

1 A bill to be entitled
 2 An act relating to retirement; amending s. 112.64, F.S.;
 3 providing limitations for the total contributions made to
 4 certain retirement systems or plans; prohibiting certain
 5 retirement systems or plans from amortizing their unfunded
 6 liabilities over a specified period; limiting the
 7 amortization bases created in specified future plan years;
 8 providing disclosure requirements; amending s. 121.053,
 9 F.S.; requiring employers to make specified retirement
 10 contributions on behalf of certain employees in the
 11 Elected Officers' Class, including those in DROP;
 12 providing exceptions; amending s. 121.055, F.S.; requiring
 13 employers to make specified retirement contributions on
 14 behalf of certain employees who have withdrawn from the
 15 Senior Management Service Class; providing an exception;
 16 amending s. 121.122, F.S.; requiring employers to make
 17 specified retirement contributions on behalf of certain
 18 reemployed retirees; providing an exception; amending ss.
 19 112.05, 121.051, 121.091, 121.35, and 1012.875, F.S.;
 20 providing exceptions to required employer contributions on
 21 behalf of certain program participants in conformance with
 22 changes made by this act; providing a declaration of
 23 important state interest; providing an effective date.

24
 25 Be It Enacted by the Legislature of the State of Florida:

26
 27 Section 1. Paragraph (c) of subsection (4) of section
 28 112.05, Florida Statutes, is amended to read:

PCB CEED 10-05

ORIGINAL

2010

29 | 112.05 Retirement; cost-of-living adjustment; employment
30 | after retirement.—

31 | (4)

32 | (c) An employer, upon employment of any person who has
33 | been retired under a state-administered retirement program,
34 | shall pay retirement contributions in an amount equal to the
35 | unfunded actuarial accrued liability portion of the employer
36 | contribution which would be required for a regular member of the
37 | Florida Retirement System, except as provided in s.

38 | 112.64(2)(b).

39 | Section 2. Subsections (2) and (3) of section 112.64,
40 | Florida Statutes, are amended to read:

41 | 112.64 Administration of funds; amortization of unfunded
42 | liability.—

43 | (2) (a) From and after October 1, 1980, for those plans in
44 | existence on October 1, 1980, the total contributions to the
45 | retirement system or plan shall be sufficient to meet the normal
46 | cost of the retirement system or plan and to amortize the
47 | unfunded liability, if any, within 40 years; however, ~~nothing~~
48 | ~~contained in this paragraph does not permit subsection permits~~
49 | any retirement system or plan to amortize its unfunded
50 | liabilities over a period longer than that which remains under
51 | its current amortization schedule.

52 | (b) Notwithstanding paragraph (a), for retirement systems
53 | or plans with an actuarial funded ratio of 90 percent or greater
54 | in the plan year ending in calendar year 2008, calculated using
55 | the Governmental Accounting Standards Board Statement 25 basis,
56 | the provisions of subparagraph 1. may be applied to funding for

57 plan years beginning in calendar years 2010, 2011, and 2012:
 58 1. Total contributions to the retirement system or plan
 59 may be limited to the greater of:
 60 a. The contribution rate in effect for the previous plan
 61 year; or
 62 b. The normal cost of the retirement system or plan in the
 63 current plan year.
 64 2. This paragraph does not permit any retirement system or
 65 plan to amortize its unfunded liabilities over a period longer
 66 than that which remains under its existing amortization
 67 schedules. New amortization bases created in plan years
 68 beginning in calendar years 2010, 2011, and 2012 may not exceed
 69 the maximum duration allowed in this section, notwithstanding
 70 any postponed amortization payments resulting from the
 71 application of this paragraph.
 72 3. Any retirement system or plan that uses the provisions
 73 of subparagraph 1. must disclose this option of funding in its
 74 actuarial valuation for affected plan years beginning in
 75 calendar years 2010, 2011, and 2012.
 76 (3) (a) For a retirement system or plan which comes into
 77 existence after October 1, 1980, the unfunded liability, if any,
 78 shall be amortized within 40 years of the first plan year.
 79 (b) Notwithstanding paragraph (a), for retirement systems
 80 or plans with an actuarial funded ratio of 90 percent or greater
 81 in the plan year ending in calendar year 2008, calculated using
 82 the Governmental Accounting Standards Board Statement 25 basis,
 83 the provisions of subparagraph 1. may be applied to funding for
 84 plan years beginning in calendar years 2010, 2011, and 2012:

- 85 1. Total contributions to the retirement system or plan
 86 may be limited to the greater of:
 87 a. The contribution rate in effect for the previous plan
 88 year; or
 89 b. The normal cost of the retirement system or plan in the
 90 current plan year.
 91 2. This paragraph does not permit any retirement system or
 92 plan to amortize its unfunded liabilities over a period longer
 93 than that which remains under its existing amortization
 94 schedules. New amortization bases created in plan years
 95 beginning in calendar years 2010, 2011, and 2012 may not exceed
 96 the maximum duration allowed in this section, notwithstanding
 97 any postponed amortization payments resulting from the
 98 application of this paragraph.
 99 3. Any retirement system or plan that uses the provisions
 100 of subparagraph 1. must disclose this option of funding in its
 101 actuarial valuation for affected plan years beginning in
 102 calendar years 2010, 2011, and 2012.

103 Section 3. Paragraph (c) of subsection (2) of section
 104 121.051, Florida Statutes, is amended to read:

105 121.051 Participation in the system.—

106 (2) OPTIONAL PARTICIPATION.—

107 (c) Employees of public community colleges or charter
 108 technical career centers sponsored by public community colleges,
 109 designated in s. 1000.21(3), who are members of the Regular
 110 Class of the Florida Retirement System and who comply with the
 111 criteria set forth in this paragraph and s. 1012.875 may, in
 112 lieu of participating in the Florida Retirement System, elect to

PCB CEED 10-05

ORIGINAL

2010

113 withdraw from the system altogether and participate in the State
114 Community College System Optional Retirement Program provided by
115 the employing agency under s. 1012.875.

116 1. Through June 30, 2001, the cost to the employer for
117 such annuity equals the normal cost portion of the employer
118 retirement contribution which would be required if the employee
119 were a member of the Regular Class defined benefit program, plus
120 the portion of the contribution rate required by s. 112.363(8)
121 which would otherwise be assigned to the Retiree Health
122 Insurance Subsidy Trust Fund. Effective July 1, 2001, each
123 employer shall contribute on behalf of each participant in the
124 optional program an amount equal to 10.43 percent of the
125 participant's gross monthly compensation. The employer shall
126 deduct an amount for the administration of the program. The
127 employer shall contribute an additional amount to the Florida
128 Retirement System Trust Fund equal to the unfunded actuarial
129 accrued liability portion of the Regular Class contribution
130 rate, except as provided in s. 112.64(2)(b).

131 2. The decision to participate in an optional retirement
132 program is irrevocable as long as the employee holds a position
133 eligible for participation, except as provided in subparagraph
134 3. Any service creditable under the Florida Retirement System is
135 retained after the member withdraws from the system; however,
136 additional service credit in the system may not be earned while
137 a member of the optional retirement program.

138 3. An employee who has elected to participate in the
139 optional retirement program shall have one opportunity, at the
140 employee's discretion, to transfer from the optional retirement

141 program to the defined benefit program of the Florida Retirement
 142 System or to the Public Employee Optional Retirement Program,
 143 subject to the terms of the applicable optional retirement
 144 program contracts.

145 a. If the employee chooses to move to the Public Employee
 146 Optional Retirement Program, any contributions, interest, and
 147 earnings creditable to the employee under the State Community
 148 College System Optional Retirement Program are retained by the
 149 employee in the State Community College System Optional
 150 Retirement Program, and the applicable provisions of s.
 151 121.4501(4) govern the election.

152 b. If the employee chooses to move to the defined benefit
 153 program of the Florida Retirement System, the employee shall
 154 receive service credit equal to his or her years of service
 155 under the State Community College System Optional Retirement
 156 Program.

157 (I) The cost for such credit is the amount representing
 158 the present value of the employee's accumulated benefit
 159 obligation for the affected period of service. The cost shall be
 160 calculated as if the benefit commencement occurs on the first
 161 date the employee becomes eligible for unreduced benefits, using
 162 the discount rate and other relevant actuarial assumptions that
 163 were used to value the Florida Retirement System defined benefit
 164 plan liabilities in the most recent actuarial valuation. The
 165 calculation must include any service already maintained under
 166 the defined benefit plan in addition to the years under the
 167 State Community College System Optional Retirement Program. The
 168 present value of any service already maintained must be applied

169 as a credit to total cost resulting from the calculation. The
 170 division shall ensure that the transfer sum is prepared using a
 171 formula and methodology certified by an enrolled actuary.

172 (II) The employee must transfer from his or her State
 173 Community College System Optional Retirement Program account and
 174 from other employee moneys as necessary, a sum representing the
 175 present value of the employee's accumulated benefit obligation
 176 immediately following the time of such movement, determined
 177 assuming that attained service equals the sum of service in the
 178 defined benefit program and service in the State Community
 179 College System Optional Retirement Program.

180 4. Participation in the optional retirement program is
 181 limited to employees who satisfy the following eligibility
 182 criteria:

183 a. The employee must be otherwise eligible for membership
 184 or renewed membership in the Regular Class of the Florida
 185 Retirement System, as provided in s. 121.021(11) and (12) or s.
 186 121.122.

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

190 (I) Instructional; or

191 (II) Executive Management, Instructional Management, or
 192 Institutional Management, if a community college determines that
 193 recruiting to fill a vacancy in the position is to be conducted
 194 in the national or regional market, and the duties and
 195 responsibilities of the position include the formulation,
 196 interpretation, or implementation of policies, or the

PCB CEED 10-05

ORIGINAL

2010

197 performance of functions that are unique or specialized within
198 higher education and that frequently support the mission of the
199 community college.

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

203 5. Participants in the program are subject to the same
204 reemployment limitations, renewed membership provisions, and
205 forfeiture provisions as are applicable to regular members of
206 the Florida Retirement System under ss. 121.091(9), 121.122, and
207 121.091(5), respectively. A participant who receives a program
208 distribution funded by employer contributions shall be deemed to
209 be retired from a state-administered retirement system if the
210 participant is subsequently employed with an employer that
211 participates in the Florida Retirement System.

212 6. Eligible community college employees are compulsory
213 members of the Florida Retirement System until, pursuant to s.
214 1012.875, a written election to withdraw from the system and
215 participate in the State Community College System Optional
216 Retirement Program is filed with the program administrator and
217 received by the division.

218 a. A community college employee whose program eligibility
219 results from initial employment must be enrolled in the State
220 Community College System Optional Retirement Program retroactive
221 to the first day of eligible employment. The employer retirement
222 contributions paid through the month of the employee plan change
223 shall be transferred to the community college to the employee's
224 optional program account, and, effective the first day of the

225 | next month, the employer shall pay the applicable contributions
 226 | based upon subparagraph 1.

227 | b. A community college employee whose program eligibility
 228 | is due to the subsequent designation of the employee's position
 229 | as one of those specified in subparagraph 4., or due to the
 230 | employee's appointment, promotion, transfer, or reclassification
 231 | to a position specified in subparagraph 4., must be enrolled in
 232 | the program on the first day of the first full calendar month
 233 | that such change in status becomes effective. The employer
 234 | retirement contributions paid from the effective date through
 235 | the month of the employee plan change must be transferred to the
 236 | community college to the employee's optional program account,
 237 | and, effective the first day of the next month, the employer
 238 | shall pay the applicable contributions based upon subparagraph
 239 | 1.

240 | 7. Effective July 1, 2003, through December 31, 2008, any
 241 | participant of the State Community College System Optional
 242 | Retirement Program who has service credit in the defined benefit
 243 | plan of the Florida Retirement System for the period between his
 244 | or her first eligibility to transfer from the defined benefit
 245 | plan to the optional retirement program and the actual date of
 246 | transfer may, during employment, transfer to the optional
 247 | retirement program a sum representing the present value of the
 248 | accumulated benefit obligation under the defined benefit
 249 | retirement program for the period of service credit. Upon
 250 | transfer, all service credit previously earned under the defined
 251 | benefit program of the Florida Retirement System during this
 252 | period is nullified for purposes of entitlement to a future

253 benefit under the defined benefit program of the Florida
 254 Retirement System.

255 Section 4. Paragraph (a) of subsection (3) and paragraph
 256 (a) of subsection (7) of section 121.053, Florida Statutes, are
 257 amended to read:

258 121.053 Participation in the Elected Officers' Class for
 259 retired members.—

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

261 (a) A retiree of a state-administered retirement system
 262 who is elected or appointed for the first time to an elective
 263 office in a regularly established position with a covered
 264 employer may not reenroll in the Florida Retirement System. Each
 265 employer shall contribute on behalf of each employed retiree
 266 ineligible for renewed membership under this paragraph an amount
 267 equal to the unfunded actuarial liability portion of the
 268 employer contribution which would be required for members of the
 269 Elected Officers' Class or the Regular Class, as appropriate, in
 270 the Florida Retirement System, except as provided in s.
 271 112.64(2)(b).

272 (7) A member who is elected or appointed to an elective
 273 office and who is participating in the Deferred Retirement
 274 Option Program is not subject to termination as defined in s.
 275 121.021, or reemployment limitations as provided in s.
 276 121.091(9), until the end of his or her current term of office
 277 or, if the officer is consecutively elected or reelected to an
 278 elective office eligible for coverage under the Florida
 279 Retirement System, until he or she no longer holds an elective
 280 office, as follows:

281 (a) At the end of the 60-month DROP period:
 282 1. The officer's DROP account may not accrue additional
 283 monthly benefits, but does continue to earn interest as provided
 284 in s. 121.091(13). However, an officer whose DROP participation
 285 begins on or after July 1, 2010, may not continue to earn such
 286 interest.

287 2. Except for the payment of the unfunded actuarial
 288 liability funding, retirement contributions are not required of
 289 the employer of the elected officer and additional retirement
 290 credit may not be earned under the Florida Retirement System.
 291 Each employer shall contribute on behalf of each nonenrolled
 292 employee under this subsection an amount equal to the unfunded
 293 actuarial liability portion of the employer contribution which
 294 would be required for members of the Elected Officers' Class or
 295 the Regular Class, as appropriate, in the Florida Retirement
 296 System, except as provided in s. 112.64(2)(b).

297 Section 5. Paragraph (b) of subsection (1) and paragraph
 298 (d) of subsection (6) of section 121.055, Florida Statutes, are
 299 amended to read:

300 121.055 Senior Management Service Class.—There is hereby
 301 established a separate class of membership within the Florida
 302 Retirement System to be known as the "Senior Management Service
 303 Class," which shall become effective February 1, 1987.

304 (1)

305 (b)1. Except as provided in subparagraph 2., effective
 306 January 1, 1990, participation in the Senior Management Service
 307 Class shall be compulsory for the president of each community
 308 college, the manager of each participating city or county, and

309 all appointed district school superintendents. Effective January
 310 1, 1994, additional positions may be designated for inclusion in
 311 the Senior Management Service Class of the Florida Retirement
 312 System, provided that:

313 a. Positions to be included in the class shall be
 314 designated by the local agency employer. Notice of intent to
 315 designate positions for inclusion in the class shall be
 316 published once a week for 2 consecutive weeks in a newspaper of
 317 general circulation published in the county or counties
 318 affected, as provided in chapter 50.

319 b. Up to 10 nonelective full-time positions may be
 320 designated for each local agency employer reporting to the
 321 Department of Management Services; for local agencies with 100
 322 or more regularly established positions, additional nonelective
 323 full-time positions may be designated, not to exceed 1 percent
 324 of the regularly established positions within the agency.

325 c. Each position added to the class must be a managerial
 326 or policymaking position filled by an employee who is not
 327 subject to continuing contract and serves at the pleasure of the
 328 local agency employer without civil service protection, and who:

- 329 (I) Heads an organizational unit; or
- 330 (II) Has responsibility to effect or recommend personnel,
 331 budget, expenditure, or policy decisions in his or her areas of
 332 responsibility.

333 2. In lieu of participation in the Senior Management
 334 Service Class, members of the Senior Management Service Class
 335 pursuant to the provisions of subparagraph 1. may withdraw from
 336 the Florida Retirement System altogether. The decision to

337 withdraw from the Florida Retirement System shall be irrevocable
 338 for as long as the employee holds such a position. Any service
 339 creditable under the Senior Management Service Class shall be
 340 retained after the member withdraws from the Florida Retirement
 341 System; however, additional service credit in the Senior
 342 Management Service Class shall not be earned after such
 343 withdrawal. Such members shall not be eligible to participate in
 344 the Senior Management Service Optional Annuity Program. Each
 345 employer shall contribute on behalf of each withdrawn employee
 346 under this subparagraph an amount equal to the unfunded
 347 actuarial accrued liability portion of the employer contribution
 348 which would be required for members of the Senior Management
 349 Service Class in the Florida Retirement System, except as
 350 provided in s. 112.64(2)(b).

351 3. Effective January 1, 2006, through June 30, 2006, an
 352 employee who has withdrawn from the Florida Retirement System
 353 under subparagraph 2. has one opportunity to elect to
 354 participate in either the defined benefit program or the Public
 355 Employee Optional Retirement Program of the Florida Retirement
 356 System.

357 a. If the employee elects to participate in the Public
 358 Employee Optional Retirement Program, membership shall be
 359 prospective, and the applicable provisions of s. 121.4501(4)
 360 shall govern the election.

361 b. If the employee elects to participate in the defined
 362 benefit program of the Florida Retirement System, the employee
 363 shall, upon payment to the system trust fund of the amount
 364 calculated under sub-sub-subparagraph (I), receive service

365 credit for prior service based upon the time during which the
 366 employee had withdrawn from the system.

367 (I) The cost for such credit shall be an amount
 368 representing the actuarial accrued liability for the affected
 369 period of service. The cost shall be calculated using the
 370 discount rate and other relevant actuarial assumptions that were
 371 used to value the Florida Retirement System defined benefit plan
 372 liabilities in the most recent actuarial valuation. The
 373 calculation shall include any service already maintained under
 374 the defined benefit plan in addition to the period of
 375 withdrawal. The actuarial accrued liability attributable to any
 376 service already maintained under the defined benefit plan shall
 377 be applied as a credit to the total cost resulting from the
 378 calculation. The division shall ensure that the transfer sum is
 379 prepared using a formula and methodology certified by an
 380 actuary.

381 (II) The employee must transfer a sum representing the net
 382 cost owed for the actuarial accrued liability in sub-sub-
 383 subparagraph (I) immediately following the time of such
 384 movement, determined assuming that attained service equals the
 385 sum of service in the defined benefit program and the period of
 386 withdrawal.

387 (6)

388 (d) Contributions.—

389 1. Through June 30, 2001, each employer shall contribute
 390 on behalf of each participant in the Senior Management Service
 391 Optional Annuity Program an amount equal to the normal cost
 392 portion of the employer retirement contribution which would be

393 required if the participant were a Senior Management Service
 394 Class member of the Florida Retirement System defined benefit
 395 program, plus the portion of the contribution rate required in
 396 s. 112.363(8) that would otherwise be assigned to the Retiree
 397 Health Insurance Subsidy Trust Fund. Effective July 1, 2001,
 398 each employer shall contribute on behalf of each participant in
 399 the optional program an amount equal to 12.49 percent of the
 400 participant's gross monthly compensation. The department shall
 401 deduct an amount approved by the Legislature to provide for the
 402 administration of this program. The payment of the contributions
 403 to the optional program which is required by this subparagraph
 404 for each participant shall be made by the employer to the
 405 department, which shall forward the contributions to the
 406 designated company or companies contracting for payment of
 407 benefits for the participant under the program.

408 2. Each employer shall contribute on behalf of each
 409 participant in the Senior Management Service Optional Annuity
 410 Program an amount equal to the unfunded actuarial accrued
 411 liability portion of the employer contribution which would be
 412 required for members of the Senior Management Service Class in
 413 the Florida Retirement System, except as provided in s.
 414 112.64(2)(b). This contribution shall be paid to the department
 415 for transfer to the Florida Retirement System Trust Fund.

416 3. An Optional Annuity Program Trust Fund shall be
 417 established in the State Treasury and administered by the
 418 department to make payments to provider companies on behalf of
 419 the optional annuity program participants, and to transfer the
 420 unfunded liability portion of the state optional annuity program

421 contributions to the Florida Retirement System Trust Fund.

422 4. Contributions required for social security by each
 423 employer and each participant, in the amount required for social
 424 security coverage as now or hereafter may be provided by the
 425 federal Social Security Act shall be maintained for each
 426 participant in the Senior Management Service retirement program
 427 and shall be in addition to the retirement contributions
 428 specified in this paragraph.

429 5. Each participant in the Senior Management Service
 430 Optional Annuity Program may contribute by way of salary
 431 reduction or deduction a percentage amount of the participant's
 432 gross compensation not to exceed the percentage amount
 433 contributed by the employer to the optional annuity program.
 434 Payment of the participant's contributions shall be made by the
 435 employer to the department, which shall forward the
 436 contributions to the designated company or companies contracting
 437 for payment of benefits for the participant under the program.

438 Section 6. Paragraph (c) of subsection (9) of section
 439 121.091, Florida Statutes, is amended to read:

440 121.091 Benefits payable under the system.—Benefits may
 441 not be paid under this section unless the member has terminated
 442 employment as provided in s. 121.021(39) (a) or begun
 443 participation in the Deferred Retirement Option Program as
 444 provided in subsection (13), and a proper application has been
 445 filed in the manner prescribed by the department. The department
 446 may cancel an application for retirement benefits when the
 447 member or beneficiary fails to timely provide the information
 448 and documents required by this chapter and the department's

PCB CEED 10-05

ORIGINAL

2010

449 rules. The department shall adopt rules establishing procedures
 450 for application for retirement benefits and for the cancellation
 451 of such application when the required information or documents
 452 are not received.

453 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

454 (c) Any person whose retirement is effective on or after
 455 July 1, 2010, or whose participation in the Deferred Retirement
 456 Option Program terminates on or after July 1, 2010, who is
 457 retired under this chapter, except under the disability
 458 retirement provisions of subsection (4) or as provided in s.
 459 121.053, may be reemployed by an employer that participates in a
 460 state-administered retirement system and receive retirement
 461 benefits and compensation from that employer. However, a person
 462 may not be reemployed by an employer participating in the
 463 Florida Retirement System before meeting the definition of
 464 termination in s. 121.021 and may not receive both a salary from
 465 the employer and retirement benefits for 6 calendar months after
 466 meeting the definition of termination. However, a DROP
 467 participant shall continue employment and receive a salary
 468 during the period of participation in the Deferred Retirement
 469 Option Program, as provided in subsection (13).

470 1. The reemployed retiree may not renew membership in the
 471 Florida Retirement System.

472 2. The employer shall pay retirement contributions in an
 473 amount equal to the unfunded actuarial liability portion of the
 474 employer contribution that would be required for active members
 475 of the Florida Retirement System in addition to the
 476 contributions required by s. 121.76, except as provided in s.

477 112.64(2)(b).

478 3. A retiree initially reemployed in violation of this
 479 paragraph and an employer that employs or appoints such person
 480 are jointly and severally liable for reimbursement of any
 481 retirement benefits paid to the retirement trust fund from which
 482 the benefits were paid, including the Florida Retirement System
 483 Trust Fund and the Public Employee Optional Retirement Program
 484 Trust Fund, as appropriate. The employer must have a written
 485 statement from the employee that he or she is not retired from a
 486 state-administered retirement system. Retirement benefits shall
 487 remain suspended until repayment is made. Benefits suspended
 488 beyond the end of the retiree's 6-month reemployment limitation
 489 period shall apply toward the repayment of benefits received in
 490 violation of this paragraph.

491 Section 7. Subsection (2) of section 121.122, Florida
 492 Statutes, is amended to read:

493 121.122 Renewed membership in system.—

494 (2) A retiree of a state-administered retirement system
 495 who is initially reemployed on or after July 1, 2010, is not
 496 eligible for renewed membership. Each employer shall contribute
 497 on behalf of each reemployed retiree ineligible for membership
 498 under this subsection an amount equal to the unfunded actuarial
 499 liability portion of the employer contribution which would be
 500 required for the membership class covering the position held,
 501 except as provided in s. 112.64(2)(b).

502 Section 8. Paragraph (b) of subsection (4) of section
 503 121.35, Florida Statutes, is amended to read:

504 121.35 Optional retirement program for the State

PCB CEED 10-05

ORIGINAL

2010

505 University System.—

506 (4) CONTRIBUTIONS.—

507 (b) Each employer shall contribute on behalf of each
 508 participant in the optional retirement program an amount equal
 509 to the unfunded actuarial accrued liability portion of the
 510 employer contribution which would be required for members of the
 511 Florida Retirement System, except as provided in s.
 512 112.64(2)(b). This contribution shall be paid to the department
 513 for transfer to the Florida Retirement System Trust Fund.

514 Section 9. Paragraph (b) of subsection (4) of section
 515 1012.875, Florida Statutes, is amended to read:

516 1012.875 State Community College System Optional
 517 Retirement Program.—Each community college may implement an
 518 optional retirement program, if such program is established
 519 therefor pursuant to s. 1001.64(20), under which annuity or
 520 other contracts providing retirement and death benefits may be
 521 purchased by, and on behalf of, eligible employees who
 522 participate in the program, in accordance with s. 403(b) of the
 523 Internal Revenue Code. Except as otherwise provided herein, this
 524 retirement program, which shall be known as the State Community
 525 College System Optional Retirement Program, may be implemented
 526 and administered only by an individual community college or by a
 527 consortium of community colleges.

528 (4)

529 (b) Each college must contribute on behalf of each program
 530 participant an amount equal to the unfunded actuarial accrued
 531 liability portion of the employer contribution which would be
 532 required if the program participant were a member of the Regular

PCB CEED 10-05

ORIGINAL

2010

533 Class of the Florida Retirement System, except as provided in s.
534 112.64(2)(b). Payment of this contribution must be made directly
535 by the college to the department for deposit in the Florida
536 Retirement System Trust Fund.

537 Section 10. The Legislature finds that a proper and
538 legitimate state purpose is served when employees and retirees
539 of the state and its political subdivisions, and the dependents,
540 survivors, and beneficiaries of such employees and retirees, are
541 extended the basic protections afforded by governmental
542 retirement systems. These persons must be provided benefits that
543 are fair and adequate and that are managed, administered, and
544 funded in an actuarially sound manner, as required by s. 14,
545 Article X of the State Constitution and part VII of chapter 112,
546 Florida Statutes. Therefore, the Legislature determines and
547 declares that this act fulfills an important state interest.

548 Section 11. This act shall take effect July 1, 2010.