results from initial employment shall be enrolled in  
 978 the program at the commencement of employment. If, within 90

979 | days after commencement of employment, the employee elects  
 980 | membership in the Florida Retirement System, such membership  
 981 | shall be effective retroactive to the date of commencement of  
 982 | employment.

983 |         2. Any employee whose optional retirement program  
 984 | eligibility results from a change in status due to the  
 985 | subsequent designation of the employee's position as one of  
 986 | those specified in paragraph (2) (a) or due to the employee's  
 987 | appointment, promotion, transfer, or reclassification to a  
 988 | position specified in paragraph (2) (a) shall be enrolled in the  
 989 | optional retirement program upon such change in status and shall  
 990 | be notified by the employer of such action. If, within 90 days  
 991 | after the date of such notification, the employee elects to  
 992 | retain membership in the Florida Retirement System, such  
 993 | continuation of membership shall be retroactive to the date of  
 994 | the change in status.

995 |         3. Notwithstanding the provisions of this paragraph,  
 996 | effective July 1, 1997, any employee who is eligible to  
 997 | participate in the Optional Retirement Program and who fails to  
 998 | execute a contract with one of the approved companies and to  
 999 | notify the department in writing as provided in subsection (4)  
 1000 | within 90 days after the date of eligibility shall be deemed to  
 1001 | have elected membership in the Florida Retirement System, except  
 1002 | as provided in s. 121.051(1) (a). This provision shall also apply  
 1003 | to any employee who terminates employment in an eligible  
 1004 | position before executing the required annuity contract and  
 1005 | notifying the department. Such membership shall be retroactive  
 1006 | to the date of eligibility, and all appropriate contributions

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1007 shall be transferred to the Florida Retirement System Trust Fund  
 1008 and the Health Insurance Subsidy Trust Fund through June 30,  
 1009 2010. Effective July 1, 2010, such membership shall be  
 1010 retroactive to the date of eligibility, and all appropriate  
 1011 contributions shall be transferred to the Florida Retirement  
 1012 System Trust Fund.

1013 (4) CONTRIBUTIONS.—

1014 (a) Through June 30, 2001, each employer shall contribute  
 1015 on behalf of each participant in the optional retirement program  
 1016 an amount equal to the normal cost portion of the employer  
 1017 retirement contribution which would be required if the  
 1018 participant were a regular member of the Florida Retirement  
 1019 System defined benefit program, plus the portion of the  
 1020 contribution rate required in s. 112.363(8) that would otherwise  
 1021 be assigned to the Retiree Health Insurance Subsidy Trust Fund.  
 1022 Effective July 1, 2001, through June 30, 2010, each employer  
 1023 shall contribute on behalf of each participant in the optional  
 1024 program an amount equal to 10.43 percent of the participant's  
 1025 gross monthly compensation. Effective July 1, 2010, each  
 1026 employer shall contribute on behalf of each participant in the  
 1027 optional program an amount equal to 9.49 percent of the  
 1028 participant's gross monthly compensation. The department shall  
 1029 deduct an amount approved by the Legislature to provide for the  
 1030 administration of this program. The payment of the contributions  
 1031 to the optional program which is required by this paragraph for  
 1032 each participant shall be made by the employer to the  
 1033 department, which shall forward the contributions to the  
 1034 designated company or companies contracting for payment of

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1035 benefits for the participant under the program. However, such  
 1036 contributions paid on behalf of an employee described in  
 1037 paragraph (3)(c) shall not be forwarded to a company and shall  
 1038 not begin to accrue interest until the employee has executed a  
 1039 contract and notified the department.

1040 Section 19. Effective June 30, 2011, subsection (18) of  
 1041 section 121.4501, Florida Statutes, is repealed, subsections  
 1042 (19) through (22) of that section are renumbered as subsections  
 1043 (18) through (21), respectively, and paragraph (h) of subsection  
 1044 (2) of that section is amended to read:

1045 121.4501 Public Employee Optional Retirement Program.—

1046 (2) DEFINITIONS.—As used in this part, the term:

1047 (h) "Participant" means an eligible employee who elects to  
 1048 participate in the Public Employee Optional Retirement Program  
 1049 and enrolls in such optional program as provided in subsection  
 1050 (4) or a terminated Deferred Retirement Option Program  
 1051 participant as described in subsection (20) ~~(21)~~.

1052 Section 20. Effective June 30, 2011, subsection (3) of  
 1053 section 121.571, Florida Statutes, is amended to read:

1054 121.571 Contributions.—Contributions to the Public  
 1055 Employee Optional Retirement Program shall be made as follows:

1056 (3) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE ~~AND FOR~~  
 1057 ~~RETIREE HEALTH INSURANCE SUBSIDY~~.—Contributions required under  
 1058 this section shall be in addition to employer and member  
 1059 contributions required for social security ~~and the Retiree~~  
 1060 ~~Health Insurance Subsidy Trust Fund as provided in ss. 112.363,~~  
 1061 ~~121.052, 121.055, and 121.071, as appropriate.~~

1062 Section 21. Paragraphs (a) and (b) of subsection (3) of  
 1063 section 121.591, Florida Statutes, are amended to read:  
 1064 121.591 Benefits payable under the Public Employee  
 1065 Optional Retirement Program of the Florida Retirement System.—  
 1066 Benefits may not be paid under this section unless the member  
 1067 has terminated employment as provided in s. 121.021(39)(a) or is  
 1068 deceased and a proper application has been filed in the manner  
 1069 prescribed by the state board or the department. The state board  
 1070 or department, as appropriate, may cancel an application for  
 1071 retirement benefits when the member or beneficiary fails to  
 1072 timely provide the information and documents required by this  
 1073 chapter and the rules of the state board and department. In  
 1074 accordance with their respective responsibilities as provided  
 1075 herein, the State Board of Administration and the Department of  
 1076 Management Services shall adopt rules establishing procedures  
 1077 for application for retirement benefits and for the cancellation  
 1078 of such application when the required information or documents  
 1079 are not received. The State Board of Administration and the  
 1080 Department of Management Services, as appropriate, are  
 1081 authorized to cash out a de minimis account of a participant who  
 1082 has been terminated from Florida Retirement System covered  
 1083 employment for a minimum of 6 calendar months. A de minimis  
 1084 account is an account containing employer contributions and  
 1085 accumulated earnings of not more than \$5,000 made under the  
 1086 provisions of this chapter. Such cash-out must either be a  
 1087 complete lump-sum liquidation of the account balance, subject to  
 1088 the provisions of the Internal Revenue Code, or a lump-sum  
 1089 direct rollover distribution paid directly to the custodian of



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1090 an eligible retirement plan, as defined by the Internal Revenue  
 1091 Code, on behalf of the participant. If any financial instrument  
 1092 issued for the payment of retirement benefits under this section  
 1093 is not presented for payment within 180 days after the last day  
 1094 of the month in which it was originally issued, the third-party  
 1095 administrator or other duly authorized agent of the State Board  
 1096 of Administration shall cancel the instrument and credit the  
 1097 amount of the instrument to the suspense account of the Public  
 1098 Employee Optional Retirement Program Trust Fund authorized under  
 1099 s. 121.4501(6). Any such amounts transferred to the suspense  
 1100 account are payable upon a proper application, not to include  
 1101 earnings thereon, as provided in this section, within 10 years  
 1102 after the last day of the month in which the instrument was  
 1103 originally issued, after which time such amounts and any  
 1104 earnings thereon shall be forfeited. Any such forfeited amounts  
 1105 are assets of the Public Employee Optional Retirement Program  
 1106 Trust Fund and are not subject to the provisions of chapter 717.

1107 (3) DEATH BENEFITS.—Under the Public Employee Optional  
 1108 Retirement Program:

1109 (a) Survivor benefits shall be payable in accordance with  
 1110 the following terms and conditions:

1111 1. To the extent vested, benefits shall be payable only to  
 1112 a participant's beneficiary or beneficiaries as designated by  
 1113 the participant as provided in s. 121.4501 (19) ~~(20)~~.

1114 2. Benefits shall be paid by the third-party administrator  
 1115 or designated approved providers in accordance with the law, the  
 1116 contracts, and any applicable board rule or policy.

1117 3. To receive benefits under this subsection, the

1118 participant must be deceased.

1119 (b) In the event of a participant's death, all vested  
 1120 accumulations as described in s. 121.4501(6), less withholding  
 1121 taxes remitted to the Internal Revenue Service, shall be  
 1122 distributed, as provided in paragraph (c) or as described in s.  
 1123 121.4501(19)~~(20)~~, as if the participant retired on the date of  
 1124 death. No other death benefits shall be available for survivors  
 1125 of participants under the Public Employee Optional Retirement  
 1126 Program, except for such benefits, or coverage for such  
 1127 benefits, as are otherwise provided by law or are separately  
 1128 afforded by the employer, at the employer's discretion.

1129 Section 22. Section 121.76, Florida Statutes, is amended  
 1130 to read:

1131 121.76 Contributions for social security and for retiree  
 1132 health insurance subsidy.—Contributions required under this part  
 1133 for social security shall be ~~made or~~ deducted, ~~as may be~~  
 1134 ~~appropriate,~~ for each pay period ~~and are in addition to employer~~  
 1135 ~~and member contributions required for social security and the~~  
 1136 ~~Retiree Health Insurance Subsidy Trust Fund as provided under~~  
 1137 ~~parts I and II of this chapter.~~

1138 Section 23. Paragraph (a) of subsection (4) of section  
 1139 1012.875, Florida Statutes, is amended to read:

1140 1012.875 State Community College System Optional  
 1141 Retirement Program.—Each community college may implement an  
 1142 optional retirement program, if such program is established  
 1143 therefor pursuant to s. 1001.64(20), under which annuity or  
 1144 other contracts providing retirement and death benefits may be  
 1145 purchased by, and on behalf of, eligible employees who

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1146 participate in the program, in accordance with s. 403(b) of the  
 1147 Internal Revenue Code. Except as otherwise provided herein, this  
 1148 retirement program, which shall be known as the State Community  
 1149 College System Optional Retirement Program, may be implemented  
 1150 and administered only by an individual community college or by a  
 1151 consortium of community colleges.

1152 (4) (a) Each college must contribute on behalf of each  
 1153 program participant an amount equal to 10.43 percent of the  
 1154 participant's gross monthly compensation through June 30, 2010.  
 1155 Effective July 1, 2010, each college must contribute on behalf  
 1156 of each program participant an amount equal to 9.49 percent of  
 1157 the participant's gross monthly compensation. The college shall  
 1158 deduct an amount approved by the district board of trustees of  
 1159 the college to provide for the administration of the optional  
 1160 retirement program. Payment of this contribution must be made  
 1161 either directly by the college or through the program  
 1162 administrator to the designated company contracting for payment  
 1163 of benefits to the program participant.

1164 Section 24. Except as otherwise expressly provided in this  
 1165 act, this act shall take effect July 1, 2010.