



27 member to receive additional credit toward the health  
 28 insurance subsidy under certain circumstances;  
 29 prohibiting participation in the pension plan;  
 30 providing that a retiree employed on or after a  
 31 specified date in a regularly established position  
 32 eligible for the State University System Optional  
 33 Retirement Program or State Community College System  
 34 Optional Retirement Program is a renewed member of  
 35 that program; specifying limitations and requirements;  
 36 requiring the employer and the retiree to make  
 37 applicable contributions; amending s. 121.4501, F.S.;  
 38 revising definitions; revising a provision relating to  
 39 acknowledgement of an employee's election to  
 40 participate in the investment plan; enrolling certain  
 41 employees in the pension plan from their date of hire  
 42 until they are automatically enrolled in the  
 43 investment plan or timely elect enrollment in the  
 44 pension plan; providing certain members with a  
 45 specified time to choose participation in the pension  
 46 plan or the investment plan; conforming provisions to  
 47 changes made by the act; amending s. 121.571, F.S.;  
 48 conforming provisions to changes made by the act;  
 49 amending s. 121.591, F.S.; authorizing payment of  
 50 death benefits to the surviving spouse or surviving  
 51 children of a member in the investment plan;  
 52 establishing qualifications and eligibility

53 requirements for receipt of such benefits; prescribing  
 54 the method of calculating the benefit; specifying  
 55 circumstances under which benefit payments are  
 56 terminated; creating s. 121.5912, F.S.; providing  
 57 legislative intent; requiring the State Board of  
 58 Administration or the Division of Retirement of the  
 59 Department of Management Services to take certain  
 60 action upon receipt of notification of  
 61 disqualification from the Internal Revenue Service;  
 62 authorizing the state board and the department to  
 63 adopt rules; amending s. 121.71, F.S.; conforming  
 64 provisions to changes made by the act; creating s.  
 65 121.735, F.S.; providing for allocations for death  
 66 benefits authorized by the act; amending ss. 121.74  
 67 and 121.75, F.S.; conforming provisions to changes  
 68 made by the act; requiring the State Board of  
 69 Administration to transfer moneys to fund survivor  
 70 benefit payments under specified circumstances;  
 71 adjusting employer contribution rates in order to fund  
 72 changes made by the act; providing a directive to the  
 73 Division of Law Revision and Information; declaring  
 74 that the act fulfills an important state interest;  
 75 providing an appropriation; providing an effective  
 76 date.

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

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Section 1. Paragraph (a) of subsection (3) and subsection (5) of section 121.053, Florida Statutes, are amended to read:

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

(3) On or after July 1, 2010:

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

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

Section 2. Paragraph (f) of subsection (1) and paragraph (c) of subsection (6) of section 121.055, Florida Statutes, are amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the "Senior Management Service

105 Class," which shall become effective February 1, 1987.

106 (1)

107 (f) Effective July 1, 1997:

108 1. Except as provided in subparagraph 3., an elected state  
 109 officer eligible for membership in the Elected Officers' Class  
 110 under s. 121.052(2)(a), (b), or (c) who elects membership in the  
 111 Senior Management Service Class under s. 121.052(3)(c) may,  
 112 within 6 months after assuming office or within 6 months after  
 113 this act becomes a law for serving elected state officers, elect  
 114 to participate in the Senior Management Service Optional Annuity  
 115 Program, as provided in subsection (6), in lieu of membership in  
 116 the Senior Management Service Class.

117 2. Except as provided in subparagraph 3., an elected  
 118 officer of a local agency employer eligible for membership in  
 119 the Elected Officers' Class under s. 121.052(2)(d) who elects  
 120 membership in the Senior Management Service Class under s.  
 121 121.052(3)(c) may, within 6 months after assuming office, or  
 122 within 6 months after this act becomes a law for serving elected  
 123 officers of a local agency employer, elect to withdraw from the  
 124 Florida Retirement System, as provided in subparagraph (b)2., in  
 125 lieu of membership in the Senior Management Service Class.

126 3. A retiree of a state-administered retirement system who  
 127 is initially reemployed in a regularly established position on  
 128 or after July 1, 2010, through June 30, 2016, as an elected  
 129 official eligible for the Elected Officers' Class may not be  
 130 enrolled in renewed membership in the Senior Management Service

131 Class or in the Senior Management Service Optional Annuity  
 132 Program as provided in subsection (6), and may not withdraw from  
 133 the Florida Retirement System as a renewed member as provided in  
 134 subparagraph (b)2., as applicable, in lieu of membership in the  
 135 Senior Management Service Class. Effective July 1, 2016, a  
 136 retiree of the Senior Management Service Optional Annuity  
 137 Program who is reemployed in a regularly established position  
 138 with a covered employer shall be enrolled as a renewed member as  
 139 provided in s. 121.122.

140 (6)

141 (c) Participation.—

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

152 2. Except as provided in subparagraph 6., an employee who  
 153 becomes eligible to participate in the optional annuity program  
 154 by reason of initial employment commencing after February 1,  
 155 1987, may, within 90 days after the date of commencing  
 156 employment, elect to participate in the optional annuity

157 program. Such election shall ~~must~~ be made in writing and filed  
 158 with the personnel officer of the employer. An eligible employee  
 159 who does not within 90 days after commencing employment elect to  
 160 participate in the optional annuity program is ~~shall be~~ deemed  
 161 to have elected membership in the Senior Management Service  
 162 Class.

163 3. A person who is appointed to a position in the Senior  
 164 Management Service Class and who is a member of an existing  
 165 retirement system or the Special Risk or Special Risk  
 166 Administrative Support Classes of the Florida Retirement System  
 167 may elect to remain in such system or class in lieu of  
 168 participating in the Senior Management Service Class or optional  
 169 annuity program. Such election shall ~~must~~ be made in writing and  
 170 filed with the department and the personnel officer of the  
 171 employer within 90 days after such appointment. An eligible  
 172 employee who fails to make an election to participate in the  
 173 existing system, the Special Risk Class of the Florida  
 174 Retirement System, the Special Risk Administrative Support Class  
 175 of the Florida Retirement System, or the optional annuity  
 176 program is ~~shall be~~ deemed to have elected membership in the  
 177 Senior Management Service Class.

178 4. Except as provided in subparagraph 5., an employee's  
 179 election to participate in the optional annuity program is  
 180 irrevocable if the employee continues to be employed in an  
 181 eligible position and continues to meet the eligibility  
 182 requirements set forth in this paragraph.

183           5. Effective from July 1, 2002, through September 30,  
184 2002, an active employee in a regularly established position who  
185 has elected to participate in the Senior Management Service  
186 Optional Annuity Program has one opportunity to choose to move  
187 from the Senior Management Service Optional Annuity Program to  
188 the Florida Retirement System Pension Plan.

189           a. The election shall ~~must~~ be made in writing and ~~must be~~  
190 filed with the department and the personnel officer of the  
191 employer before October 1, 2002, or, in the case of an active  
192 employee who is on a leave of absence on July 1, 2002, within 90  
193 days after the conclusion of the leave of absence. This election  
194 is irrevocable.

195           b. The employee shall receive service credit under the  
196 pension plan equal to his or her years of service under the  
197 Senior Management Service Optional Annuity Program. The cost for  
198 such credit is the amount representing the present value of that  
199 employee's accumulated benefit obligation for the affected  
200 period of service.

201           c. The employee shall ~~must~~ transfer the total accumulated  
202 employer contributions and earnings on deposit in his or her  
203 Senior Management Service Optional Annuity Program account. If  
204 the transferred amount is not sufficient to pay the amount due,  
205 the employee shall ~~must~~ pay a sum representing the remainder of  
206 the amount due. The employee may not retain any employer  
207 contributions or earnings from the Senior Management Service  
208 Optional Annuity Program account.

209           6. A retiree of a state-administered retirement system who  
 210 is initially reemployed on or after July 1, 2010, may not renew  
 211 membership in the Senior Management Service Optional Annuity  
 212 Program. Effective July 1, 2016, a retiree of the Senior  
 213 Management Service Optional Annuity Program who is reemployed in  
 214 a regularly established position with a covered employer shall  
 215 be enrolled as a renewed member as provided in s. 121.122.

216           Section 3. Paragraph (c) of subsection (9) of section  
 217 121.091, Florida Statutes, is amended to read:

218           121.091 Benefits payable under the system.—Benefits may  
 219 not be paid under this section unless the member has terminated  
 220 employment as provided in s. 121.021(39) (a) or begun  
 221 participation in the Deferred Retirement Option Program as  
 222 provided in subsection (13), and a proper application has been  
 223 filed in the manner prescribed by the department. The department  
 224 may cancel an application for retirement benefits when the  
 225 member or beneficiary fails to timely provide the information  
 226 and documents required by this chapter and the department's  
 227 rules. The department shall adopt rules establishing procedures  
 228 for application for retirement benefits and for the cancellation  
 229 of such application when the required information or documents  
 230 are not received.

231           (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

232           (c) Any person whose retirement is effective on or after  
 233 July 1, 2010, or whose participation in the Deferred Retirement  
 234 Option Program terminates on or after July 1, 2010, who is

235 retired under this chapter, except under the disability  
 236 retirement provisions of subsection (4) or as provided in s.  
 237 121.053, may be reemployed by an employer that participates in a  
 238 state-administered retirement system and receive retirement  
 239 benefits and compensation from that employer. However, a person  
 240 may not be reemployed by an employer participating in the  
 241 Florida Retirement System before meeting the definition of  
 242 termination in s. 121.021 and may not receive both a salary from  
 243 the employer and retirement benefits for 6 calendar months after  
 244 meeting the definition of termination. However, a DROP  
 245 participant shall continue employment and receive a salary  
 246 during the period of participation in the Deferred Retirement  
 247 Option Program, as provided in subsection (13).

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

250 2. The employer shall pay retirement contributions in an  
 251 amount equal to the unfunded actuarial liability portion of the  
 252 employer contribution that would be required for active members  
 253 of the Florida Retirement System in addition to the  
 254 contributions required by s. 121.76.

255 3. A retiree initially reemployed in violation of this  
 256 paragraph and an employer that employs or appoints such person  
 257 are jointly and severally liable for reimbursement of any  
 258 retirement benefits paid to the retirement trust fund from which  
 259 the benefits were paid, including the Florida Retirement System  
 260 Trust Fund and the Public Employee Optional Retirement Program

261 Trust Fund, as appropriate. The employer must have a written  
 262 statement from the employee that he or she is not retired from a  
 263 state-administered retirement system. Retirement benefits shall  
 264 remain suspended until repayment is made. Benefits suspended  
 265 beyond the end of the retiree's 6-month reemployment limitation  
 266 period shall apply toward the repayment of benefits received in  
 267 violation of this paragraph.

268 Section 4. Subsection (2) of section 121.122, Florida  
 269 Statutes, is amended, and subsections (3) through (5) are added  
 270 to that section, to read:

271 121.122 Renewed membership in system.—

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

276 (3) A retiree of the investment plan, the State University  
 277 System Optional Retirement Program, the Senior Management  
 278 Service Optional Annuity Program, or the State Community College  
 279 System Optional Retirement Program who is reemployed with a  
 280 covered employer in a regularly established position on or after  
 281 July 1, 2016, shall be enrolled as a renewed member of the  
 282 investment plan, unless employed in a position eligible for  
 283 participation in the State University System Optional Retirement  
 284 Program as provided in subsection (4) or the State Community  
 285 College System Optional Retirement Program as provided in  
 286 subsection (5). The renewed member must satisfy the vesting

287 requirements and other provisions of this chapter.

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

290 1. In the Regular Class if the position does not meet the  
291 requirements for membership under s. 121.0515, s. 121.053, or s.  
292 121.055.

293 2. In the Special Risk Class if the position meets the  
294 requirements of s. 121.0515.

295 3. In the Elected Officers' Class if the position meets  
296 the requirements of s. 121.053.

297 4. In the Senior Management Service Class if the position  
298 meets the requirements of s. 121.055.

299 (b) Creditable service, including credit toward the  
300 retiree health insurance subsidy provided in s. 112.363, does  
301 not accrue for a renewed member's employment in a regularly  
302 established position with a covered employer from July 1, 2010,  
303 through June 30, 2016.

304 (c) Employer and employee contributions, interest,  
305 earnings, or any other funds may not be paid into a renewed  
306 member's investment plan account for any employment in a  
307 regularly established position with a covered employer on or  
308 after July 1, 2010, through June 30, 2016, by the renewed member  
309 or the employer on behalf of the renewed member.

310 (d) To be eligible to receive a retirement benefit, the  
311 renewed member must satisfy the vesting requirements in s.  
312 121.4501(6).

313 (e) The renewed member is ineligible to receive disability  
 314 benefits as provided in s. 121.091(4) or s. 121.591(2).

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

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

320 (h) Upon renewed membership or reemployment of a retiree,  
 321 the employer and the renewed member shall pay the applicable  
 322 employer and employee contributions required under ss. 112.363,  
 323 121.71, 121.74, and 121.76. The contributions are payable only  
 324 for employment and salary earned in a regularly established  
 325 position with a covered employer on or after July 1, 2016. The  
 326 employer and employee contributions shall be transferred to the  
 327 investment plan and placed in a default fund as designated by  
 328 the state board. The renewed member may move the contributions  
 329 once an account is activated in the investment plan.

330 (i) A renewed member who earns creditable service under  
 331 the investment plan and who is not receiving the maximum health  
 332 insurance subsidy provided in s. 112.363 is entitled to earn  
 333 additional credit toward the subsidy. Such credit may be earned  
 334 only for employment in a regularly established position with a  
 335 covered employer on or after July 1, 2016. Any additional  
 336 subsidy due because of additional credit may be received only at  
 337 the time of paying the second career retirement benefit. The  
 338 total health insurance subsidy received by a retiree receiving

339 benefits from initial and renewed membership may not exceed the  
 340 maximum allowed under s. 112.363.

341 (j) Notwithstanding s. 121.4501(4)(g), the renewed member  
 342 is not eligible to elect membership in the pension plan.

343 (4) A retiree of the investment plan, the State University  
 344 System Optional Retirement Program, the Senior Management  
 345 Service Optional Annuity Program, or the State Community College  
 346 System Optional Retirement Program who is employed on or after  
 347 July 1, 2016, in a regularly established position eligible for  
 348 participation in the State University System Optional Retirement  
 349 Program shall become a renewed member of the optional retirement  
 350 program. The renewed member must satisfy the vesting  
 351 requirements and other provisions of this chapter. Once  
 352 enrolled, a renewed member remains enrolled in the optional  
 353 retirement program while employed in an eligible position for  
 354 the optional retirement program. If employment in a different  
 355 covered position results in the renewed member's enrollment in  
 356 the investment plan, the renewed member is no longer eligible to  
 357 participate in the optional retirement program, unless employed  
 358 in a mandatory position under s. 121.35.

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

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

364 (c) Upon renewed membership or reemployment of a retiree,

365 the employer and the renewed member shall pay the applicable  
366 employer and employee contributions required under s. 121.35.

367 (d) Employer and employee contributions, interest,  
368 earnings, or any other funds may not be paid into a renewed  
369 member's optional retirement program account for any employment  
370 in a regularly established position with a covered employer on or  
371 after July 1, 2010, through June 30, 2016, by the renewed member  
372 or the employer on behalf of the renewed member.

373 (e) Notwithstanding s. 121.4501(4)(g), the renewed member  
374 is not eligible to elect membership in the pension plan.

375 (5) A retiree of the investment plan, the State University  
376 System Optional Retirement Program, the Senior Management  
377 Service Optional Annuity Program, or the State Community College  
378 System Optional Retirement Program who is employed on or after  
379 July 1, 2016, in a regularly established position eligible for  
380 participation in the State Community College System Optional  
381 Retirement Program shall become a renewed member of the optional  
382 retirement program. The renewed member must satisfy the  
383 eligibility requirements of this chapter and s. 1012.875 for the  
384 optional retirement program. Once enrolled, a renewed member  
385 remains enrolled in the optional retirement program while  
386 employed in an eligible position for the optional retirement  
387 program. If employment in a different covered position results  
388 in the renewed member's enrollment in the investment plan, the  
389 renewed member is no longer eligible to participate in the  
390 optional retirement program.

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

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

396 (c) Upon renewed membership or reemployment of a retiree,  
 397 the employer and the renewed member shall pay the applicable  
 398 employer and employee contributions required under ss.  
 399 121.051(2)(c) and 1012.875.

400 (d) Employer and employee contributions, interest,  
 401 earnings, or any other funds may not be paid into a renewed  
 402 member's optional retirement program account for any employment  
 403 in a regularly established position with a covered employer on  
 404 or after July 1, 2010, through June 30, 2016, by the renewed  
 405 member or the employer on behalf of the renewed member.

406 (e) Notwithstanding s. 121.4501(4)(g), the renewed member  
 407 is not eligible to elect membership in the pension plan.

408 Section 5. Paragraphs (e) and (i) of subsection (2),  
 409 paragraph (b) of subsection (3), subsection (4), paragraph (c)  
 410 of subsection (5), and paragraphs (a) and (h) of subsection (10)  
 411 of section 121.4501, Florida Statutes, are amended to read:

412 121.4501 Florida Retirement System Investment Plan.—

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

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

416 1. Is a member of, or is eligible for membership in, the

417 Florida Retirement System, including any renewed member of the  
 418 Florida Retirement System initially enrolled before July 1,  
 419 2010; ~~or~~

420 2. Participates in, or is eligible to participate in, the  
 421 Senior Management Service Optional Annuity Program as  
 422 established under s. 121.055(6), the State Community College  
 423 System Optional Retirement Program as established under s.  
 424 121.051(2)(c), or the State University System Optional  
 425 Retirement Program established under s. 121.35; or

426 3. Is a retired member of the investment plan, the State  
 427 University System Optional Retirement Program, the Senior  
 428 Management Service Optional Annuity Program, or the State  
 429 Community College System Optional Retirement Program who is  
 430 employed in a regularly established position on or after July 1,  
 431 2016, and enrolled as a renewed member as provided in s.  
 432 121.122.

433  
 434 The term does not include any member participating in the  
 435 Deferred Retirement Option Program established under s.  
 436 121.091(13), a retiree of the pension plan who is employed in a  
 437 regularly established position on or after July 1, 2010, a  
 438 retiree of a state-administered retirement system initially  
 439 reemployed in a regularly established position on or after July  
 440 1, 2010, through June 30, 2016, or a mandatory participant of  
 441 the State University System Optional Retirement Program  
 442 established under s. 121.35.

443 (i) "Member" or "employee" means an eligible employee who  
 444 enrolls in, or who defaults into, the investment plan as  
 445 provided in subsection (4), a terminated Deferred Retirement  
 446 Option Program member as described in subsection (21), or a  
 447 beneficiary or alternate payee of a member or employee.

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

449 (b) Notwithstanding paragraph (a), an eligible employee  
 450 who elects to participate in, or who defaults into, the  
 451 investment plan and establishes one or more individual member  
 452 accounts may elect to transfer to the investment plan a sum  
 453 representing the present value of the employee's accumulated  
 454 benefit obligation under the pension plan, except as provided in  
 455 paragraph (4) (b). Upon transfer, all service credit earned under  
 456 the pension plan is nullified for purposes of entitlement to a  
 457 future benefit under the pension plan. A member may not transfer  
 458 the accumulated benefit obligation balance from the pension plan  
 459 after the time period for enrolling in the investment plan has  
 460 expired.

461 1. For purposes of this subsection, the present value of  
 462 the member's accumulated benefit obligation is based upon the  
 463 member's estimated creditable service and estimated average  
 464 final compensation under the pension plan, subject to  
 465 recomputation under subparagraph 2. For state employees, initial  
 466 estimates shall be based upon creditable service and average  
 467 final compensation as of midnight on June 30, 2002; for district  
 468 school board employees, initial estimates shall be based upon

469 | creditable service and average final compensation as of midnight  
 470 | on September 30, 2002; and for local government employees,  
 471 | initial estimates shall be based upon creditable service and  
 472 | average final compensation as of midnight on December 31, 2002.  
 473 | The dates specified are the "estimate date" for these employees.  
 474 | The actuarial present value of the employee's accumulated  
 475 | benefit obligation shall be based on the following:

476 |       a. The discount rate and other relevant actuarial  
 477 | assumptions used to value the Florida Retirement System Trust  
 478 | Fund at the time the amount to be transferred is determined,  
 479 | consistent with the factors provided in sub-subparagraphs b. and  
 480 | c.

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

483 |       c. Except as provided under sub-subparagraph d., for a  
 484 | member initially enrolled:

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

488 |               (A) Age 62; or

489 |               (B) The age the member would attain if the member  
 490 | completed 30 years of service with an employer, assuming the  
 491 | member worked continuously from the estimate date, and  
 492 | disregarding any vesting requirement that would otherwise apply  
 493 | under the pension plan.

494 |           (II) On or after July 1, 2011, the benefit commencement

495 age is the younger of the following, but may not be younger than  
 496 the member's age as of the estimate date:

497 (A) Age 65; or

498 (B) The age the member would attain if the member  
 499 completed 33 years of service with an employer, assuming the  
 500 member worked continuously from the estimate date, and  
 501 disregarding any vesting requirement that would otherwise apply  
 502 under the pension plan.

503 d. For members of the Special Risk Class and for members  
 504 of the Special Risk Administrative Support Class entitled to  
 505 retain the special risk normal retirement date:

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

509 (A) Age 55; or

510 (B) The age the member would attain if the member  
 511 completed 25 years of service with an employer, assuming the  
 512 member worked continuously from the estimate date, and  
 513 disregarding any vesting requirement that would otherwise apply  
 514 under the pension plan.

515 (II) Initially enrolled on or after July 1, 2011, the  
 516 benefit commencement age is the younger of the following, but  
 517 may not be younger than the member's age as of the estimate  
 518 date:

519 (A) Age 60; or

520 (B) The age the member would attain if the member

521 completed 30 years of service with an employer, assuming the  
 522 member worked continuously from the estimate date, and  
 523 disregarding any vesting requirement that would otherwise apply  
 524 under the pension plan.

525 e. The calculation must disregard vesting requirements and  
 526 early retirement reduction factors that would otherwise apply  
 527 under the pension plan.

528 2. For each member who elects to transfer moneys from the  
 529 pension plan to his or her account in the investment plan, the  
 530 division shall recompute the amount transferred under  
 531 subparagraph 1. within 60 days after the actual transfer of  
 532 funds based upon the member's actual creditable service and  
 533 actual final average compensation as of the initial date of  
 534 participation in the investment plan. If the recomputed amount  
 535 differs from the amount transferred by \$10 or more, the division  
 536 shall:

537 a. Transfer, or cause to be transferred, from the Florida  
 538 Retirement System Trust Fund to the member's account the excess,  
 539 if any, of the recomputed amount over the previously transferred  
 540 amount together with interest from the initial date of transfer  
 541 to the date of transfer under this subparagraph, based upon the  
 542 effective annual interest equal to the assumed return on the  
 543 actuarial investment which was used in the most recent actuarial  
 544 valuation of the system, compounded annually.

545 b. Transfer, or cause to be transferred, from the member's  
 546 account to the Florida Retirement System Trust Fund the excess,

547 | if any, of the previously transferred amount over the recomputed  
 548 | amount, together with interest from the initial date of transfer  
 549 | to the date of transfer under this subparagraph, based upon 6  
 550 | percent effective annual interest, compounded annually, pro rata  
 551 | based on the member's allocation plan.

552 |         3. If contribution adjustments are made as a result of  
 553 | employer errors or corrections, including plan corrections,  
 554 | following recomputation of the amount transferred under  
 555 | subparagraph 1., the member is entitled to the additional  
 556 | contributions or is responsible for returning any excess  
 557 | contributions resulting from the correction. However, a ~~any~~  
 558 | return of such erroneous excess pretax contribution by the plan  
 559 | must be made within the period allowed by the Internal Revenue  
 560 | Service. The present value of the member's accumulated benefit  
 561 | obligation may ~~shall~~ not be recalculated.

562 |         4. As directed by the member, the state board shall  
 563 | transfer or cause to be transferred the appropriate amounts to  
 564 | the designated accounts within 30 days after the effective date  
 565 | of the member's participation in the investment plan unless the  
 566 | major financial markets for securities available for a transfer  
 567 | are seriously disrupted by an unforeseen event that causes the  
 568 | suspension of trading on a ~~any~~ national securities exchange in  
 569 | the country where the securities were issued. In that event, the  
 570 | 30-day period may be extended by a resolution of the state  
 571 | board. Transfers are not commissionable or subject to other fees  
 572 | and may be in the form of securities or cash, as determined by

573 the state board. Such securities are valued as of the date of  
574 receipt in the member's account.

575 5. If the state board or the division receives  
576 notification from the United States Internal Revenue Service  
577 that this paragraph or any portion of this paragraph will cause  
578 the retirement system, or a portion thereof, to be disqualified  
579 for tax purposes under the Internal Revenue Code, the portion  
580 that will cause the disqualification does not apply. Upon such  
581 notice, the state board and the division shall notify the  
582 presiding officers of the Legislature.

583 (4) PARTICIPATION; ENROLLMENT.—

584 (a)1. Effective June 1, 2002, through February 28, 2003, a  
585 90-day election period was provided to each eligible employee  
586 participating in the Florida Retirement System, preceded by a  
587 90-day education period, permitting each eligible employee to  
588 elect membership in the investment plan. An employee who failed  
589 to elect the investment plan during the election period remained  
590 in the pension plan. An eligible employee who was employed in a  
591 regularly established position during the election period was  
592 granted the option to make one subsequent election, as provided  
593 in paragraph (f). With respect to an eligible employee who did  
594 not participate in the initial election period or who is  
595 initially employed in a regularly established position after the  
596 close of the initial election period but before July 1, 2017, ~~on~~  
597 June 1, 2002, by a state employer:

598 a. ~~Any such employee may elect to participate in the~~

599 ~~investment plan in lieu of retaining his or her membership in~~  
 600 ~~the pension plan. The election must be made in writing or by~~  
 601 ~~electronic means and must be filed with the third party~~  
 602 ~~administrator by August 31, 2002, or, in the case of an active~~  
 603 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
 604 ~~last business day of the 5th month following the month the leave~~  
 605 ~~of absence concludes. This election is irrevocable, except as~~  
 606 ~~provided in paragraph (g). Upon making such election, the~~  
 607 ~~employee shall be enrolled as a member of the investment plan,~~  
 608 ~~the employee's membership in the Florida Retirement System is~~  
 609 ~~governed by the provisions of this part, and the employee's~~  
 610 ~~membership in the pension plan terminates. The employee's~~  
 611 ~~enrollment in the investment plan is effective the first day of~~  
 612 ~~the month for which a full month's employer contribution is made~~  
 613 ~~to the investment plan.~~

614 ~~b. Any such employee who fails to elect to participate in~~  
 615 ~~the investment plan within the prescribed time period is deemed~~  
 616 ~~to have elected to retain membership in the pension plan, and~~  
 617 ~~the employee's option to elect to participate in the investment~~  
 618 ~~plan is forfeited.~~

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

623 ~~a. Any such employee shall, by default, be enrolled in the~~  
 624 ~~pension plan at the commencement of employment, and may, by the~~

625 last business day of the 5th month following the employee's  
 626 month of hire, elect to participate in the investment plan. The  
 627 employee's election must be made in writing or by electronic  
 628 means and must be filed with the third-party administrator. The  
 629 election to participate in the investment plan is irrevocable,  
 630 except as provided in paragraph (f) ~~(g)~~.

631 a.b. If the employee files such election within the  
 632 prescribed time period, enrollment in the investment plan is  
 633 effective on the first day of employment. The retirement  
 634 contributions paid through the month of the employee plan change  
 635 shall be transferred to the investment program, and, effective  
 636 the first day of the next month, the employer and employee must  
 637 pay the applicable contributions based on the employee  
 638 membership class in the program.

639 b.e. An employee who fails to elect to participate in the  
 640 investment plan within the prescribed time period is deemed to  
 641 have elected to retain membership in the pension plan, and the  
 642 employee's option to elect to participate in the investment plan  
 643 is forfeited.

644 2.3. With respect to employees who become eligible to  
 645 participate in the investment plan pursuant to s.  
 646 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
 647 participate in the investment plan in lieu of retaining his or  
 648 her membership in the State Community College System Optional  
 649 Retirement Program or the State University System Optional  
 650 Retirement Program. The election must be made in writing or by

651 | electronic means and must be filed with the third-party  
652 | administrator. This election is irrevocable, except as provided  
653 | in paragraph (f) ~~(g)~~. Upon making such election, the employee  
654 | shall be enrolled as a member in the investment plan, the  
655 | employee's membership in the Florida Retirement System is  
656 | governed by the provisions of this part, and the employee's  
657 | participation in the State Community College System Optional  
658 | Retirement Program or the State University System Optional  
659 | Retirement Program terminates. The employee's enrollment in the  
660 | investment plan is effective on the first day of the month for  
661 | which a full month's employer and employee contribution is made  
662 | to the investment plan.

663 | (b)1. With respect to employees who become eligible to  
664 | participate in the investment plan by reason of employment in a  
665 | regularly established position commencing on or after July 1,  
666 | 2017, or who did not complete an election window before July 1,  
667 | 2017, any such employee shall be enrolled in the pension plan at  
668 | the commencement of employment and may, by the last business day  
669 | of the 8th month following the employee's month of hire, elect  
670 | to participate in the pension plan or the investment plan.  
671 | Eligible employees may make a plan election only if they are  
672 | earning service credit in an employer-employee relationship  
673 | consistent with s. 121.021(17)(b), excluding leaves of absence  
674 | without pay.

675 | 2. The employee's election must be made in writing or by  
676 | electronic means and must be filed with the third-party

677 administrator. The election to participate in the pension plan  
678 or investment plan is irrevocable, except as provided in  
679 paragraph (f).

680 3. If the employee fails to make an election of the  
681 pension plan or investment plan within 8 months following the  
682 month of hire, the employee is deemed to have elected the  
683 investment plan and will default into the investment plan  
684 retroactively to the employee's date of employment. The  
685 employee's option to participate in the pension plan is  
686 forfeited, except as provided in paragraph (f).

687 4. The amount of the employee and employer contributions  
688 paid through the date of default to the investment plan shall be  
689 transferred to the investment plan and shall be placed in a  
690 default fund as designated by the State Board of Administration.  
691 The employee may move the contributions once an account is  
692 activated in the investment plan.

693 5. Effective the first day of the month after an eligible  
694 employee makes a plan election of the pension plan or investment  
695 plan, or the first day of the month after default to the  
696 investment plan, the employee and employer shall pay the  
697 applicable contributions based on the employee membership class  
698 in the program.

699 ~~4. For purposes of this paragraph, "state employer" means~~  
700 ~~any agency, board, branch, commission, community college,~~  
701 ~~department, institution, institution of higher education, or~~  
702 ~~water management district of the state, which participates in~~

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703 ~~the Florida Retirement System for the benefit of certain~~  
704 ~~employees.~~

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

708 ~~a. Any such employee may elect to participate in the~~  
709 ~~investment plan in lieu of retaining his or her membership in~~  
710 ~~the pension plan. The election must be made in writing or by~~  
711 ~~electronic means and must be filed with the third-party~~  
712 ~~administrator by November 30, or, in the case of an active~~  
713 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
714 ~~last business day of the 5th month following the month the leave~~  
715 ~~of absence concludes. This election is irrevocable, except as~~  
716 ~~provided in paragraph (g). Upon making such election, the~~  
717 ~~employee shall be enrolled as a member of the investment plan,~~  
718 ~~the employee's membership in the Florida Retirement System is~~  
719 ~~governed by the provisions of this part, and the employee's~~  
720 ~~membership in the pension plan terminates. The employee's~~  
721 ~~enrollment in the investment plan is effective the first day of~~  
722 ~~the month for which a full month's employer contribution is made~~  
723 ~~to the investment program.~~

724 ~~b. Any such employee who fails to elect to participate in~~  
725 ~~the investment plan within the prescribed time period is deemed~~  
726 ~~to have elected to retain membership in the pension plan, and~~  
727 ~~the employee's option to elect to participate in the investment~~  
728 ~~plan is forfeited.~~

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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

733 ~~a. Any such employee shall, by default, be enrolled in the~~  
 734 ~~pension plan at the commencement of employment, and may, by the~~  
 735 ~~last business day of the 5th month following the employee's~~  
 736 ~~month of hire, elect to participate in the investment plan. The~~  
 737 ~~employee's election must be made in writing or by electronic~~  
 738 ~~means and must be filed with the third party administrator. The~~  
 739 ~~election to participate in the investment plan is irrevocable,~~  
 740 ~~except as provided in paragraph (g).~~

741 ~~b. If the employee files such election within the~~  
 742 ~~prescribed time period, enrollment in the investment plan is~~  
 743 ~~effective on the first day of employment. The employer~~  
 744 ~~retirement contributions paid through the month of the employee~~  
 745 ~~plan change shall be transferred to the investment plan, and,~~  
 746 ~~effective the first day of the next month, the employer shall~~  
 747 ~~pay the applicable contributions based on the employee~~  
 748 ~~membership class in the investment plan.~~

749 ~~c. Any such employee who fails to elect to participate in~~  
 750 ~~the investment plan within the prescribed time period is deemed~~  
 751 ~~to have elected to retain membership in the pension plan, and~~  
 752 ~~the employee's option to elect to participate in the investment~~  
 753 ~~plan is forfeited.~~

754 ~~3. For purposes of this paragraph, "district school board~~

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755 ~~employer" means any district school board that participates in~~  
756 ~~the Florida Retirement System for the benefit of certain~~  
757 ~~employees, or a charter school or charter technical career~~  
758 ~~center that participates in the Florida Retirement System as~~  
759 ~~provided in s. 121.051(2)(d).~~

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

763 ~~a. Any such employee may elect to participate in the~~  
764 ~~investment plan in lieu of retaining his or her membership in~~  
765 ~~the pension plan. The election must be made in writing or by~~  
766 ~~electronic means and must be filed with the third-party~~  
767 ~~administrator by February 28, 2003, or, in the case of an active~~  
768 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
769 ~~last business day of the 5th month following the month the leave~~  
770 ~~of absence concludes. This election is irrevocable, except as~~  
771 ~~provided in paragraph (g). Upon making such election, the~~  
772 ~~employee shall be enrolled as a participant of the investment~~  
773 ~~plan, the employee's membership in the Florida Retirement System~~  
774 ~~is governed by the provisions of this part, and the employee's~~  
775 ~~membership in the pension plan terminates. The employee's~~  
776 ~~enrollment in the investment plan is effective the first day of~~  
777 ~~the month for which a full month's employer contribution is made~~  
778 ~~to the investment plan.~~

779 ~~b. Any such employee who fails to elect to participate in~~  
780 ~~the investment plan within the prescribed time period is deemed~~

781 ~~to have elected to retain membership in the pension plan, and~~  
 782 ~~the employee's option to elect to participate in the investment~~  
 783 ~~plan is forfeited.~~

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

788 ~~a. Any such employee shall, by default, be enrolled in the~~  
 789 ~~pension plan at the commencement of employment, and may, by the~~  
 790 ~~last business day of the 5th month following the employee's~~  
 791 ~~month of hire, elect to participate in the investment plan. The~~  
 792 ~~employee's election must be made in writing or by electronic~~  
 793 ~~means and must be filed with the third party administrator. The~~  
 794 ~~election to participate in the investment plan is irrevocable,~~  
 795 ~~except as provided in paragraph (g).~~

796 ~~b. If the employee files such election within the~~  
 797 ~~prescribed time period, enrollment in the investment plan is~~  
 798 ~~effective on the first day of employment. The employer~~  
 799 ~~retirement contributions paid through the month of the employee~~  
 800 ~~plan change shall be transferred to the investment plan, and,~~  
 801 ~~effective the first day of the next month, the employer shall~~  
 802 ~~pay the applicable contributions based on the employee~~  
 803 ~~membership class in the investment plan.~~

804 ~~c. Any such employee who fails to elect to participate in~~  
 805 ~~the investment plan within the prescribed time period is deemed~~  
 806 ~~to have elected to retain membership in the pension plan, and~~

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807 ~~the employee's option to elect to participate in the investment~~  
808 ~~plan is forfeited.~~

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

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

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

821 (e)1. ~~(f)~~ A member of the investment plan who takes a  
822 distribution of any contributions from his or her investment  
823 plan account is considered a retiree. A retiree who is initially  
824 reemployed in a regularly established position on or after July  
825 1, 2010, but before July 1, 2016, is not eligible for ~~to be~~  
826 ~~enrolled in~~ renewed membership, except as provided in s.  
827 121.122.

828 2. A retiree who is reemployed on or after July 1, 2016,  
829 shall be enrolled as a renewed member as provided in s. 121.122.

830 (f) ~~(g)~~ After the period during which an eligible employee  
831 had the choice to elect the pension plan or the investment plan,  
832 or the month following the receipt of the eligible employee's

833 plan election, if sooner, the employee shall have one  
 834 opportunity, at the employee's discretion, to choose to move  
 835 from the pension plan to the investment plan or from the  
 836 investment plan to the pension plan. Eligible employees may  
 837 elect to move between plans only if they are earning service  
 838 credit in an employer-employee relationship consistent with s.  
 839 121.021(17)(b), excluding leaves of absence without pay.  
 840 Effective July 1, 2005, such elections are effective on the  
 841 first day of the month following the receipt of the election by  
 842 the third-party administrator and are not subject to the  
 843 requirements regarding an employer-employee relationship or  
 844 receipt of contributions for the eligible employee in the  
 845 effective month, except when the election is received by the  
 846 third-party administrator. This paragraph is contingent upon  
 847 approval by the Internal Revenue Service.

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

850 2. If the employee chooses to move to the pension plan,  
 851 the employee must transfer from his or her investment plan  
 852 account, and from other employee moneys as necessary, a sum  
 853 representing the present value of that employee's accumulated  
 854 benefit obligation immediately following the time of such  
 855 movement, determined assuming that attained service equals the  
 856 sum of service in the pension plan and service in the investment  
 857 plan. Benefit commencement occurs on the first date the employee  
 858 is eligible for unreduced benefits, using the discount rate and

859 other relevant actuarial assumptions that were used to value the  
 860 pension plan liabilities in the most recent actuarial valuation.  
 861 For any employee who, at the time of the second election,  
 862 already maintains an accrued benefit amount in the pension plan,  
 863 the then-present value of the accrued benefit is deemed part of  
 864 the required transfer amount. The division must ensure that the  
 865 transfer sum is prepared using a formula and methodology  
 866 certified by an enrolled actuary. A refund of any employee  
 867 contributions or additional member payments made which exceed  
 868 the employee contributions that would have accrued had the  
 869 member remained in the pension plan and not transferred to the  
 870 investment plan is not permitted.

871 3. Notwithstanding subparagraph 2., an employee who  
 872 chooses to move to the pension plan and who became eligible to  
 873 participate in the investment plan by reason of employment in a  
 874 regularly established position with a state employer after June  
 875 1, 2002; a district school board employer after September 1,  
 876 2002; or a local employer after December 1, 2002, must transfer  
 877 from his or her investment plan account, and from other employee  
 878 moneys as necessary, a sum representing the employee's actuarial  
 879 accrued liability. A refund of any employee contributions or  
 880 additional member ~~participant~~ payments made which exceed the  
 881 employee contributions that would have accrued had the member  
 882 remained in the pension plan and not transferred to the  
 883 investment plan is not permitted.

884 4. An employee's ability to transfer from the pension plan

885 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
 886 ~~(d)~~, and the ability of a current employee to have an option to  
 887 later transfer back into the pension plan under subparagraph 2.,  
 888 shall be deemed a significant system amendment. Pursuant to s.  
 889 121.031(4), any resulting unfunded liability arising from actual  
 890 original transfers from the pension plan to the investment plan  
 891 must be amortized within 30 plan years as a separate unfunded  
 892 actuarial base independent of the reserve stabilization  
 893 mechanism defined in s. 121.031(3)(f). For the first 25 years, a  
 894 direct amortization payment may not be calculated for this base.  
 895 During this 25-year period, the separate base shall be used to  
 896 offset the impact of employees exercising their second program  
 897 election under this paragraph. The actuarial funded status of  
 898 the pension plan will not be affected by such second program  
 899 elections in any significant manner, after due recognition of  
 900 the separate unfunded actuarial base. Following the initial 25-  
 901 year period, any remaining balance of the original separate base  
 902 shall be amortized over the remaining 5 years of the required  
 903 30-year amortization period.

904 5. If the employee chooses to transfer from the investment  
 905 plan to the pension plan and retains an excess account balance  
 906 in the investment plan after satisfying the buy-in requirements  
 907 under this paragraph, the excess may not be distributed until  
 908 the member retires from the pension plan. The excess account  
 909 balance may be rolled over to the pension plan and used to  
 910 purchase service credit or upgrade creditable service in the

911 pension plan.

912 (5) CONTRIBUTIONS.—

913 (c) The state board, acting as plan fiduciary, must ensure  
 914 that all plan assets are held in a trust, pursuant to s. 401 of  
 915 the Internal Revenue Code. The fiduciary must ensure that such  
 916 contributions are allocated as follows:

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

921 2. The employer contribution portion earmarked for  
 922 administrative and educational expenses shall be transferred to  
 923 the State Board of Administration Administrative Florida  
 924 ~~Retirement System Investment Plan~~ Trust Fund.

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

928 (10) EDUCATION COMPONENT.—

929 (a) The state board, in coordination with the department,  
 930 shall provide for an education component for eligible employees  
 931 ~~system members~~ in a manner consistent with ~~the provisions of~~  
 932 this subsection ~~section~~. ~~The education component must be~~  
 933 ~~available to eligible employees at least 90 days prior to the~~  
 934 ~~beginning date of the election period for the employees of the~~  
 935 ~~respective types of employers.~~

936 ~~(h) Pursuant to subsection (8), all Florida Retirement~~

937 ~~System employers have an obligation to regularly communicate the~~  
 938 ~~existence of the two Florida Retirement System plans and the~~  
 939 ~~plan choice in the natural course of administering their~~  
 940 ~~personnel functions, using the educational materials supplied by~~  
 941 ~~the state board and the Department of Management Services.~~

942 Section 6. Subsection (2) of section 121.571, Florida  
 943 Statutes, is amended to read:

944 121.571 Contributions.—Contributions to the Florida  
 945 Retirement System Investment Plan shall be made as follows:

946 (2) CONTRIBUTION RATES GENERALLY.—Contributions to fund  
 947 the retirement, and disability, and line-of-duty death benefits  
 948 provided under this part must be based on the uniform  
 949 contribution rates established by s. 121.71 and on the  
 950 membership class or subclass of the member. Such contributions  
 951 must be allocated as provided in ss. 121.72, and 121.73, and  
 952 121.735.

953 Section 7. Subsection (3) of section 121.591, Florida  
 954 Statutes, is amended, subsection (4) of that section is  
 955 renumbered as subsection (5), and a new subsection (4) is added  
 956 to that section, to read:

957 121.591 Payment of benefits.—Benefits may not be paid  
 958 under the Florida Retirement System Investment Plan unless the  
 959 member has terminated employment as provided in s.  
 960 121.021(39) (a) or is deceased and a proper application has been  
 961 filed as prescribed by the state board or the department.  
 962 Benefits, including employee contributions, are not payable

963 | under the investment plan for employee hardships, unforeseeable  
 964 | emergencies, loans, medical expenses, educational expenses,  
 965 | purchase of a principal residence, payments necessary to prevent  
 966 | eviction or foreclosure on an employee's principal residence, or  
 967 | any other reason except a requested distribution for retirement,  
 968 | a mandatory de minimis distribution authorized by the  
 969 | administrator, or a required minimum distribution provided  
 970 | pursuant to the Internal Revenue Code. The state board or  
 971 | department, as appropriate, may cancel an application for  
 972 | retirement benefits if the member or beneficiary fails to timely  
 973 | provide the information and documents required by this chapter  
 974 | and the rules of the state board and department. In accordance  
 975 | with their respective responsibilities, the state board and the  
 976 | department shall adopt rules establishing procedures for  
 977 | application for retirement benefits and for the cancellation of  
 978 | such application if the required information or documents are  
 979 | not received. The state board and the department, as  
 980 | appropriate, are authorized to cash out a de minimis account of  
 981 | a member who has been terminated from Florida Retirement System  
 982 | covered employment for a minimum of 6 calendar months. A de  
 983 | minimis account is an account containing employer and employee  
 984 | contributions and accumulated earnings of not more than \$5,000  
 985 | made under the provisions of this chapter. Such cash-out must be  
 986 | a complete lump-sum liquidation of the account balance, subject  
 987 | to the provisions of the Internal Revenue Code, or a lump-sum  
 988 | direct rollover distribution paid directly to the custodian of

989 an eligible retirement plan, as defined by the Internal Revenue  
 990 Code, on behalf of the member. Any nonvested accumulations and  
 991 associated service credit, including amounts transferred to the  
 992 suspense account of the Florida Retirement System Investment  
 993 Plan Trust Fund authorized under s. 121.4501(6), shall be  
 994 forfeited upon payment of any vested benefit to a member or  
 995 beneficiary, except for de minimis distributions or minimum  
 996 required distributions as provided under this section. If any  
 997 financial instrument issued for the payment of retirement  
 998 benefits under this section is not presented for payment within  
 999 180 days after the last day of the month in which it was  
 1000 originally issued, the third-party administrator or other duly  
 1001 authorized agent of the state board shall cancel the instrument  
 1002 and credit the amount of the instrument to the suspense account  
 1003 of the Florida Retirement System Investment Plan Trust Fund  
 1004 authorized under s. 121.4501(6). Any amounts transferred to the  
 1005 suspense account are payable upon a proper application, not to  
 1006 include earnings thereon, as provided in this section, within 10  
 1007 years after the last day of the month in which the instrument  
 1008 was originally issued, after which time such amounts and any  
 1009 earnings attributable to employer contributions shall be  
 1010 forfeited. Any forfeited amounts are assets of the trust fund  
 1011 and are not subject to chapter 717.

1012 (3) DEATH BENEFITS.—Under the Florida Retirement System  
 1013 Investment Plan:

1014 (a) Survivor benefits are payable in accordance with the

1015 following terms and conditions, except as provided in subsection  
 1016 (4):

1017 1. To the extent vested, benefits are payable only to a  
 1018 member's beneficiary or beneficiaries as designated by the  
 1019 member as provided in s. 121.4501(20).

1020 2. Benefits shall be paid by the third-party administrator  
 1021 or designated approved providers in accordance with the law, the  
 1022 contracts, and any applicable state board rule or policy.

1023 3. To receive benefits, the member must be deceased.

1024 (b) Except as provided in subsection (4), in the event of  
 1025 a member's death, all vested accumulations as described in s.  
 1026 121.4501(6), less withholding taxes remitted to the Internal  
 1027 Revenue Service, shall be distributed, as provided in paragraph  
 1028 (c) or as described in s. 121.4501(20), as if the member retired  
 1029 on the date of death. No other death benefits are available for  
 1030 survivors of members, except for benefits, or coverage for  
 1031 benefits, as are otherwise provided by law or separately  
 1032 provided by the employer, at the employer's discretion.

1033 (c) Except as provided in subsection (4), upon receipt by  
 1034 the third-party administrator of a properly executed application  
 1035 for distribution of benefits, the total accumulated benefit is  
 1036 payable by the third-party administrator to the member's  
 1037 surviving beneficiary or beneficiaries, as:

1038 1. A lump-sum distribution payable to the beneficiary or  
 1039 beneficiaries, or to the deceased member's estate;

1040 2. An eligible rollover distribution, if permitted, on

1041 | behalf of the surviving spouse of a deceased member, whereby all  
 1042 | accrued benefits, plus interest and investment earnings, are  
 1043 | paid from the deceased member's account directly to the  
 1044 | custodian of an eligible retirement plan, as described in s.  
 1045 | 402(c)(8)(B) of the Internal Revenue Code, on behalf of the  
 1046 | surviving spouse; or

1047 |         3. A partial lump-sum payment whereby a portion of the  
 1048 | accrued benefit is paid to the deceased member's surviving  
 1049 | spouse or other designated beneficiaries, less withholding taxes  
 1050 | remitted to the Internal Revenue Service, and the remaining  
 1051 | amount is transferred directly to the custodian of an eligible  
 1052 | retirement plan, if permitted, as described in s. 402(c)(8)(B)  
 1053 | of the Internal Revenue Code, on behalf of the surviving spouse.  
 1054 | The proportions must be specified by the member or the surviving  
 1055 | beneficiary.

1056 |  
 1057 | This paragraph does not abrogate other applicable provisions of  
 1058 | state or federal law providing for payment of death benefits.

1059 |         (4) LINE-OF-DUTY DEATH BENEFITS FOR INVESTMENT PLAN  
 1060 | MEMBERS.—Benefits are provided under this subsection to the  
 1061 | spouse and child or children of members in the investment plan  
 1062 | when such members are killed in the line of duty and are payable  
 1063 | in lieu of the benefits that would otherwise be payable under  
 1064 | subsection (1) or subsection (3). Benefits provided by this  
 1065 | subsection supersede any other distribution that may have been  
 1066 | provided by the member's designation of beneficiary. Such

1067 benefits must be funded from employer contributions made under  
 1068 s. 121.571, transferred employee contributions and funds  
 1069 accumulated pursuant to paragraph (a), and interest and earnings  
 1070 thereon.

1071 (a) Transfer of funds.—To qualify to receive monthly  
 1072 benefits under this subsection:

1073 1. All moneys accumulated in the member's account,  
 1074 including vested and nonvested accumulations as described in s.  
 1075 121.4501(6), must be transferred from such individual accounts  
 1076 to the division for deposit in the survivor benefit account of  
 1077 the Florida Retirement System Trust Fund.

1078 2. Moneys in the survivor benefit account must be  
 1079 accounted for separately. Earnings must be credited on an annual  
 1080 basis for amounts held in the survivor benefit account of the  
 1081 Florida Retirement System Trust Fund based on actual earnings of  
 1082 the trust fund.

1083 3. If the member has retained retirement credit earned  
 1084 under the pension plan as provided in s. 121.4501(3), a sum  
 1085 representing the actuarial present value of such credit within  
 1086 the Florida Retirement System Trust Fund shall be transferred by  
 1087 the division from the pension plan to the survivor benefit  
 1088 retirement program as implemented under this subsection and  
 1089 shall be deposited in the survivor benefit account of the trust  
 1090 fund.

1091 (b) Survivor retirement; entitlement.—An investment plan  
 1092 member who is killed in the line of duty on or after July 1,

1093 2002, regardless of length of creditable service, may receive  
 1094 survivor benefits as provided in s. 121.091(7)(d), which must be  
 1095 calculated as provided in paragraph (e), to:

- 1096 1. The surviving spouse for the spouse's lifetime; or
- 1097 2. If there is no surviving spouse or the surviving spouse  
 1098 dies, the member's child or children under 18 years of age and  
 1099 unmarried until the 18th birthday of the member's youngest  
 1100 child.

1101 (c) Survivor benefit retirement effective date.—The  
 1102 effective retirement date for the surviving spouse or eligible  
 1103 child or children of an investment plan member who is killed in  
 1104 the line of duty shall be:

- 1105 1. The first day of the month following the member's death  
 1106 if the member is killed on or after July 1, 2016.
- 1107 2. July 1, 2016, if the member is killed in the line of  
 1108 duty on or after July 1, 2002, but before July 1, 2016, and the  
 1109 application is received prior to July 1, 2016, or the first day  
 1110 of the month following receipt of the application.

1111 (d) Line-of-duty death benefit.—

- 1112 1. The following individuals are eligible to receive a  
 1113 retirement benefit under s. 121.091(7)(d) if the member's  
 1114 account balance is surrendered and an application is received  
 1115 and approved:
  - 1116 a. The surviving spouse.
  - 1117 b. If there is no surviving spouse or the surviving spouse  
 1118 dies, the member's child or children under 18 years of age and

1119 unmarried until the 18th birthday of the member's youngest  
 1120 child.

1121 2. Such surviving spouse or such child or children shall  
 1122 receive a monthly survivor benefit that begins accruing on the  
 1123 first day of the month of survivor benefit retirement, as  
 1124 approved by the division, and is payable on the last day of that  
 1125 month and each month thereafter during the surviving spouse's  
 1126 lifetime or on behalf of the unmarried child or children of the  
 1127 member until the 18th birthday of the youngest child. Survivor  
 1128 benefits must be paid out of the survivor benefit account of the  
 1129 Florida Retirement System Trust Fund established under this  
 1130 subsection.

1131 (e) Computation of survivor benefit retirement benefit.—

1132 1. For a member killed in the line of duty on or after  
 1133 July 1, 2016, the amount of each monthly payment must be  
 1134 calculated as provided under s. 121.091(7) (d).

1135 2. For a member killed in the line of duty on or after  
 1136 July 1, 2002, but before July 1, 2016, the initial benefit  
 1137 payable on or after July 1, 2016, will be equal to the benefit  
 1138 provided under s. 121.091(7) (d), except that it will be:

1139 a. Actuarially reduced by the amount of the investment  
 1140 plan account payout, if a payout was provided to the  
 1141 beneficiary; and

1142 b. After the actuarial reduction, increased by the  
 1143 applicable cost-of-living adjustment that would have been  
 1144 payable if the survivor benefit payment had begun the month

1145 following the member's death. On each July 1 thereafter, the  
 1146 survivor benefit payment shall be increased by the applicable  
 1147 cost-of-living adjustment.

1148 (f) Death of surviving spouse or children.—

1149 1. Upon the death of a surviving spouse, the monthly  
 1150 benefits shall be paid through the last day of the month of  
 1151 death and shall terminate or be paid on behalf of the unmarried  
 1152 child or children until the 18th birthday of the youngest child.

1153 2. If the surviving spouse dies and the benefits are being  
 1154 paid on behalf of the member's unmarried child or children as  
 1155 provided in subparagraph 1., benefits shall be paid until the  
 1156 last day of the month the youngest child reaches his or her 18th  
 1157 birthday.

1158 Section 8. Section 121.5912, Florida Statutes, is created  
 1159 to read:

1160 121.5912 Survivor benefit retirement program; qualified  
 1161 status; rulemaking authority.—It is the intent of the  
 1162 Legislature that the survivor benefit retirement program for  
 1163 members of the Florida Retirement System Investment Plan meet  
 1164 all applicable requirements for a qualified plan. If the state  
 1165 board or the division receives notification from the Internal  
 1166 Revenue Service that this program or any portion of this program  
 1167 will cause the retirement system, or any portion thereof, to be  
 1168 disqualified for tax purposes under the Internal Revenue Code,  
 1169 the portion that will cause the disqualification does not apply.  
 1170 Upon such notice, the state board or the division shall notify

1171 the presiding officers of the Legislature. The state board and  
 1172 the department may adopt any rules necessary to maintain the  
 1173 qualified status of the survivor benefit retirement program.

1174 Section 9. Subsection (1) of section 121.71, Florida  
 1175 Statutes, is amended to read:

1176 121.71 Uniform rates; process; calculations; levy.—

1177 (1) In conducting the system actuarial study required  
 1178 under s. 121.031, the actuary shall follow all requirements  
 1179 specified to determine, by Florida Retirement System employee  
 1180 membership class, the dollar contribution amounts necessary for  
 1181 the next fiscal year for the pension plan. In addition, the  
 1182 actuary shall determine, by Florida Retirement System membership  
 1183 class, based on an estimate for the next fiscal year of the  
 1184 gross compensation of employees participating in the investment  
 1185 plan, the dollar contribution amounts necessary to make the  
 1186 allocations required under ss. 121.72, ~~and 121.73,~~ and 121.735.  
 1187 For each employee membership class and subclass, the actuarial  
 1188 study must establish a uniform rate necessary to fund the  
 1189 benefit obligations under both Florida Retirement System  
 1190 retirement plans by dividing the sum of total dollars required  
 1191 by the estimated gross compensation of members in both plans.

1192 Section 10. Section 121.735, Florida Statutes, is created  
 1193 to read:

1194 121.735 Allocations for member line-of-duty death  
 1195 benefits; percentage amounts.—

1196 (1) The allocations established in subsection (3) shall be

1197 used to provide line-of-duty death benefit coverage for the  
 1198 surviving spouses and children of members in the investment plan  
 1199 and shall be transferred monthly by the division from the  
 1200 Florida Retirement System Contributions Clearing Trust Fund to  
 1201 the survivor benefit account of the Florida Retirement System  
 1202 Trust Fund.

1203 (2) Such allocations are stated as a percentage of each  
 1204 investment plan member's gross compensation for the calendar  
 1205 month. Any change in a contribution percentage is effective the  
 1206 first day of the month for which retirement contributions may be  
 1207 made on or after the beginning date of the change. Contribution  
 1208 percentages may be modified by general law.

1209 (3) Effective July 1, 2016, allocations from the Florida  
 1210 Retirement System Contributions Clearing Trust Fund to provide  
 1211 line-of-duty death benefits for members in the investment plan  
 1212 and to offset the costs of administering said coverage are as  
 1213 follows:

<u>Membership Class</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation</u>
<u>Regular Class</u>	<u>0.06%</u>

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1219	<u>Special Risk Class</u>	<u>0.46%</u>
	<u>Special Risk</u>	
	<u>Administrative</u>	
1220	<u>Support Class</u>	<u>0.04%</u>
	<u>Elected Officers' Class-</u>	
	<u>Legislators, Governor,</u>	
	<u>Lt. Governor,</u>	
	<u>Cabinet Officers,</u>	
	<u>State Attorneys,</u>	
1221	<u>Public Defenders</u>	<u>0.17%</u>
	<u>Elected Officers' Class-</u>	
1222	<u>Justices, Judges</u>	<u>0.14%</u>
	<u>Elected Officers' Class-</u>	
1223	<u>County Elected Officers</u>	<u>0.23%</u>
1224	<u>Senior Management Service Class</u>	<u>0.06%</u>
1225	Section 11. Section 121.74, Florida Statutes, is amended	
1226	to read:	
1227	121.74 Administrative and educational expenses.—In	
1228	addition to contributions required to fund member accounts under	
1229	<u>s. ss. 121.71 and 121.73</u> , effective July 1, 2010, through June	

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1230 30, 2014, employers participating in the Florida Retirement  
 1231 System shall contribute an employer assessment amount equal to  
 1232 0.03 percent of the payroll reported for each class or subclass  
 1233 of Florida Retirement System membership. Effective July 1, 2014,  
 1234 the employer assessment is 0.04 percent of the payroll reported  
 1235 for each class or subclass of membership. The amount assessed  
 1236 shall be transferred by the division of ~~Retirement~~ from the  
 1237 Florida Retirement System Contributions Clearing Trust Fund to  
 1238 the State Board of Administration's Administrative Trust Fund to  
 1239 offset the costs of administering the investment plan and the  
 1240 costs of providing educational services to members of the  
 1241 Florida Retirement System. Approval of the trustees is required  
 1242 before the expenditure of these funds. Payments for third-party  
 1243 administrative or educational expenses shall be made only  
 1244 pursuant to the terms of the approved contracts for such  
 1245 services.

1246 Section 12. Section 121.75, Florida Statutes, is amended  
 1247 to read:

1248 121.75 Allocation for pension plan.—After making the  
 1249 transfers required pursuant to ss. 121.71, 121.72, 121.73,  
 1250 121.735, and 121.74, the monthly balance of funds in the Florida  
 1251 Retirement System Contributions Clearing Trust Fund shall be  
 1252 transferred to the Florida Retirement System Trust Fund to pay  
 1253 the costs of providing pension plan benefits and plan  
 1254 administrative costs under the pension plan.

1255 Section 13. For the 2016-2017 fiscal year only, upon

1256 notification by the Department of Management Services that  
 1257 sufficient funds are not available to make survivor benefit  
 1258 payments authorized by this act, the State Board of  
 1259 Administration shall transfer, to the extent necessary, moneys  
 1260 in the Administrative Trust Fund to the survivor benefits  
 1261 account in the Florida Retirement System Trust Fund to ensure  
 1262 the timely payment of survivor benefits.

1263 Section 14. (1) In order to fund the benefit changes  
 1264 provided in this act, the required employer contribution rates  
 1265 for members of the Florida Retirement System established in s.  
 1266 121.71(4), Florida Statutes, are adjusted as follows:

1267 (a) The Regular Class is increased by 0.01 percentage  
 1268 point.

1269 (b) The Special Risk Class is increased by 0.07 percentage  
 1270 point.

1271 (c) The Special Risk Administrative Support Class is  
 1272 increased by 0.02 percentage point.

1273 (d) The Elected Officers' Class-Legislators, Governor, Lt.  
 1274 Governor, Cabinet Officers, State Attorneys, Public Defenders is  
 1275 increased by 0.05 percentage point.

1276 (e) The Elected Officers' Class-Justices, Judges is  
 1277 increased by 0.02 percentage point.

1278 (f) The Elected Officers' Class-County Elected Officers is  
 1279 increased by 0.07 percentage point.

1280 (g) The Senior Management Service Class is increased by  
 1281 0.01 percentage point.

1282        (2) The adjustments provided in subsection (1) are in  
1283 addition to any other changes to such contributions rates that  
1284 may be enacted into law to take effect on July 1, 2016. The  
1285 Division of Law Revision and Information is directed to adjust  
1286 accordingly the contribution rates provided in s. 121.71,  
1287 Florida Statutes.

1288        Section 15. The Legislature finds that a proper and  
1289 legitimate state purpose is served when employees and retirees  
1290 of the state and its political subdivisions, and the dependents,  
1291 survivors, and beneficiaries of such employees and retirees, are  
1292 extended the basic protections afforded by governmental  
1293 retirement systems. These persons must be provided benefits that  
1294 are fair and adequate and that are managed, administered, and  
1295 funded in an actuarially sound manner, as required by s. 14,  
1296 Article X of the State Constitution and part VII of chapter 112,  
1297 Florida Statutes. Therefore, the Legislature determines and  
1298 declares that this act fulfills an important state interest.

1299        Section 16. For the 2016-17 fiscal year, the recurring  
1300 sums of \$4,249,000 from the General Revenue Fund and \$564,000  
1301 from trust funds are appropriated to Administered Funds in order  
1302 to fund the increased employer contribution rates to be paid  
1303 under this act by state agencies, state universities, state  
1304 colleges, and school districts.

1305        Section 17. This act shall take effect July 1, 2016.